

# Leadership in banking through technology

22<sup>ND</sup> ANNUAL REPORT AND ACCOUNTS  
2015 - 2016

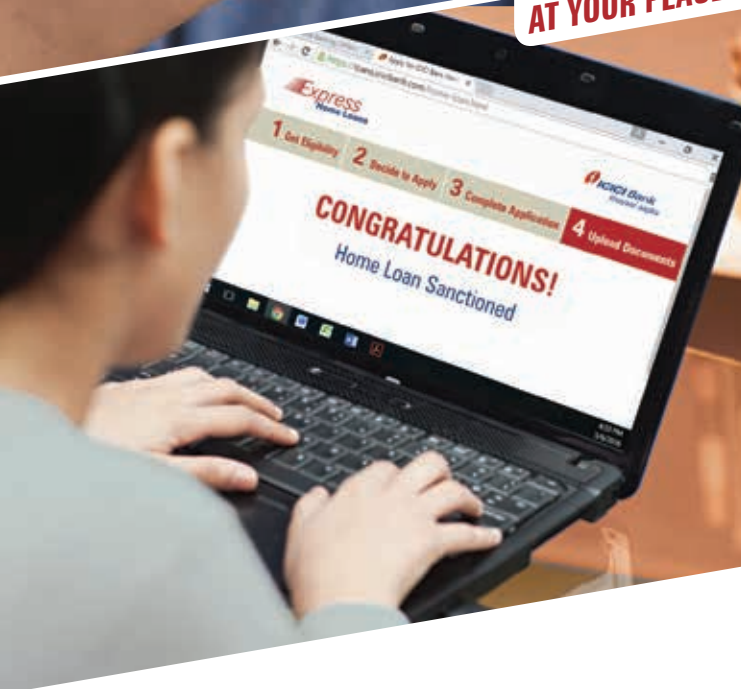
ON THE MOVE



AT OUR PLACE



AT YOUR PLACE



 **ICICI Bank**  
*khayaal aapka*

# CONTENTS

---

1	Leadership through Technology
2	ICICI Bank at a Glance
4	Financial Highlights
6	Message from the Chairman
8	Message from the Managing Director & CEO
10	Board and Management
11	Messages from Executive Directors
12	Banking on the Move
16	Banking at Your Place
18	Banking at Our Place
20	Promoting Inclusive Growth
24	Awards
25	Directors' Report
77	Auditor's Certificate on Corporate Governance
78	Business Overview
92	Management's Discussion and Analysis
116	Key Financial Indicators: Last Ten Years

## FINANCIALS

---

117	Independent Auditors' Report – Financial Statements of ICICI Bank Limited
122	Financial Statements of ICICI Bank Limited
193	Independent Auditors' Report – Consolidated Financial Statements
198	Consolidated Financial Statements of ICICI Bank Limited and its Subsidiaries
243	Statement Pursuant to Section 129 of Companies Act, 2013
245	Basel Pillar 3 Disclosures
246	Glossary of Terms

## ENCLOSURES

---

Notice  
Attendance Slip and Form of Proxy

### REGISTERED OFFICE

Landmark  
Race Course Circle  
Vadodara 390 007  
Tel : +91-265-3263701  
CIN : L65190GJ1994PLC021012

### CORPORATE OFFICE

ICICI Bank Towers  
Bandra-Kurla Complex  
Mumbai 400 051  
Tel : +91-22-33667777  
Fax : +91-22-26531122

### STATUTORY AUDITORS

B S R & CO. LLP  
1st Floor, Lodha Excelus  
Apollo Mills Compound  
N. M. Joshi Marg  
Mahalaxmi  
Mumbai 400 011

