

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty-Fourth Annual Report of ICICI Bank Limited along with the audited financial statements for the year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

The financial performance for fiscal 2018 is summarised in the following table:

₹ in billion, except percentages	Fiscal 2017	Fiscal 2018	% change
Net interest income and other income	412.42	404.45	(1.9)%
Operating expenses	147.55	157.04	6.4%
Provisions & contingencies ¹	152.08	173.07	13.8%
Profit before tax	112.79	74.34	(34.1)%
Profit after tax	98.01	67.77	(30.9)%

¹Excludes provision for taxes.

₹ in billion, except percentages	Fiscal 2017	Fiscal 2018	% change
Consolidated profit before tax and minority interest	138.09	109.78	(20.5)%
Consolidated profit after tax and minority interest	101.88	77.12	(24.3)%

APPROPRIATIONS

The profit after tax of the Bank for fiscal 2018 is ₹ 67.77 billion after provisions and contingencies of ₹ 173.07 billion, provision for taxes of ₹ 6.57 billion and all expenses. The accumulated profit is ₹ 249.97 billion, taking into account the balance of ₹ 187.45 billion brought forward from the previous year and deducting ₹ 5.25 billion directly from balance in profit and loss account towards provision for frauds on non-retail accounts. Your Bank's dividend policy is based on the profitability and key financial metrics of the Bank, the Bank's capital position and requirements and the regulations pertaining to the same. Your Bank has a consistent dividend payment history. Given the financial performance for fiscal 2018 and in line with the Bank's dividend policy and applicable regulations, your Directors are pleased to recommend a dividend of ₹ 1.50 per equity share for the year ended March 31, 2018 and have appropriated the disposable profit as follows:

₹ billion	Fiscal 2017	Fiscal 2018
To Statutory Reserve, making in all ₹ 228.97 billion	24.50	16.94
To Special Reserve created and maintained in terms of Section 36(1)(viii) of the Income Tax Act, 1961, making in all ₹ 89.79 billion	4.50	6.00
To Capital Reserve, making in all ₹ 128.26 billion ¹	52.93	25.66
To Revenue and other reserves, making in all ₹ 39.59 billion ²	0.01	7.01
Dividend paid during the year		
– On equity shares, during fiscal 2018 @ ₹ 2.50 per share of face value ₹ 2.00 each ^{3,4}	0.01	14.57
– On preference shares, during fiscal 2018 @ 100.00 per preference shares (₹)	..	35,000
– Corporate dividend tax ⁴	(0.07)	0.09
Leaving balance to be carried forward to the next year	187.45	179.70

1. Includes transfer of ₹ 24.90 billion on account of sale of part of a equity investment in the Bank's insurance subsidiary during fiscal 2018 (₹ 42.61 billion for fiscal 2017).
2. Includes transfer of ₹ 10.6 million to Reserve Fund for fiscal 2018 (₹ 9.8 million for fiscal 2017) in accordance with regulations applicable to the Sri Lanka branch.
3. Includes dividend for the prior year paid on shares issued after the balance sheet date and prior to the record date.
4. The proposed dividend (including dividend distribution tax) is not accounted as a liability in accordance with the revised AS 4 – 'Contingencies and events occurring after the balance sheet date' from fiscal 2017.

The Bank prepares its financial statements in accordance with the applicable accounting standards, Reserve Bank of India (RBI) guidelines and other applicable laws/regulations. RBI, under its risk-based supervision exercise, carries out the risk assessment of the Bank on an annual basis. This assessment is initiated subsequent to the finalisation, completion

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of audit and publication of audited financial statements for a financial year and typically occurs a few months after the financial year-end. As a part of this assessment, RBI separately reviews asset classification and provisioning of credit facilities given by the Bank to its borrowers. The divergences, if any, in classification or provisioning arising out of the supervisory process are given effect to in the financial statements in subsequent periods after conclusion of the exercise.

In terms of the RBI circular no. DBR.BPBC.No.63/21.04.018/2016-17 dated April 18, 2017, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements, wherever either (a) the additional provisioning requirements assessed by RBI exceed 15% of the published net profits after tax for the reference period or (b) the additional Gross NPAs identified by RBI exceed 15% of the published incremental Gross NPAs for the reference period, or both. Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for fiscal 2017.

REDEMPTION OF PREFERENCE SHARES

The Board of Directors at their Meeting held on April 2, 2018 considered and approved the redemption of 350, 0.001% Redeemable Non-Cumulative Preference Shares of ₹ 1,00,00,000/- each which was due on April 20, 2018. Pursuant to the RBI approval dated April 16, 2018, the above mentioned preference shares were redeemed on April 20, 2018. In line with the provisions of Section 61 and other applicable provisions of the Companies Act, 2013, approval of members is being sought in the Notice of the forthcoming Annual General Meeting (AGM) for re-classification of the authorised share capital of the Bank from ₹ 25,000,000,000 divided into 10,000,000,000 equity shares of ₹ 2 each, 15,000,000 shares of ₹ 100 each and 350 shares of ₹ 10,000,000 each to ₹ 25,000,000,000 comprising 12,500,000,000 equity shares of ₹ 2 each. No objection under Section 49C of the Banking Regulation Act, 1949 for the above alteration in the Memorandum of Association and Articles of Association of the Bank has been received from RBI vide DBR.PSBD No.11582/16.01.128/2017-18 dated June 25, 2018.

