ICICI Group:

Performance & Strategy

June 2017

Agenda

- Indian economy and banking sector
- ICICI Group

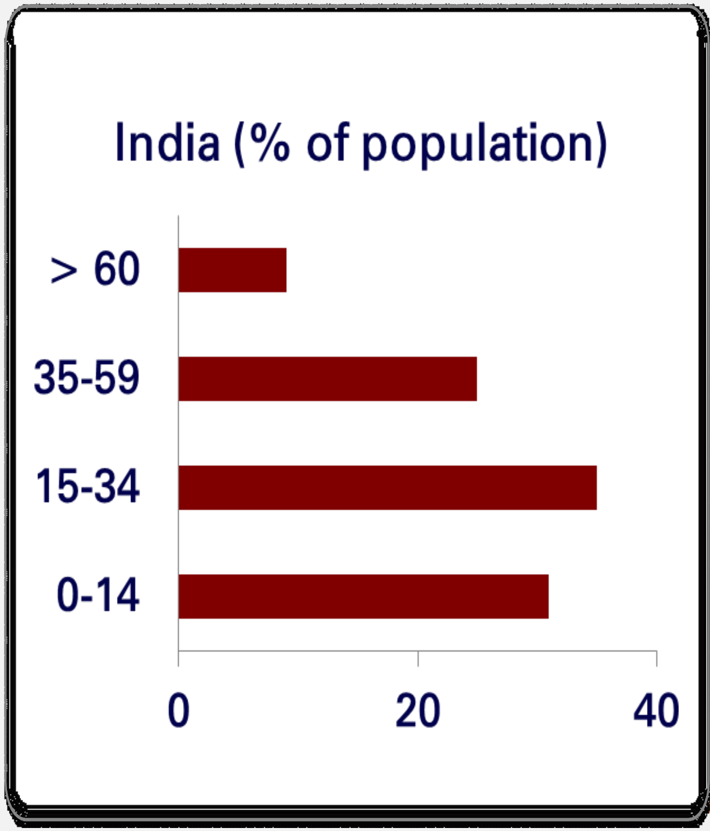
India: strong long term fundamentals

Key drivers of growth

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

India: strong long-term fundamentals

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

Inflation at 2.99% in April 2017; aggregate rate cut of 175 bps since January 2015

Strong external sector trends

- Current account deficit in control at 1.4% of GDP in Q3-2017
- Stable currency vis-à-vis other emerging markets
- Foreign exchange reserves of ~ US$ 379 billion; import cover of ~ 12 months

Focus on fiscal consolidation

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

Sluggish economic growth

- GDP grew by 7.1% y-o-y in FY2017 compared to 8.0% in FY2016, still amongst the fastest growing economies

Significant structural reforms

- Withdrawal of legal tender of ₹ 500 and ₹ 1,000 currency notes to curb shadow economy and use of counterfeit notes
    - Increase in formal financial savings
    - Decrease in interest rates
    - Increased tax compliance
    - Impetus to digital payments
- Legislation on the GST[1] enacted; to be implemented from July 1, 2017
- Liberalisation of FDI limits across various sectors; other reforms such as ease of doing business to propel investments

1. Goods and services tax

Key challenges

- Weak global economic environment
- 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