### REGISTRAR AND TRANSFER AGENTS

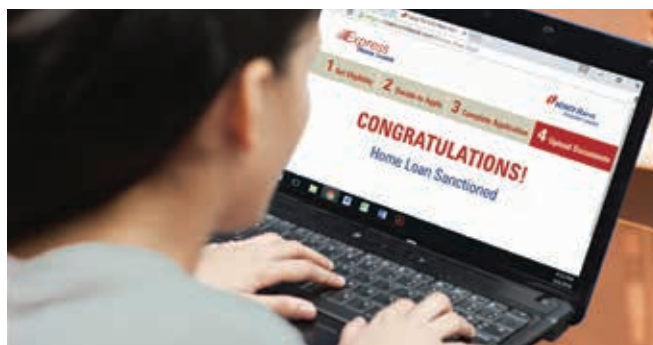
3i Infotech Limited  
International Infotech Park  
Tower 5, 3rd Floor  
Vashi Railway Station Complex  
Vashi, Navi Mumbai 400 703

# LEADERSHIP THROUGH TECHNOLOGY...

Digital technology is transforming the way we lead our lives today. The banking and financial services industry is a clear representation of this transformation. Consumers are more mobile than ever before and expect services to be available at the time and place of their choice.

At ICICI Bank, we have always realised this need of our customers and developed technology-led offerings to deliver a seamless banking experience at all places of their choice, be it 'their place', 'our place' or while they are 'on the move'.

Our consistency and speed in introducing these offerings has been recognised at various national and international forums, through the years. Our zeal to improve the banking experience for customers continues to drive us to innovate and carry forward our leadership in delivering banking services using cutting-edge technology.



## ...AT YOUR PLACE

Be it home or office, over the years, we have successfully brought banking closer to the customers, at their place of choice. Our sales officers visit customers and use tablets to open their bank accounts. This service was an industry first and is now almost an industry standard. Innovations like Express Home Loans, where customers get their home loan sanctioned online within eight hours, shift the paradigm completely for a process that has always been considered cumbersome. Banking at the place of your choice was never so easy and simple.

...more on page 16

## ...ON THE MOVE

Recent advances in telecommunications have made today's world an 'always connected world' where people demand and consume products and services on the move. At ICICI Bank, we have always leveraged technology effectively to stay ahead of customer needs. iMobile, the first mobile banking application of the country was launched in 2008, way before smartphones were widely embraced, and continues to be the most comprehensive mobile banking app in the country. Pockets, launched just over a year ago, is India's first and largest digital wallet launched by a bank.

...more on page 12



## ...AT OUR PLACE

The banking experience at our branches today is a confluence of personalised human connect and technology-enabled services. Wait times are now history with customers either servicing themselves at Insta Banking kiosks or pre-processing part of their transactions on their iMobile app in advance. Smart Vault, our state-of-the-art locker facility, uses robotic technology to enable customers to access their valuables 24x7, with multi-layer security systems using biometrics. These services represent seamless integration of the digital and physical.

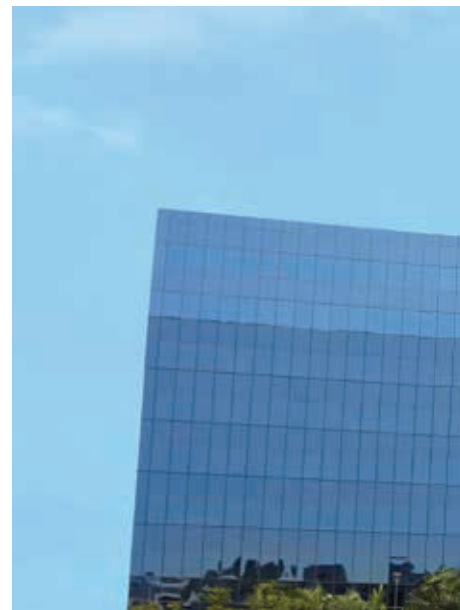
...more on page 18



## ICICI Bank at a Glance

**ICICI Bank, the country's largest private sector bank, offers a comprehensive range of products and services through a multi-channel delivery network.**

ICICI Bank continues to be at the forefront of technological innovation to provide simplicity and convenience in banking, in line with its philosophy of *khayaal aapka*. This has helped the Bank to build a robust pipeline of innovative products and services and consolidate its leadership position. With its cutting-edge technology, wide distribution network and energetic workforce, the Bank continues to stay ahead of competition.