DIVIDEND DISTRIBUTION POLICY

In accordance with Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank has formulated a Dividend Distribution Policy and the same is annexed herewith as Annexure F. The Policy is hosted on the website of the Bank and can be viewed (<https://www.icicibank.com/managed-assets/docs/investor/policy-for-determining-material-subsidiaries/dividend-distribution-policy.pdf>).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Companies Act, 2013, the provisions of Section 186 of Companies Act, 2013, except sub-section (1), do not apply to a loan made, guarantee given or security provided by a banking company in the ordinary course of business. The particulars of investments made by the Bank are disclosed in Schedule 8 of the financial statements as per the applicable provisions of Banking Regulation Act, 1949.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Bank, to protect its interests as a lender, converts loans or exercises pledge of shares from time to time and hence acquires holding in unrelated companies, which is required to be reported as associate under the Companies Act, 2013 if the holding exceeds 20.0% of the total share capital. Accordingly, during fiscal 2018, pursuant to conversion of loan, Shree Renuka Sugars Limited became an associate company of the Bank for the purpose of reporting under the Companies Act, 2013. Further, pursuant to the Bank's investments in National Investment and Infrastructure Fund Limited (NIIFL), NIIFL became an associate company of the Bank during the year ended March 31, 2018. The particulars of subsidiary and associate companies as on March 31, 2018 have been included in Form MGT-9 which is annexed to this report as Annexure D. Escorts Motors Limited, which was considered as an associate under Section 2(6) of the Companies Act, 2013, ceased to be an associate of the Bank during fiscal 2018.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY

The performance of subsidiaries and associates and their contribution to the overall performance of the Bank as on March 31, 2018 has been annexed to this report as Annexure A. A summary of key financials of the Bank's subsidiaries is also included in this Annual Report.

The highlights of the performance of key subsidiaries are given as a part of Management's Discussion & Analysis under the section "Consolidated financials as per Indian GAAP".

The Bank will make available separate audited financial statements of the subsidiaries to any Member upon request. These documents/details are available on the Bank's website (www.icicibank.com) and will also be available for inspection by any Member or trustee of the holder of any debentures of the Bank at its Registered Office and Corporate Office. As required by Accounting Standard 21 (AS 21) issued by the Institute of Chartered Accountants of India, the Bank's consolidated financial statements included in this Annual Report incorporate the accounts of its subsidiaries and other consolidating entities.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND ITS FUTURE OPERATIONS

There are no significant and/or material orders passed by the regulators or courts or tribunals impacting the going concern status or future operations of the Bank.

DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

The Board of the Bank at March 31, 2018 consisted of 12 Directors, out of which six were independent Directors, one was a Government Nominee Director and five were wholetime Directors. The current composition of the Board consisted of 12 Directors, out of which seven are independent Directors, one is a Government Nominee Director and four are wholetime Directors.

Changes in the composition of the Board of Directors and other Key Managerial Personnel

The Board of Directors at their Meetings held on January 12, 2018, January 17, 2018, May 2, 2018 and May 29, 2018 approved the appointments of Neelam Dhawan, Uday Chitale, Radhakrishnan Nair and M. D. Mallya, respectively as additional (independent) Directors for a period of five years subject to the approval of the Members. All the above four Directors hold office upto the date of the forthcoming AGM and are eligible for appointment. Their appointments are being proposed in the Notice of the forthcoming AGM.

Lok Ranjan, Joint Secretary, Department of Financial Services, Ministry of Finance has been nominated by Government of India as a Director on the Board of the Bank effective April 5, 2018 in place of Amit Agrawal.

Pursuant to completion of their maximum permissible tenure of eight years as per the provisions of the Banking Regulation Act, 1949, Homi Khusrookhan and V. Sridar, independent Directors ceased to be Directors on the Board of the Bank effective close of business hours on January 20, 2018 and Tushaar Shah, independent Director, ceased to be a Director on the Board of the Bank effective close of business hours on May 2, 2018. The Board acknowledges the valuable contribution and guidance provided by the above Directors.

Further, the Board at its Meeting held on June 18, 2018 recommended to the Board of Directors of ICICI Prudential Life Insurance Company Limited (ICICI Life/Company) to appoint N. S. Kannan as the Managing Director & Chief Executive Officer (CEO) of the Company subject to regulatory and other approvals. The Board of Directors of ICICI Life at its Meeting held on June 18, 2018 appointed N. S. Kannan, as Managing Director & Chief Executive Officer of the Company with effect from June 19, 2018, subject to approval of Insurance Regulatory Development Authority of India (IRDAI) and Members of the Company. Pursuant to the aforesaid movement, N. S. Kannan ceased to be the Executive Director of the Bank effective close of business hours on June 18, 2018. The Board acknowledges the valuable contribution and guidance provided by N. S. Kannan during his tenure as executive Director of the Bank.

The Board of Directors at its Meeting held on June 18, 2018 approved the appointment of Sandeep Bakhshi as a wholetime Director and Chief Operating Officer (Designate) for a period of five years effective from June 19, 2018 or the date of receipt of approval from RBI, whichever is later. Application has been made to RBI for seeking necessary approval. The said appointment is subject to the approval of RBI and Members. Approval of the Members is being sought for Sandeep Bakhshi's appointment for five years in the Notice of the forthcoming Annual General Meeting through item nos.13 and 14. The Appointment of Mr. Bakhshi as a Wholetime Director to be designated as Chief Operating Officer is subject to the approval of RBI and would be effective from the date of RBI approval.

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Further, the Board at its Meeting held on June 29, 2018 approved the appointment of Girish Chandra Chaturvedi as an Additional (Independent) Director effective July 1, 2018 for a period of three years subject to the approval of Members. The Board also approved the appointment of Girish Chandra Chaturvedi as non-executive part-time Chairman effective from July 1, 2018 or the date of receipt of RBI approval for such appointment whichever is later. RBI vide its letter no DBR. Appt.No.451/08.88.001/ 2018-19 dated July 17, 2018 has approved the appointment of Mr. Girish Chandra Chaturvedi as Non-executive (part time) Chairman of the Bank effective July 17, 2018 till June 30, 2021. Approval of the Members is being sought for Girish Chandra Chaturvedi's appointment for five years in the Notice of the forthcoming Annual General Meeting through item nos.11 and 12.