Conservative regulatory framework

Capital adequacy

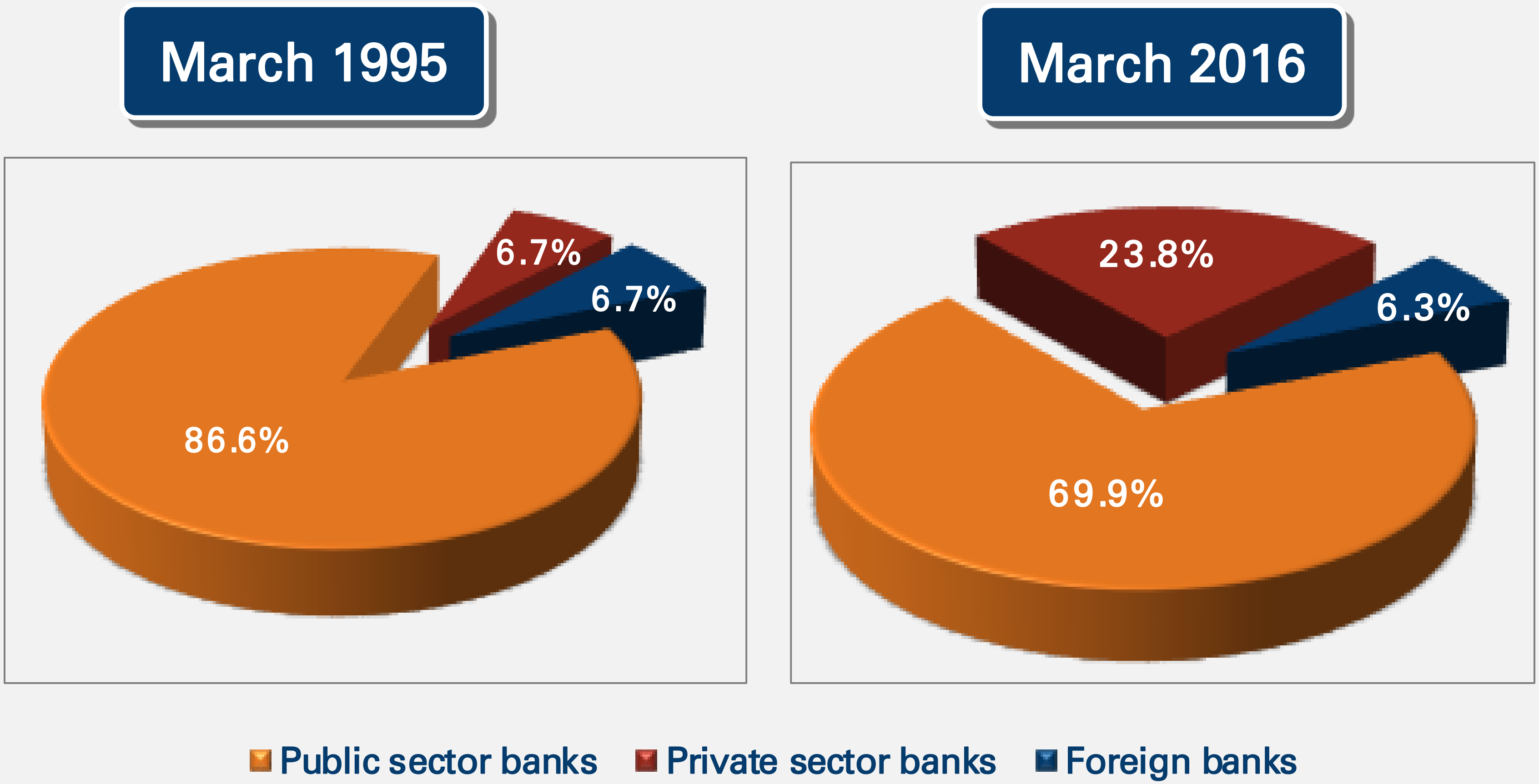
- Average capital adequacy for the system at 13.3%[1]
- Implementation of Basel III in FY2014
  - Capital requirements 1% higher compared to BCBS
  - Higher risk weights on certain secured loan categories e.g. consumer loans

Focus on asset resolution

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

1. Source: Reserve Bank of India
2. Strategic Debt Restructuring
3. Scheme for Strategic Structuring of Stressed Assets

Private sector banks gaining market share[1,2]



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

Agenda

Indian economy and banking sector

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ICICI Bank

Spanning the spectrum of financial services

Strong franchise

ICICI Prudential Life Insurance	ICICI Lombard General Insurance	ICICI Prudential Mutual Fund	ICICI Securities / ICICI Securities Primary Dealership Limited
▪ Private sector market leader ▪ Strong profitability	▪ Sustained private sector market leadership[1] ▪ Healthy returns	▪ India's largest mutual fund[2] ▪ Strong fund performance	▪ Largest online retail broking platform ▪ Strong franchises; market-linked businesses

ICICI Bank

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

1. Based on gross written premium for FY2017
2. Based on average AUM for the quarter ended March 31, 2017

ICICI Bank

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

Tier I capital adequacy of 14.36%[2] at March 31, 2017 as per RBI's guidelines on Basel III norms