₹ 9,188 BILLION

CONSOLIDATED TOTAL ASSETS

₹ 101.80 BILLION

CONSOLIDATED PROFIT AFTER TAX

₹ 97.26 BILLION

STANDALONE PROFIT AFTER TAX

45.8%

CASA RATIO



34.7%

COST TO INCOME RATIO



41 MILLION +

CARDS IN FORCE







# 95%

Close to 95% of all savings account transactions happen outside the branches

# 3.6 MILLION

Pockets, largest wallet launched by a bank, has recorded over 3.6 million downloads

# ₹ 1 TRILLION

First private sector bank to cross mortgage portfolio of ₹ 1 trillion

# 18,216

Largest retail network of 18,216 branches and ATMs among private sector banks



# 150+ SERVICES

iMobile, the most comprehensive banking app in India, offers over 150 services



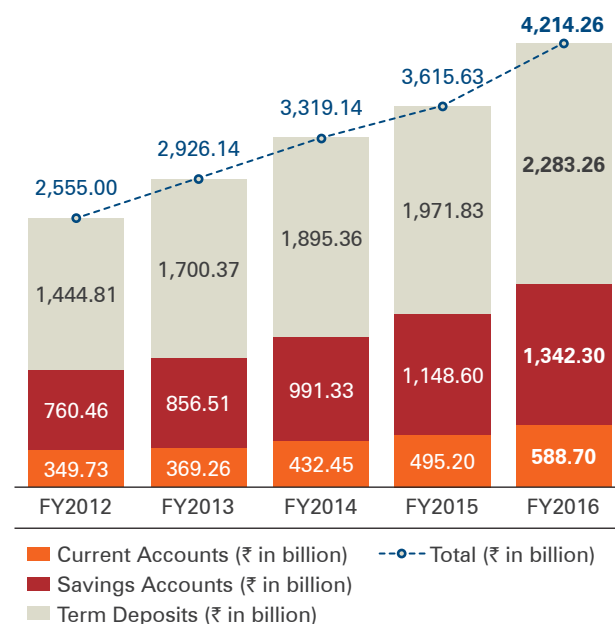
# ₹ 3 TRILLION

Digital channels recorded over ₹ 3 trillion worth of transactions in fiscal 2016

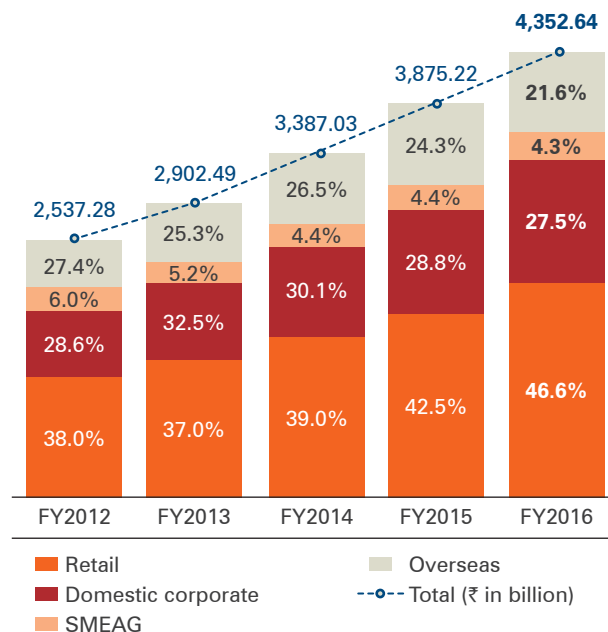


# Financial Highlights

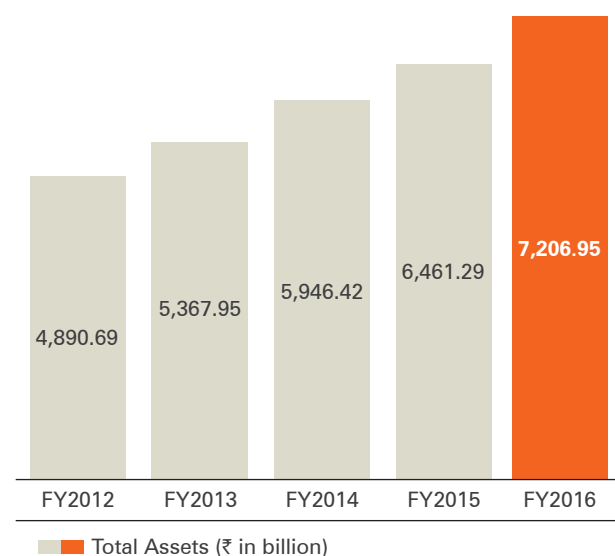
## Total Deposits



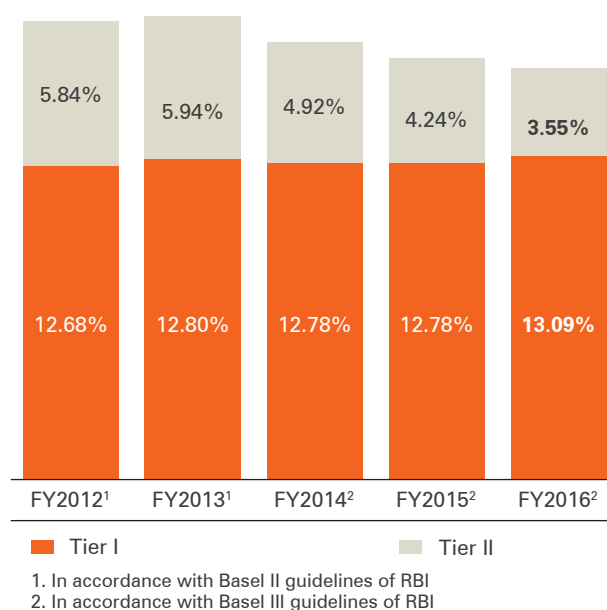
## Total Advances



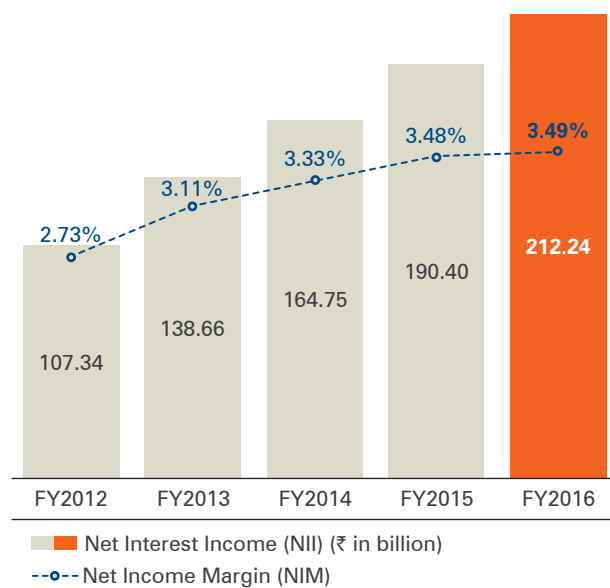
## Total Assets



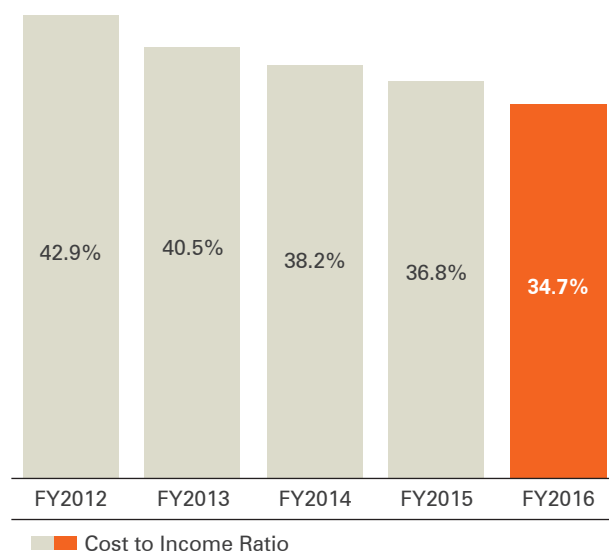
## Capital Adequacy Ratio



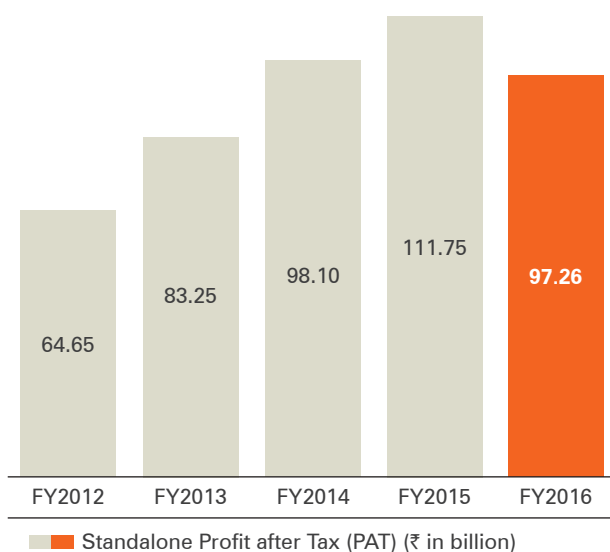
## NII & NIM



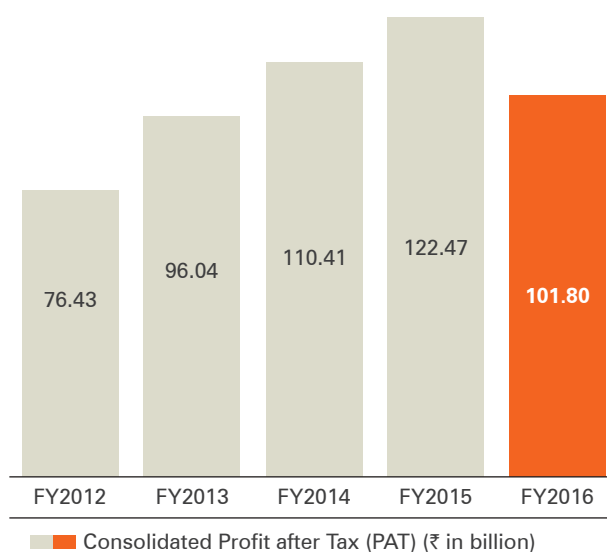