The Board of Directors at its Meeting held July 27, 2018 appointed Ranganath Athreya as the Company Secretary and Compliance Officer of the Bank effective July 28, 2018. The Board in the same Meeting noted the cessation of Mr. P. Sanker, as the Company Secretary and Compliance Officer of the Bank effective close of business hours on July 27, 2018. The Board acknowledges the valuable contribution provided by P. Sanker during his tenure as the Company Secretary and Compliance Officer of the Bank.

Declaration of Independence

All independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 and as amended by the Companies (Amendment) Act, 2017 and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which have been relied on by the Bank and were placed at the Board Meetings held on April 2, 2018 and May 29, 2018. In the opinion of the Board, the independent Directors fulfil the necessary criteria for independence as stipulated under the statutes.

Retirement by rotation

In terms of Section 152 of the Companies Act, 2013, Vijay Chandok would retire by rotation at the forthcoming AGM and is eligible for re-appointment. Vijay Chandok has offered himself for re-appointment.

AUDITORS

Statutory Auditors

M/s B S R & Co. LLP, Chartered Accountants will retire at the ensuing AGM. B S R & Co. LLP, Chartered Accountants were appointed as auditors by the Members at their Twentieth Annual General Meeting (AGM) held on June 30, 2014 to hold office till conclusion of the Twenty-Fourth AGM. Their appointment was last ratified by the Members at their Twenty Third Annual General Meeting held on June 30, 2017 where they were appointed as auditors to hold office from the conclusion of the Twenty Third AGM until the conclusion of the Twenty-Fourth AGM of the Bank. B S R & Co. LLP have been auditors of the Company for four consecutive years, which is the maximum term for statutory auditors of banking companies as per the guidelines issued by Reserve Bank of India (RBI). Hence they would be retiring at the conclusion of the forthcoming Annual General Meeting. The Audit Committee and the Board of Directors have placed on record their appreciation of the professional services rendered by B S R & Co. LLP during their association with the Company as its auditors. As recommended by the Audit Committee, the Board has proposed the appointment of M/s Walker Chandok & Co LLP as statutory auditors for the year ending March 31, 2019 (fiscal 2019). Their appointment has been approved by RBI on May 17, 2018. The appointment of the auditors is proposed to the Members in the Notice of the current AGM through item no. 5. You are requested to consider their appointment.

There are no qualifications, reservation or adverse remarks made by the statutory auditors in the audit report.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Bank with the approval of its Board, appointed M/s. Parikh Parekh & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Bank for fiscal 2018. The Secretarial Audit Report is annexed herewith as Annexure B. There are no qualifications, reservation or adverse remark or disclaimer made by the auditor in the report save and except disclaimer made by them in discharge of their professional obligation.

The Secretarial Auditor has drawn reference to the following observation in the audit report:

In reference to show cause notice issued by RBI dated September 6, 2017 and supplementary show cause notice dated November 7, 2017 and as mentioned by RBI in its press release dated March 29, 2018, RBI has through an order dated

March 26, 2018, imposed a monetary penalty of ₹ 589.0 million on ICICI Bank for non-compliance with directions/guidelines issued by RBI. This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949.

PERSONNEL

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in an Annexure and forms part of this report. In terms of Section 136(1) of the Companies Act, 2013, the annual report and the accounts are being sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Bank.

INTERNAL CONTROL AND ITS ADEQUACY

The Bank has adequate internal controls and processes in place with respect to its financial statements which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. These controls and processes are driven through various policies, procedures and certifications. The processes and controls are reviewed periodically. The Bank has a mechanism of testing the controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

DISCLOSURE UNDER FOREIGN EXCHANGE MANAGEMENT ACT, 1999

The Bank has obtained a certificate from its statutory auditors that it is in compliance with the Foreign Exchange Management Act, 1999 provisions with respect to investments made in its consolidated subsidiaries and associates during fiscal 2018.

RELATED PARTY TRANSACTIONS

The Bank undertakes various transactions with related parties in the ordinary course of business. The Bank has a Board approved policy on Related Party Transactions, which has been disclosed on the website of the Bank and can be viewed at <https://www.icicibank.com/managed-assets/docs/personal/general-links/related-party-transactions-policy.pdf>. The Bank also has a Board approved Group Arm's Length Policy which requires transactions with the group companies to be at arm's length. The transactions between the Bank and its related parties, during fiscal 2018, were in the ordinary course of business and based on the principles of arm's length. The details of material related party transactions at an aggregate level for fiscal 2018 are given in Annexure C.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as Annexure D.

BUSINESS RESPONSIBILITY REPORTING

The Business Responsibility Report as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been hosted on the website of the Bank (<https://www.icicibank.com/aboutus/annual.html>). Any Member interested in obtaining a physical copy of the same may write to the Company Secretary at the Registered Office of the Bank.

RISK MANAGEMENT FRAMEWORK

The Bank's risk management framework is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with international best practices. The Board of Directors has oversight on all the risks assumed by the Bank. Specific Committees have been constituted to facilitate focused oversight of various risks, as follows:

- The Risk Committee of the Board reviews risk management policies of the Bank pertaining to credit, market, liquidity, operational and outsourcing risks and business continuity management. The Committee also reviews the Risk Appetite and Enterprise Risk Management frameworks, Internal Capital Adequacy Assessment Process (ICAAP) and stress testing. The stress testing framework includes a range of Bank-specific, market (systemic) and combined scenarios. The ICAAP exercise covers the domestic and overseas operations of the Bank, banking subsidiaries

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and non-banking subsidiaries. The Committee reviews migration to the advanced approaches under Basel II and implementation of Basel III, risk return profile of the Bank and the activities of the Asset Liability Management Committee. The Committee reviews the level and direction of major risks pertaining to credit, market, liquidity, operational, technology, compliance, group, management and capital at risk as a part of the risk dashboard. In addition, the Committee has oversight on risks of subsidiaries covered under the Group Risk Management Framework. The Risk Committee also reviews the Liquidity Contingency Plan for the Bank and the various thresholds set out in the Plan.