Diversified loan portfolio

Large physical footprint in India: 4,850 branches and 13,882 ATMs

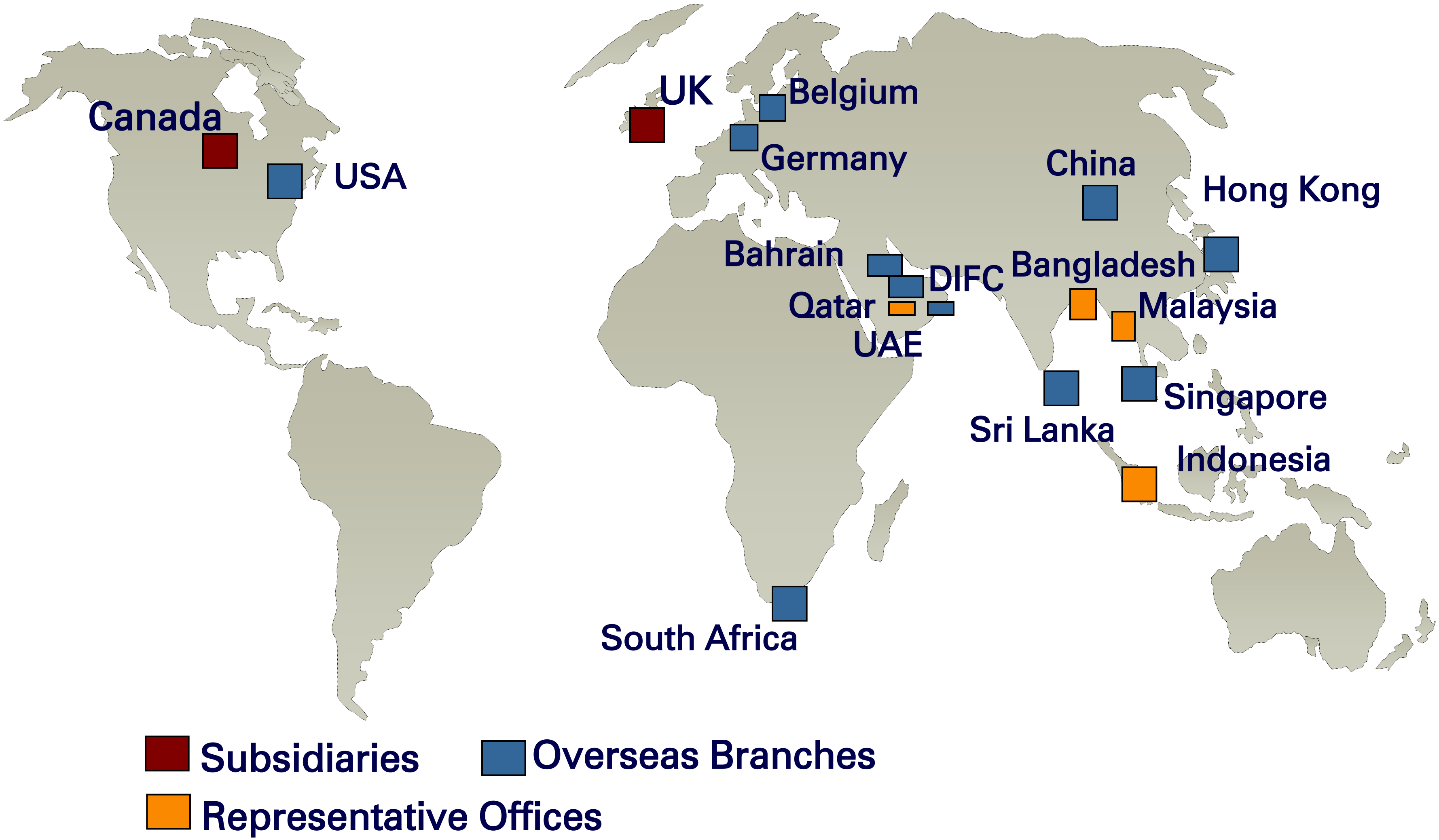
Leadership in technology

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

Global presence



Performance highlights

Continued healthy retail loan growth

Loan portfolio	Y-o-Y growth (%)
Total domestic	14.0%
Retail	18.5%
SME	17.5%
Corporate	5.8%
Overseas[1]	(20.1)%