## Cost to Income Ratio



## Standalone PAT

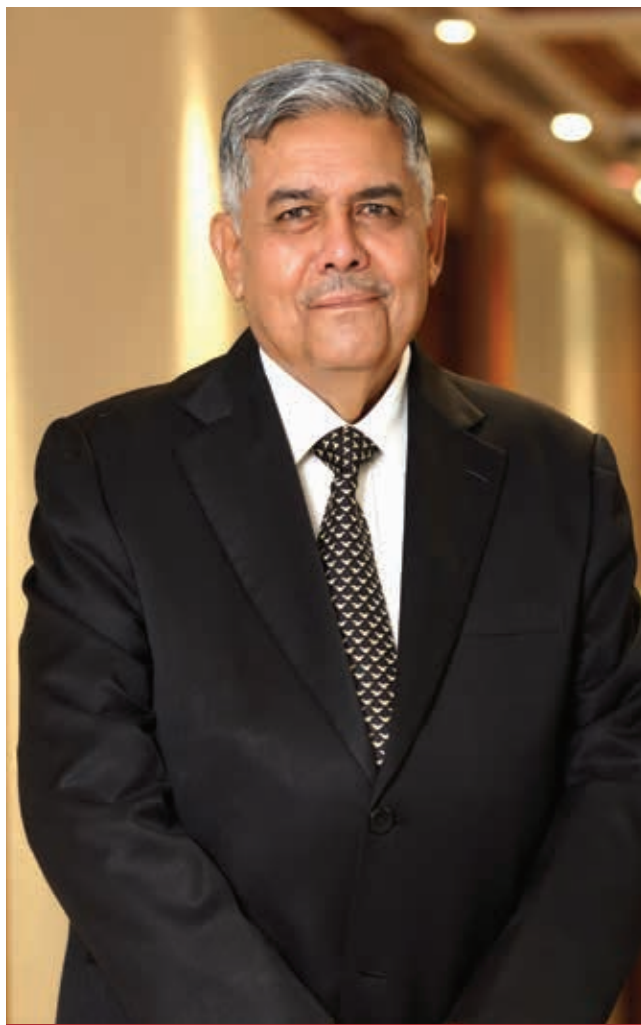


## Consolidated PAT



# Message from the Chairman

---



It is a pleasure to be addressing my first message to the shareholders of ICICI Bank as the Chairman of the Board of Directors. I have had a long prior association with the Bank as an independent Director on the Board, and I am honoured by the confidence the Board and shareholders have reposed in me in appointing me as the Chairman. On behalf of the Board, I would like to express our appreciation of Mr. K. V. Kamath, who made an invaluable contribution to the ICICI Group first as the CEO from 1996 to 2009, and then as the Chairman of the Board for six years.

The ICICI Group is a financial conglomerate with a long and rich history of leadership, of service to the nation and of partnership in its growth. Founded as a development finance institution in 1955, the Group has been on a

continuous journey of transformation, diversification and expansion to become a truly universal bank. The Group seeks to address every aspect of the financial services needs – savings, investments, credit, protection and payments – of each and every customer segment – large corporations, small & medium enterprises, urban