- The Credit Committee of the Board, apart from sanctioning credit proposals based on the Bank's credit approval authorisation framework, reviews developments in key industrial sectors and the Bank's exposure to these sectors as well as to large borrower accounts and borrower groups. The Credit Committee also reviews major credit portfolios, non-performing loans, accounts under watch, overdues and incremental sanctions.
- The Audit Committee of the Board provides direction to and monitors the quality of the internal audit function and also monitors compliance with inspection and audit reports of RBI, other regulators and statutory auditors.
- The Asset Liability Management Committee provides guidance for management of liquidity of the overall Bank and management of interest rate risk in the banking book within the broad parameters laid down by the Board of Directors/ Risk Committee.

Summaries of reviews conducted by these Committees are reported to the Board on a regular basis.

Policies approved from time to time by the Board of Directors/Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework. Independent groups and sub-groups have been constituted across the Bank to facilitate independent evaluation, monitoring and reporting of various risks. These groups function independently of the business groups/sub-groups.

The Bank has dedicated groups, namely, the Risk Management Group, Compliance Group, Corporate Legal Group, Internal Audit Group and the Financial Crime Prevention & Reputation Risk Management Group, with a mandate to identify, assess and monitor all of the Bank's principal risks in accordance with well-defined policies and procedures. The Risk Management Group is further organised into the Credit Risk Management Group, Market Risk Management Group, Operational Risk Management Group and Information Security Group. The Bank has designated an official in the grade of Senior General Manager as Chief Risk Officer (CRO) who reports to the Risk Committee constituted by the Board which reviews risk management policies of the Bank. The CRO, for administrative purpose reports to an President. The above mentioned groups are independent of all business operations and coordinate with representatives of the business units to implement the Bank's risk management policies and methodologies. The Internal Audit and Compliance groups are responsible to the Audit Committee of the Board.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL), ACT, 2013

Please refer Principle 3 under Section E of the Business Responsibility Report.

CORPORATE GOVERNANCE

The corporate governance framework at ICICI Bank is based on an effective independent Board, the separation of the Board's supervisory role from the executive management and the constitution of Board Committees to oversee critical areas. At March 31, 2018, independent Directors constituted a majority on most of the Committees and most of the Committees were chaired by independent Directors.

I. Philosophy of Corporate Governance

ICICI Bank's corporate governance philosophy encompasses regulatory and legal requirements, which aims at a high level of business ethics, effective supervision and enhancement of value for all stakeholders.

Whistle Blower Policy

The Bank has formulated a Whistle Blower Policy. The policy comprehensively provides an opportunity for any employee/ Director of the Bank to raise any issue concerning breaches of law, accounting policies or any act resulting in financial or reputation loss and misuse of office or suspected or actual fraud. The policy provides for a mechanism to report

such concerns to the Audit Committee through specified channels. The policy has been periodically communicated to the employees and also posted on the Bank's intranet. The Whistle Blower Policy complies with the requirements of Vigil mechanism as stipulated under Section 177 of the Companies Act, 2013. The details of establishment of the Whistle Blower Policy/Vigil mechanism have been disclosed on the website of the Bank.

Code of Conduct as prescribed under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

In accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, ICICI Bank has instituted a comprehensive code of conduct to regulate, monitor and report trading by its directors, employees and other connected persons.

Group Code of Business Conduct and Ethics

The Group Code of Business Conduct and Ethics for Directors and employees of the ICICI Group aims at ensuring consistent standards of conduct and ethical business practices across the constituents of the ICICI Group. This Code is reviewed on an annual basis and the latest Code is available on the website of the Bank (www.icicibank.com). Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a confirmation from Chief Operating Officer along with one Executive Director regarding compliance with the Code by all the Directors and senior management forms part of the Annual Report. The above mentioned confirmation is as per the letter filed by the Bank with the stock exchanges on July 23, 2018 and the authorisation for the said confirmation has been granted by the Board at its Meeting held on July 27, 2018.

Material Subsidiaries

In accordance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank has formulated a Policy for determining Material Subsidiaries and the same has been hosted on the website of the Bank (<https://www.icicibank.com/managed-assets/docs/investor/policy-for-determining-material-subsiidiaries/policy-for-determining-material-subsiidiaries.pdf>). Presently no subsidiary of the Bank qualifies as a material unlisted subsidiary as per the criteria stipulated in the regulations.

Familiarisation Programme for independent Directors

Independent Directors are familiarised with their roles, rights and responsibilities in the Bank as well as with the nature of the industry and the business model of the Bank through induction programmes at the time of their appointment as Directors and through presentations on economy & industry overview, key regulatory developments, strategy and performance which are made to the Directors from time to time. The details of the familiarisation programmes have been hosted on the website of the Bank and can be accessed on the link: (<http://www.icicibank.com/managed-assets/docs/about-us/board-of-directors/familiarisation-programme-for-independent-directors.pdf>).

CEO/CFO Certification

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certification by the Chief Operating Officer along with one Executive Director on the financial statements and internal controls relating to financial reporting has been obtained as per the letter filed by the Bank with the stock exchanges on July 23, 2018 and the authorisation for the said certification has been granted by the Board at its Meeting held on July 27, 2018.

Board of Directors

ICICI Bank has a broad-based Board of Directors, constituted in compliance with the Banking Regulation Act, 1949, the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with good corporate governance practices. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. The Board has constituted various committees, namely, Audit Committee, Board Governance, Remuneration & Nomination Committee, Corporate Social Responsibility Committee, Credit Committee, Customer Service Committee, Fraud Monitoring Committee, Information Technology Strategy Committee, Risk Committee, Stakeholders Relationship Committee and Review Committee for Identification of Wilful Defaulters/Non Co-operative Borrowers. At March 31, 2018, independent Directors constituted a majority most of the Board Committees and all Committees except Review Committee for Identification of Wilful Defaulters/Non Co-operative Borrowers were chaired by independent Directors.