Domestic loan growth at end-Mar 2017 about 820 bps higher than system

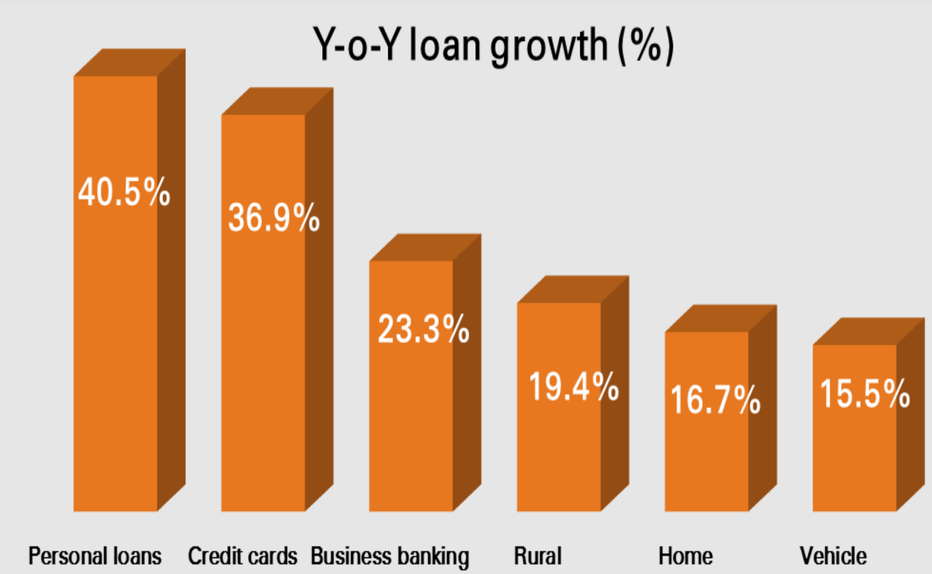
Total loans of ₹ 4,642.32 billion (6.7% y-o-y growth)

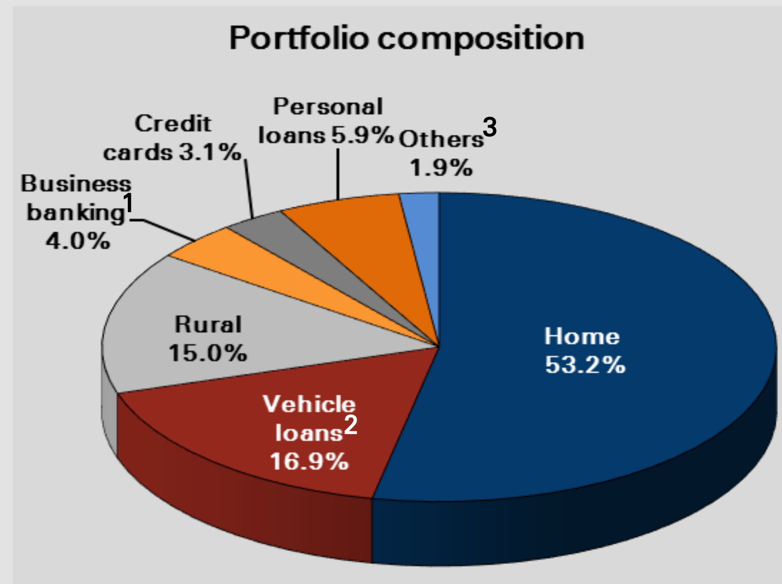
Increasing share of retail loans

1. Overseas portfolio decreased by 18.3% y-o-y in US$ terms

Balance sheet (assets): slide 34

Growth trends for retail segments





Retail loan growth at 18.5% y-o-y; sequential increase of 7.2%

Total retail loans at ₹ 2,403 billion at Mar 31, 2017

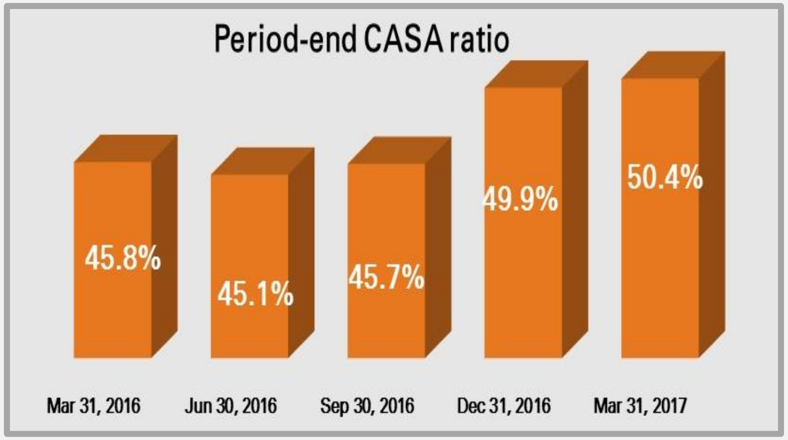
1. Dealer funding loans were reclassified from 'Business banking' to 'Others' in June 2016
2. Vehicle loans include auto loans: 10.6%, commercial business: 6.3% and two-wheeler loans: 0.1%
3. Others include dealer funding: 1.2% and loan against securities: 0.7%