customers, farming and non-farming rural communities and the under-privileged who have thus far been excluded from access to financial services. ICICI Bank has helped millions of individuals and families achieve their aspirations, as well as played a key role in the creation of infrastructure and industrial capacity in the country.

The Indian banking sector is passing through a phase that is both challenging and exciting. The growth slowdown that the economy experienced from 2012 onwards has led to stress on the corporate sector, resulting in both pressure on asset quality as well as limited new growth opportunities in the corporate segment for the banking sector. At the same time, there are robust growth opportunities in the retail segment and in rural areas; and in the continuing opportunities for transformation led by technology. The policy measures put in place over the last two years have also led to a substantial improvement in macro-economic parameters and are laying the foundation for new opportunities for the corporate sector.

Over the last few years, ICICI Bank has substantially strengthened its retail and rural business, as evidenced both by its strong deposit franchise and funding profile, the robust growth in its retail loan portfolio and healthy and stable asset quality in this segment. It has continued to innovate using technology to enhance the customer proposition. The Bank has calibrated growth and reoriented the strategy of its international operations in line with the new global environment. The corporate segment, where the Bank had in earlier years supported industrial and infrastructure investment critical to India's growth, has experienced challenges. The Bank has calibrated growth in its corporate loan portfolio as the economic pressures emerged. It is addressing the risks in this segment in a focused manner, by working closely with clients to ensure deleveraging, by ensuring that the Bank's interests are protected and by reformulating its risk appetite and risk management framework to rebalance the portfolio mix towards a lower risk profile. Underpinning the Bank's strategy and approach are its operating earnings and very strong capital base, which enable it to absorb risks while capitalising on growth opportunities. During fiscal 2016,




given the elevated risks in certain sectors, the Bank on a prudent basis made a collective contingency and related reserve towards its exposure to these sectors, thereby further strengthening the balance sheet.