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There were 13 Meetings of the Board during fiscal 2018 - on April 6-7, May 3, June 5, June 28, July 27, September 12, October 27, November 7 and December 11 in 2017 and January 12, January 17, January 31 and March 28 in 2018.

At March 31, 2018, the Board of Directors consisted of 12 Members. There were no inter-se relationships between any of the Directors. The names of the Directors, their attendance at Board Meetings during the year, attendance at the last AGM and the number of other directorships and board committee memberships held by them at March 31, 2018 are set out in the following table:

Name of Director	Board Meetings attended during the year	Attendance at last AGM (June 30, 2017)	Number of other directorships		Number of other committee ³ memberships
			of Indian public limited companies ¹	of other companies ²	
Independent Directors					
M. K. Sharma, <i>Chairman</i> (DIN: 00327684)	13/13	Present	4	4	5(3)
Uday Chitale (<i>w.e.f. January 17, 2018</i>) (DIN: 00043268)	2/2	N.A.	6	1	7(1)
Dileep Choksi (DIN: 00016322)	13/13	Present	9	2	7(4)
Neelam Dhawan* (<i>w.e.f. January 12, 2018</i>) (DIN: 00871445)	2/3	N.A.	-	1	-
Homi Khusrookhan (<i>upto close of business hours on January 20, 2018</i>) (DIN: 00005085)	11/11	Present	N.A.	N.A.	N.A.
M. S. Ramachandran (<i>upto close of business hours on April 24, 2017</i>) (DIN: 00943629)	1/1	N.A.	N.A.	N.A.	N.A.
Tushaar Shah* (DIN: 03055738)	6/13	Present	-	-	-
V. K. Sharma (DIN : 02449088)	4/13	Absent	6	7	-
V. Sridar (<i>upto close of business hours on January 20, 2018</i>) (DIN: 02241339)	10/11	Absent	N.A.	N.A.	N.A.
Government Nominee Director					
Amit Agrawal (DIN:07117013)	2/13	Absent	-	-	-
Wholtime/Executive Directors					
Chanda Kochhar (DIN: 00043617)	12/13	Present	4	2	-
N. S. Kannan (DIN: 00066009)	12/13	Present	4	2	3
Vishakha Mulye (DIN: 00203578)	13/13	Present	1	-	1
Vijay Chandok (DIN: 01545262)	12/13	Present	1	2	1
Anup Bagchi (DIN: 00105962)	9/13	Present	2	-	1

* Participated in one Meeting through video-conference.

1. Comprises public limited companies incorporated in India.

2. Comprises private limited companies incorporated in India, foreign companies, statutory bodies and insurance corporations but excludes Section 8 companies and not for profit foreign companies.

3. Comprises only Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies. Figures in parentheses indicate committee chairpersonships.

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the number of Committees (audit committee and stakeholders' relationship committee) of public limited companies in which a Director is a member/chairman were within the limits provided under listing regulations, for all the Directors of the Bank. The number of directorships of each independent Director is also within the limits prescribed under listing regulations.

The terms of reference of the Board Committees as mentioned earlier, their composition and attendance of the respective Members at the various Committee Meetings held during fiscal 2018 are set out below:

II. Audit Committee

Terms of Reference

The Audit Committee provides direction to the audit function and monitors the quality of internal and statutory audit. The responsibilities of the Audit Committee include examining the financial statements and auditors' report and overseeing the financial reporting process to ensure fairness, sufficiency and credibility of financial statements, review of the quarterly and annual financial statements before submission to the Board, recommendation of appointment, terms of appointment, remuneration and removal of central and branch statutory auditors and chief internal auditor, approval of payment to statutory auditors for other permitted services rendered by them, reviewing and monitoring with the management the auditor's independence and the performance and effectiveness of the audit process, approval of transactions with related parties or any subsequent modifications, review of statement of significant related party transactions, review of functioning of the Whistle Blower Policy, review of the adequacy of internal control systems and the internal audit function, review of compliance with inspection and audit reports and reports of statutory auditors, review of the findings of internal investigations, review of management letters/letters on internal control weaknesses issued by statutory auditors, reviewing with the management the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take steps in this matter, discussion on the scope of audit with external auditors, examination of reasons for substantial defaults, if any, in payment to stakeholders, valuation of undertakings or assets, evaluation of risk management systems and scrutiny of inter-corporate loans and investments. The Audit Committee is also empowered to appoint/oversee the work of any registered public accounting firm, establish procedures for receipt and treatment of complaints received regarding accounting and auditing matters and engage independent counsel as also provide for appropriate funding for compensation to be paid to any firm/advisors. In addition, the Audit Committee also exercises oversight on the regulatory compliance function of the Bank. The Audit Committee is also empowered to approve the appointment of the Chief Financial Officer (i.e., the wholetime Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

Composition

At March 31, 2018, the Audit Committee consisted three independent Directors and was chaired by Uday Chitale, an independent Director. There were 13 Meetings of the Committee during the year.

The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
Uday Chitale, <i>Chairman (w.e.f. January 21, 2018)</i>	4/4
Dileep Choksi, <i>Alternate Chairman</i>	12/13
Tushaar Shah* <i>(w.e.f. January 21, 2018)</i>	2/4
Homi Khusrookhan <i>(upto January 20, 2018)</i>	9/9
M. S. Ramachandran <i>(upto April 24, 2017)</i>	1/1
V. Sridar <i>(upto January 20, 2018)</i>	8/9

* Participated in one Meeting through video-conference.

Upon completion of his tenure as a Director, Tushaar Shah ceased to be a Member of the Committee with effect from May 3, 2018. The Board at its Meeting held on May 2, 2018 reconstituted the Committee pursuant to which Radhakrishnan Nair, an independent Director, was inducted as a Member of the Committee with effect from May 3, 2018.