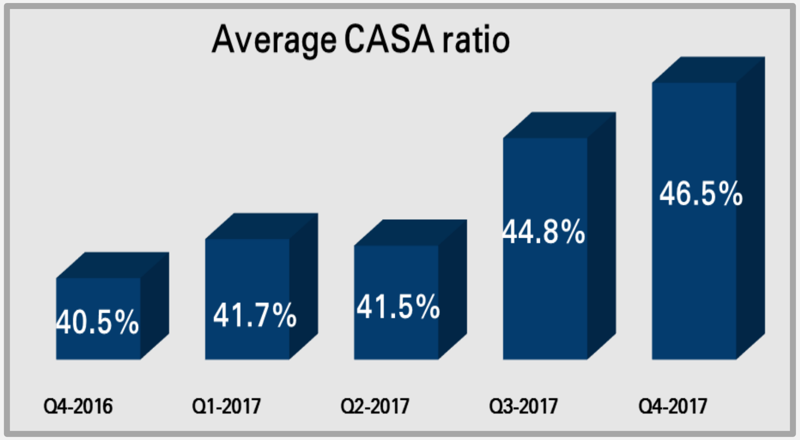
Corporate business: focus on selective lending

Continued focus on lending to higher rated corporates

Growth in domestic corporate portfolio at 5.8% y-o-y; growth in corporate loans, other than non-performing loans, restructured loans and loans to companies included in drilldown exposures, was significantly higher

Robust increase in deposits





- Accretion of ₹ 376.08 billion to SA deposits and ₹ 161.14 billion to CA deposits in FY2017
- Accretion of ₹ 64.27 billion to SA deposits and ₹ 84.33 billion to CA deposits in Q4-2017

- 27.8% y-o-y growth in period end CASA deposits at March 2017
- Proportion of retail deposits at about 76%

Balance sheet (liabilities): slide 35

Leadership in technology

ICICI Bank

Digital leadership driven by:

1. Simplified, personalised digital experiences
2. On-the-go payments & transactions
3. Improved customer service
4. Efficient operations
5. Digital acquisition & engagement

Supported by scalable, secure & reliable systems

Unique digital offerings

Mobile banking

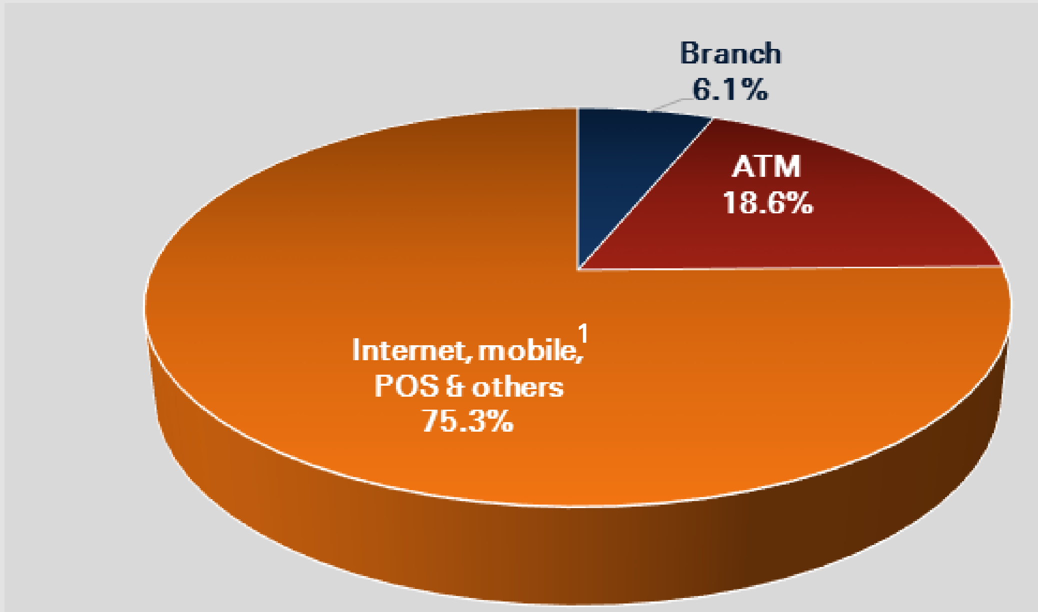
- Best-in-class mobile application
- More than 250 services
- Highest overall score in 2016[1]
- Pockets: comprehensive digital wallet
  - Amongst the top 4 wallet apps in terms of time spent on the app[2]
  - Over 6.2 million downloads