The ICICI Group franchise is unique in that it extends beyond banking to outstanding franchises in every segment of financial services. It is a matter of great satisfaction that the value created by the insurance businesses of the Group was demonstrated during the year through investments in each of the subsidiaries. This further adds to the Group's financial strength and its platform for capitalising on the vast growth potential for financial services in India.

The Board of Directors is fully committed to maintaining the highest standards of corporate governance, with a view to ensuring that the Bank is well-placed to address risks as well as capitalise on growth opportunities, within

a framework of regulatory compliance and adherence to the highest ethical standards. The executive management team led by the Managing Director & CEO has set out a growth path based on the defined risk appetite and risk management and capital allocation framework, while focusing on addressing stress in the portfolio and maintaining a strong balance sheet. The ICICI Group has substantial depth of leadership talent, and is well-placed to execute its strategy. I am confident that the coming years will see the Group maintain and enhance its strength and capitalise on the diverse growth opportunities that our country presents.

With best wishes,



**M. K. Sharma**

# Message from the Managing Director & CEO



The global economy experienced challenging conditions in fiscal 2016, with weak growth and divergent monetary policies in advanced economies, slowdown in China and significant decline in commodity prices. The Indian economy continued to make progress during the year, with improvement in key macroeconomic parameters and focused government initiatives to drive sustainable growth. However, the corporate sector continued to experience challenges given the prolonged slowdown in growth in earlier years and the global environment. Credit growth in the banking sector was moderate, with robust retail loan demand being offset by muted demand from the corporate sector. While retail asset quality was healthy and stable, the challenges facing the corporate sector impacted the asset quality metrics and profitability of banks. Other segments of financial services, like insurance and mutual funds, witnessed healthy growth.

Against this backdrop, at ICICI Bank, we focused on capitalising on growth opportunities while at the same time taking necessary steps to address challenges in the environment. We continued to enhance our franchise, and maintained our financial strength with robust capital levels. I would like to share some highlights for the Bank during the year.

- We sustained robust growth in our retail loan portfolio which grew by 23.3% and now constitutes 46.6% of total loans.
- We selectively grew our corporate portfolio focusing on higher rated clients, with a revised limit framework aimed at reducing concentration risk in the portfolio.
- We maintained our healthy funding profile, with an addition of ₹ 193.70 billion to savings deposits and ₹ 93.50 billion to current account deposits, and a CASA ratio of 45.8%. We expanded our network to 4,450 branches and 13,766 ATMs.
- We continued to be at the forefront of leveraging technology to improve the customer experience. We were the first bank in India to introduce contactless mobile payments using smartphones. We introduced Express Home Loans, the country's first fully online process for sanctioning home loans. Our digital wallet, Pockets, has had over 3.6 million downloads. Our banking application, iMobile, is the most comprehensive banking app in the country, offering over 150 services, many of which are industry firsts.
- With our focus on core operating parameters, we achieved an operating profit of ₹ 238.63 billion, a year-on-year growth of 21.0%.
- In view of the challenges being experienced by certain sectors of the economy, the Bank further strengthened its balance sheet by creating a collective contingency and related reserve of ₹ 36.00 billion on a prudent basis. This is over and above provisions made for non-performing and restructured loans as per Reserve Bank of India guidelines.
- The Bank's standalone profit before the above collective contingency and related reserve and tax was ₹ 157.96 billion. Even after taking into account the above prudent reserving and provision for tax, the Bank achieved a standalone profit after tax of ₹ 97.26 billion and a consolidated profit after tax of ₹ 101.80 billion.