DIRECTORS' REPORT

III. Board Governance, Remuneration & Nomination Committee

Terms of Reference

The functions of the Committee include recommending appointments of Directors to the Board, identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal, formulate a criteria for the evaluation of the performance of the wholetime/independent Directors and the Board and to extend or continue the term of appointment of independent Directors on the basis of the report of performance evaluation of independent Directors, recommending to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees, recommending to the Board the remuneration (including performance bonus and perquisites) to wholetime Directors, commission and fee payable to non-executive Directors subject to applicable regulations, approving the policy for and quantum of bonus payable to the members of the staff including senior management and key managerial personnel, formulating the criteria for determining qualifications, positive attributes and independence of a Director, framing policy on Board diversity, framing guidelines for the Employees Stock Option Scheme (ESOS) and decide on the grant of stock options to employees and wholetime Directors of the Bank and its subsidiary companies.

Composition

At March 31, 2018, the Board Governance, Remuneration & Nomination Committee consisted three independent Directors and was chaired by Tushaar Shah, an independent Director. There were seven Meetings of the Committee during the year. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
Tushaar Shah, <i>Chairman (w.e.f. January 21, 2018)</i>	N.A.
Homi Khusrokhana (<i>upto January 20, 2018</i>)	7/7
M. S. Ramachandran (<i>upto April 24, 2017</i>)	1/1
M. K. Sharma	7/7
V. K. Sharma (<i>w.e.f. April 6, 2017</i>)	2/6

Upon completion of his tenure as a Director, Tushaar Shah ceased to be a Member of the Committee with effect from May 3, 2018. The Board at its Meeting held on May 2, 2018 reconstituted the Committee pursuant to which Dileep Choksi, an independent Director, was inducted as a Member as well as appointed as the Chairman of the Committee with effect from May 3, 2018.

Upon completion of his tenure as a Director, M. K. Sharma ceased to be a Member of the Committee with effect from July 1, 2018. The Board at its Meeting held on June 27, 2018 reconstituted the Committee pursuant to which Neelam Dhawan, an independent Director, was inducted as a Member as well as appointed as the Chairperson of the Committee with effect from July 1, 2018. The Board at its Meeting held on July 27, 2018 further reconstituted the Committee pursuant to which Girish Chandra Chaturvedi, an independent Director, was inducted as a Member of the Committee with immediate effect.

Policy/Criteria for Directors' Appointment

The Bank with the approval of its Board Governance, Remuneration & Nomination Committee (Committee) has put in place a policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of a Director as well as a policy on Board diversity. The policy has been framed based on the broad principles as outlined hereinafter. The Committee would evaluate the composition of the Board and vacancies arising in the Board from time to time. The Committee while recommending candidature of a Director would consider the special knowledge or expertise possessed by the candidate as required under Banking Regulation Act, 1949. The Committee would assess the fit and proper credentials of the candidate and the companies/entities with which the candidate is associated either as a director or otherwise and as to whether such association is permissible under RBI guidelines and the internal norms adopted by the Bank. For the above assessment, the Committee would be guided by the guidelines issued by RBI in this regard.

The Committee will also evaluate the prospective candidate for the position of a Director from the perspective of the criteria for independence prescribed under Companies Act, 2013 as well as the listing regulations. For a non-executive Director to be classified as independent he/she must satisfy the criteria of independence as prescribed and sign a declaration of independence. The Committee will review the same and determine the independence of a Director.

The Committee based on the above assessments will make suitable recommendations on the appointment of Directors to the Board.

Remuneration policy

Reserve Bank of India (RBI) vide its circular DBOD No. BC. 72/29.67.001/2011-12 dated January 13, 2012 has issued guidelines on “Compensation of wholetime Directors/Chief executive Officers/Risk takers and Control function staff etc.” for implementation by private sector banks and foreign banks from the financial year 2012-13. The Bank adopted a Compensation Policy in January 2012 which is amended from time to time based on regulatory requirements. The Compensation Policy of the Bank is in line with the RBI circular dated January 13, 2012 and is in compliance with the requirements for the Remuneration Policy as prescribed under the Companies Act, 2013. The Policy is divided into the segments, Part A, Part B and Part C where Part A covers the requirements for wholetime Directors & employees pursuant to RBI guidelines, Part B relates to compensation to non-executive Directors (except part-time non-executive Chairman) and Part C relates to compensation to part-time non-executive Chairman. The Compensation/Remuneration Policy is available on the website of the Bank under the link <https://www.icicibank.com/aboutus/other-policies.page>. Further details with respect to the Compensation Policy are provided under the section titled “Compensation Policy and Practices”.

The remuneration payable to non-executive/independent Directors is governed by the provisions of the Banking Regulation Act, 1949, RBI guidelines issued from time to time and the provisions of the Companies Act, 2013 and related rules to the extent it is not inconsistent with the provisions of the Banking Regulation Act, 1949/RBI guidelines. The remuneration for the non-executive/independent Directors (other than Government nominee) would be sitting fee for attending each Meeting of the Committee/Board as approved by the Board from time to time within the limits as provided under Companies Act, 2013 and related rules. RBI vide its guidelines dated June 1, 2015 regarding Compensation of non-executive Directors (NEDs) (except part-time Chairman) of Private Sector Banks has permitted payment of profit related commission up to ₹ 1,000,000 per annum for non-executive Directors (other than part-time Chairman). The Members at their Meeting held on July 11, 2016 approved the payment of profit related commission upto ₹ 1,000,000 per annum to non-executive Directors (other than the non-executive Chairman and the Government Nominee Director), for each year effective from the financial year ended March 31, 2016.

For the non-executive Chairman, the remuneration, in addition to sitting fee includes such fixed payments on such periodicity as may be recommended by the Board and approved by the Members and RBI from time to time, maintaining a Chairman’s office at the Bank’s expense, bearing expenses for travel on official visits and participation in various forums (both in India and abroad) as Chairman of the Bank and bearing travel/halting/other expenses and allowances for attending to duties as Chairman of the Bank and any other modes of remuneration as may be permitted by RBI through any circulars/guidelines as may be issued from time to time.