Payment solutions

- Over 2.4 mn[2] VPAs on UPI have been created using 'iMobile' and 'Pockets'
- Launch of Eazypay
  - Single mobile-based application for merchants to collect payments using several options
  - ~110,000 merchants added

1. India Mobile Banking Functionality Benchmark study conducted by Forrester
2. As per Nielsen whitepaper on wallets

Adoption of digital offerings



Channel mix of transactions[2] for FY2017

Over 94% of financial and non-financial transactions of our savings account customers are now done outside the branches

1. Includes touch banking, phone banking & debit cards POS transactions
2. Financial and non-financial transactions of savings account customers

Credit quality

NPA and restructuring trends

₹ billion	March 31, 2016	December 31, 2016	March 31, 2017
Net NPAs (A)	132.97	201.55	254.51
Net restructured loans (B)	85.73	64.07	42.65
Total (A+B)	218.70	265.62	297.61
Total as a % of net customer assets	4.40%	5.21%	5.70%

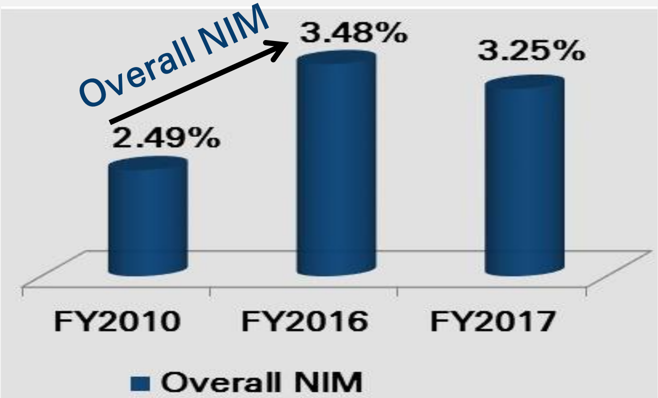
- Asset quality in corporate sector impacted by challenging operating environment
- Retail asset quality continues to be stable across segments

Provisioning coverage ratio at 53.6% including cumulative technical/ prudential write-offs and floating provisions

Portfolio trends and approach: slide 36

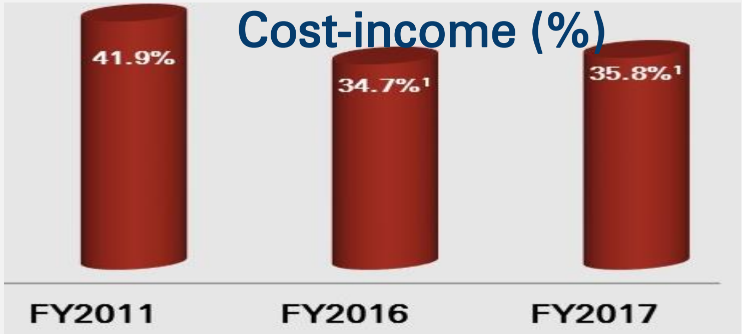
Operating performance

Granular revenue streams



- Margins were lower in FY2017 primarily on account of non-accrual of interest income on NPAs
- Focus on margins for incremental business

Healthy operating efficiency



- Excluding gain on sale of shares of ICICI Life, the cost-income ratio was 41.5% in FY2017
- Significant investments made in human resources and distribution in recent years

1. Including gain on sale of stake in subsidiaries

Profit & loss statement: slide 42

Key ratios: slide 44

Significant value in subsidiaries (1/2)

FY2016

The Bank sold 6.0% stake in ICICI Prudential Life Insurance Company Limited (ICICI Life) and 9.0% stake in ICICI Lombard General Insurance Company Limited (ICICI General) in FY2016; aggregate gains of about ₹ 33.74 billion

ICICI Life valued at ~₹ 325 billion and ICICI General valued at ~₹ 172 billion at the time of sale

Significant value in subsidiaries (2/2)

FY2017

Completed initial public offer of ICICI Life in Q2-2017

The Bank sold 12.63% stake in the IPO and realised gains of about ₹ 56.82 billion in Q2-2017; shareholding of 54.9% after the sale

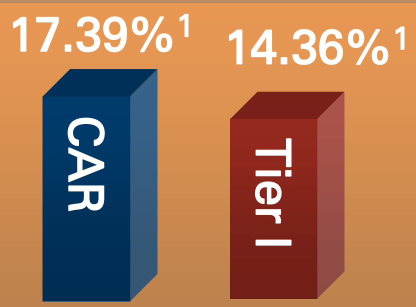
ICICI Life had market capitalisation of ₹ 606.43 billion on Jun 8, 2017; among eleven largest financial services companies[1] in India based on market capitalisation

Further stake sale in ICICI General announced through IPO

1. Listed on NSE

Strong capital position

Standalone



Mar 31, 2017

- 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 6.06% over the minimum requirement of 8.30% as per current RBI guidelines

During the quarter, the Bank raised ₹ 34.25 billion by way of issuance of Additional Tier-I bonds

2.9% y-o-y growth in risk weighted assets compared to 7.1% y-o-y growth in total assets

1. After reckoning the impact of proposed dividend

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	March 31, 2016	December 31, 2016	March 31, 2017	Y-o-Y growth
Cash & bank balances	598.69	611.67	757.13	26.5%
Investments	1,604.12	1,689.87	1,615.07	0.7%
- SLR investments	*1,104.06*	*1,227.35*	*1,085.40*	*(1.7)%*
- Equity investment in subsidiaries	*107.63*	*105.82*	*103.23*	*(4.1)%*
Advances	4,352.64	4,574.69	4,642.32	6.7%
Fixed & other assets	651.50	701.74	703.39	8.0%
- RIDF [1] and related	*280.66*	*260.58*	*241.13*	*(14.1)%*
Total assets	**7,206.95**	**7,577.97**	**7,717.91**	**7.1%**

Net investment in security receipts of asset reconstruction companies was ₹ 32.86 billion at March 31, 2017 (December 31, 2016: ₹ 28.11 billion)

1. Rural Infrastructure Development Fund

Loan growth: slide 19

Balance sheet: liabilities

₹ billion	March 31, 2016	December 31, 2016	March 31, 2017	Y-o-Y growth
Net worth[1]	897.36	975.14	999.51	11.4%
- Equity capital	*11.63*	*11.64*	*11.65*	*0.2%*
- Reserves	*885.73*	*963.50*	*987.86*	*11.5%*
Deposits	4,214.26	4,652.84	4,900.39	16.3%
- Savings	*1,342.30*	*1,654.11*	*1,718.38*	*28.0%*
- Current	*588.70*	*665.50*	*749.83*	*27.4%*
Borrowings[2,3]	1,748.07	1,590.98	1,475.56	(15.6%)
Other liabilities	347.26	359.01	342.45	(1.4%)
Total liabilities	**7,206.95**	**7,577.97**	**7,717.91**	**7.1%**

Credit/deposit ratio of 80.5% on the domestic balance sheet at March 31, 2017

1. Dividend not being deducted from net worth at March 31, 2017 in line with applicable norms
2. Borrowings include preference shares amounting to ₹ 3.50 billion
3. Including impact of exchange rate movement

Funding profile: slide 22

Portfolio composition over the years

% of total advances	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017
Retail	38.0%	37.0%	39.0%	42.4%	46.6%	51.8%
Domestic corporate	28.6%	32.5%	30.1%	28.8%	27.5%	27.3%
SME	6.0%	5.2%	4.4%	4.4%	4.3%	4.8%
International[1]	27.4%	25.3%	26.5%	24.3%	21.6%	16.1%
Total advances (₹ billion)	**2,537**	**2,902**	**3,387**	**3,875**	**4,353**	**4,642**

1. Including impact of exchange rate movement

Sector-wise exposures

Top 10 sectors[1]: % of total exposure of the Bank	March 31, 2012[2]	March 31, 2013[2]	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017
Retail finance	16.2%	18.9%	22.4%	24.7%	27.1%	31.9%
Electronics & engineering	8.1%	8.3%	8.2%	7.6%	7.3%	6.9%
Banks	10.1%	8.8%	8.6%	7.8%	8.0%	6.2%
Road, port, telecom, urban development & other infra	5.8%	6.0%	6.0%	5.9%	5.8%	6.0%
Crude petroleum/refining & petrochemicals	5.5%	6.6%	6.2%	7.0%	5.7%	5.5%
Power	7.3%	6.4%	5.9%	5.5%	5.4%	5.3%
Services – finance	6.6%	6.0%	4.9%	4.2%	4.9%	5.1%
Services - non finance	5.5%	5.1%	5.2%	5.0%	4.9%	4.0%
Iron/steel & products	5.2%	5.1%	5.0%	4.8%	4.5%	3.6%
Construction	4.3%	4.2%	4.4%	4.0%	3.4%	3.1%
Total exposure of the Bank (₹ billion)	**7,133**	**7,585**	**7,828**	**8,535**	**9,428**	**9,372**