All the non-executive/independent Directors would be entitled to reimbursement of expenses for attending Board/Committee Meetings, official visits and participation in various forums on behalf of the Bank.

Performance evaluation of the Board, Committees and Directors

The Bank with the approval of its Board Governance, Remuneration & Nomination Committee has put in place an evaluation framework for evaluation of the Board, Directors, Chairperson and Committees.

The evaluations for the Directors, the Board, Chairman of the Board and the Committees is carried out through circulation of four different questionnaires, for the Directors, for the Board, for the Chairperson of the Board and the Committees respectively. The performance of the Board is assessed on select parameters related to roles, responsibilities and obligations of the Board, relevance of Board discussions, attention to strategic issues, performance on key areas, providing feedback to executive management and assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The evaluation criteria for the Directors is based on their participation, contribution and offering guidance to and understanding of the areas which were relevant to them in their capacity as members of the Board. The evaluation criteria for the Chairperson of the Board besides the general criteria adopted for assessment of all Directors, focuses incrementally on leadership abilities, effective management of meetings and preservation of interest of stakeholders. The evaluation of the Committees is based on assessment of the clarity with which the mandate of the Committee is defined, effective discharge of terms and reference of the Committees and assessment of effectiveness of contribution of the Committee’s deliberation/recommendations to the functioning/decisions of the Board.

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The evaluation process for wholetime Directors is further detailed under the section titled "Compensation Policy and Practices".

Details of Remuneration paid to wholetime Directors

The Board Governance, Remuneration & Nomination Committee determines and recommends to the Board the amount of remuneration, including performance bonus and perquisites, payable to the wholetime Directors.

The following table sets out the details of remuneration (including perquisites and retiral benefits) paid to wholetime Directors in fiscal 2018:

	Details of Remuneration (₹)				
	Chanda Kochhar	N. S. Kannan	Vishakha Mulye	Vijay Chandok	Anup Bagchi
Basic	30,671,520	20,262,600	20,262,600	18,319,560	18,319,560
Performance bonus paid in fiscal 2018 ¹	2,068,811	1,386,781	-	1,271,214	-
Allowances and perquisites ²	26,831,413	17,999,637	17,425,454	22,293,290	16,803,746
Contribution to provident fund	3,680,579	2,431,512	2,431,512	2,198,349	2,198,349
Contribution to superannuation fund	-	3,039,393	3,039,393	-	-
Contribution to gratuity fund	2,554,938	1,687,875	1,687,875	1,526,019	1,526,019
Stock options ^{1,3} (Numbers)					
Fiscal 2018	1,512,500	753,500	753,500	753,500	753,500
Fiscal 2017	1,512,500	753,500	753,500	544,500	NA
Fiscal 2016 ⁴	1,595,000	797,500	NA	462,000	NA

¹ Represents amounts paid/ options granted during the year as per RBI approvals. The bonus amounts are the deferred portion of bonus approved in earlier years that was paid during fiscal 2018 and the comparable amounts for fiscal 2017 were ₹ 4.5 million for Chanda Kochhar, ₹ 3.0 million for N. S. Kannan, ₹ 2.6 million for Vijay Chandok. Vishakha Mulye and Anup Bagchi had Nil deferred payouts in fiscal 2017 & fiscal 2018 as they were transferred to the Bank from group companies in FY2016 and FY2017 respectively. The consolidated details of variable pay and share-linked instruments for the year ended March 31, 2018 approved by the Board/Board Governance Remuneration & Nomination Committee which are pending regulatory approvals are disclosed in the footnote under the segment titled Quantitative disclosures under Compensation Policy and Practices.

² Allowances and perquisites exclude stock options exercised during fiscal 2018 which does not constitute remuneration paid to the wholetime Directors for fiscal 2018.

³ Pursuant to the issuance of bonus shares by the Bank on June 24, 2017, stock options were also adjusted with increase of one option for every 10 outstanding options. Accordingly the numbers for fiscal 2018, 2017 and 2016 have been restated.

⁴ Excludes special grant of stock options approved by RBI in November 2015.

Perquisites (evaluated as per Income-tax rules wherever applicable and otherwise at actual cost to the Bank) such as the benefit of the Bank's furnished accommodation, gas, electricity, water and furnishings, club fees, group insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof, medical reimbursement, leave and leave travel concession, education benefits, provident fund, superannuation fund and gratuity, were provided in accordance with the scheme(s) and rule(s) applicable from time to time. In line with the staff loan policy applicable to specified grades of employees who fulfil prescribed eligibility criteria to avail loans for purchase of residential property, the wholetime Directors are also eligible for housing loans subject to approval of RBI.

The Board at its Meeting held on June 18, 2018 approved the appointment of Sandeep Bakhshi as wholetime Director and Chief Operating Officer (Designate) for a period of five years effective June 19, 2018 or the date of RBI approval whichever is later. The Board based on the recommendation of the Board Governance Remuneration & Nomination Committee has approved a basic salary of 2,381,000 p.m. and supplementary allowance of 1,632,500 p.m. Approval for the appointment and terms of remuneration of Mr. Bakhshi is being sought for the Members through item No. 12 and 13 of the Notice. Members are requested to consider the same.

Details of Remuneration paid to non-executive Directors

As provided under Article 132 of the Articles of Association of the Bank, the fees payable to a non-executive Director (other than to the nominee of Government of India) for attending a Meeting of the Board or Committee thereof are

decided by the Board of Directors from time to time within the limits prescribed by the Companies Act, 2013 and the rules thereunder. The Board had approved the payment of ₹ 100,000 as sitting fees for each Meeting of the Board and ₹ 20,000 as sitting fees for each Meeting of the Committee attended. The Board at its Meeting held on April 2, 2018 approved revision in sitting fee payable to the non-executive Directors (other than the Government nominee) from ₹ 20,000 to ₹ 100,000 for attending each Meeting of the Audit Committee and to ₹ 50,000 for attending each Meeting of Committees other than the Audit Committee, with effect from April 1, 2018.