1. Top 10 based on position at March 31, 2017
2. Figures may not be fully comparable with subsequent periods due to certain reclassifications effective 2013

In April 2016, the Bank had identified power, iron & steel, mining, cement and rigs sectors as the key sectors impacted by the uncertainties and challenges in the operating environment

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
Power	7.3%	6.4%	5.9%	5.5%	5.4%	5.1%
Iron/steel	5.2%	5.1%	5.0%	4.8%	4.5%	3.6%
Mining	2.0%	1.7%	1.7%	1.5%	1.6%	1.8%
Cement	1.2%	1.4%	1.4%	1.5%	1.2%	1.1%
Rigs	0.5%	0.5%	0.8%	0.5%	0.6%	0.4%
Total exposure of the Bank to key sectors	**16.2%**	**15.1%**	**14.8%**	**13.8%**	**13.3%**	**12.0%**

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 relating to key sectors included; ~70% of the 5/25 refinancing relating to key sectors included
5. Loans already classified as restructured and non-performing excluded

Further drilldown: exposure

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

1. Aggregate fund based limits and non-fund based outstanding
2. Excludes net exposure of ₹ 4.49 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 FY2017
6. In addition to above, the non-fund based outstanding to borrowers classified as non-performing was ₹ 19.32 bn at Mar 31, 2017

Credit quality: slide 27

Profit & loss statement (1/2)

₹ billion	FY 2016	Q4-2016	Q3-2017	Q4-2017	FY 2017	Q4-o-Q4 growth
NII	212.24	54.05	53.63	59.62	217.37	10.3%
Non-interest income (excl. gains on stake sale in subsidiaries)	119.48	29.78	39.39	30.17	138.23	1.3%
- Fee income	*88.20*	*22.12*	*24.95*	*24.46*	*94.52*	*10.5%*
- Other income[1]	*24.42*	*7.07*	*5.51*	*0.68*	*14.76*	*(90.4)%*
- Treasury income	*6.86*	*0.59*	*8.93*	*5.03*	*28.95*	*752.5%*
Total income	**331.72**	**83.83**	**93.02**	**89.79**	**355.60**	**7.1%**
Operating expenses	126.83	34.06	37.78	38.67	147.55	13.5%
Operating profit	**204.89**	**49.77**	**55.24**	**51.12**	**208.05**	**2.7%**

1. As per 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 ₹ 9.41 bn in FY2016, ₹ 2.61 bn in Q4-2016, ₹ 0.82 bn in Q3-2017 (reversed in Q4-2017) and nil in FY2017

Profit & loss statement (2/2)

₹ billion	FY 2016	Q4-2016	Q3-2017	Q4-2017	FY 2017	Q4-o-Q4 growth
Operating profit	**204.89**	**49.77**	**55.24**	**51.12**	**208.05**	**2.7%**
Gains on stake sale in subsidiaries	33.74	21.31	-	-	56.82	-
Operating profit (incl. gains on stake sale in subsidiaries)	**238.63**	**71.08**	**55.24**	**51.12**	**264.87**	**(28.1)%**
Provisions[1,2]	80.67	33.26	27.13	28.98	152.08	(12.9)%
Collective contingency & related reserve	36.00	36.00	-	-	-	-
Profit before tax	**121.96**	**1.82**	**28.11**	**22.14**	**112.79**	**-**
Tax	24.70	(5.20)	3.69	1.89	14.78	-
Profit after tax	**97.26**	**7.02**	**24.42**	**20.25**	**98.01**	**188.5%**

1. Drawdown from the collective contingency & related reserve of ₹ 5.27 bn in Q3-2017, ₹ 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 28

Key ratios

Percent	FY 2016	Q4-2016	Q3-2017	Q4-2017	FY 2017
Return on average networth[1,2]	11.3	3.2	10.1	8.3	10.3[2]
Return on average assets[1]	1.49	0.41	1.30	1.10	1.35
Weighted average EPS[1]	16.8	4.9	16.7	14.1	16.8
Book value (₹)	154	154	168	172	172[2]
Fee to income	24.1	21.0	26.8	27.2	22.9
Cost to income	34.7[3]	32.4[3]	40.6	43.1	35.8[3]
Average CASA ratio	40.7	40.5	44.8	46.5	43.7

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. Includes gain on sale of stake in insurance subsidiaries

Operating performance: slide 28