The Board of Directors at its Meeting held on June 9, 2015 and subsequently the Members through a postal ballot resolution dated April 22, 2016 approved a remuneration range of ₹ 3,000,000 – ₹ 5,000,000 per annum for M. K. Sharma, Chairman of the Board with the remuneration for each year to be determined by the Board within this range. The remuneration for M. K. Sharma is ₹ 3,500,000 per annum as approved by the Board and RBI.

Information on the total sitting fees paid to each non-executive Director during fiscal 2018 for attending Meetings of the Board and its Committees is set out in the following table:

Name of Director	Amount (₹)
M. K. Sharma	2,080,000
Uday Chitale (<i>w.e.f. January 17, 2018</i>)	360,000
Dileep Choksi	1,920,000
Neelam Dhawan (<i>w.e.f. January 12, 2018</i>)	240,000
Homi Khusrookhan (<i>ceased w.e.f. January 21, 2018</i>)	2,200,000
M. S. Ramachandran (<i>ceased w.e.f. April 25, 2017</i>)	180,000
Tushaar Shah	900,000
V. K. Sharma	440,000
V. Sridar (<i>ceased w.e.f. January 21, 2018</i>)	1,600,000
Amit Agrawal ¹	-
Total	9,920,000

1. *Being a Government Nominee Director, not entitled to receive sitting fees.*

The details of shares and convertible instruments of the Bank, held by the non-executive Directors as at March 31, 2018 are set out in the following table:

Name of Director	Instrument	No. of shares held
M. K. Sharma	Equity	55,000
Uday Chitale	-	-
Dileep Choksi	Equity	2,750
Neelam Dhawan	-	-
Tushaar Shah	-	-
V. K. Sharma	-	-
Amit Agrawal	-	-

Remuneration disclosures as required under RBI guidelines

The RBI circular DBOD No. BC. 72/29.67.001/2011-12 on “Compensation of wholetime Directors/Chief Executive Officers/ Risk takers and Control function staff etc.” requires the Bank to make following disclosures on remuneration on an annual basis in their Annual Report:

COMPENSATION POLICY AND PRACTICES

(A) Qualitative Disclosures

a) *Information relating to the bodies that oversee remuneration.*

- **Name, composition and mandate of the main body overseeing remuneration**

The Board Governance, Remuneration & Nomination Committee (BGRNC/ Committee) is the body which oversees the remuneration aspects. The functions of the Committee include recommending appointments of Directors to the Board, identifying persons who are qualified to become Directors and who may be

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appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal, formulating a criteria for the evaluation of the performance of the wholetime/independent Directors and the Board and to extend or continue the term of appointment of independent Director on the basis of the report of performance evaluation of independent Directors, recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees, recommending to the Board the remuneration (including performance bonus and perquisites) to wholetime Directors (WTDs), commission and fee payable to non- executive Directors subject to applicable regulations, approving the policy for and quantum of bonus payable to members of the staff including senior management and key managerial personnel, formulating the criteria for determining qualifications, positive attributes and independence of a Director, framing policy on Board diversity, framing guidelines for the Employee Stock Option Scheme (ESOS) and decide on the grant of the Bank's stock options to employees and WTDs of the Bank and its subsidiary companies.

- **External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process**

The Bank did not take advice from an external consultant on any area of remuneration during fiscal 2018.

- **Scope of the Bank's remuneration policy (eg. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches**

The Compensation Policy of the Bank, as last amended during fiscal 2018 and approved by the BGRNC and the Board at their meeting held on May 3, 2017, pursuant to the guidelines issued by RBI, covers all employees of the Bank, including those in overseas branches of the Bank. In addition to the Bank's Compensation Policy guidelines, the overseas branches also adhere to relevant local regulations.

- **Type of employees covered and number of such employees**

All employees of the Bank are governed by the Compensation Policy. The total number of permanent employees of the Bank at March 31, 2018 was 81,548.

b) Information relating to the design and structure of remuneration processes.

- **Key features and objectives of remuneration policy**

The Bank has under the guidance of the Board and the BGRNC, followed compensation practices intended to drive meritocracy within the framework of prudent risk management. This approach has been incorporated in the Compensation Policy, the key elements of which are given below.

- **Effective governance of compensation:**

The BGRNC has oversight over compensation. The Committee defines Key Performance Indicators (KPIs) for WTDs and equivalent positions and the organisational performance norms for bonus based on the financial and strategic plan approved by the Board. The KPIs include both quantitative and qualitative aspects. The BGRNC assesses organisational performance as well as the individual performance for WTDs and equivalent positions. Based on its assessment, it makes recommendations to the Board regarding compensation for WTDs and equivalent positions and bonus for employees, including senior management and key management personnel.

- **Alignment of compensation philosophy with prudent risk taking:**

The Bank seeks to achieve a prudent mix of fixed and variable pay, with a higher proportion of variable pay at senior levels and no guaranteed bonuses. Compensation is sought to be aligned to both financial and non-financial indicators of performance including aspects like risk management and customer service. In addition, the Bank has an employee stock option scheme aimed at aligning compensation to long term performance through stock option grants that vest over a period of time. Compensation of staff in financial and risk control functions is independent of the business areas they oversee and depends on their performance assessment.

- **Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made**

During FY2018, the Bank's Compensation Policy was reviewed by the BGRNC and the Board at their meeting held on May 3, 2017. The disclosures were reviewed pursuant to RBI circular on Disclosures in Financial Statements.

- **Discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee**
The compensation of staff engaged in control functions like Risk and Compliance depends on their performance, which is based on achievement of the key results of their respective functions. Their goal sheets do not include any business targets.
- c) Description of the ways in which current and future risks are taken into account in the remuneration processes.**
- **Overview of the key risks that the Bank takes into account when implementing remuneration measures**
The Board approves the risk framework for the Bank and the business activities of the Bank are undertaken within this framework to achieve the financial plan. The risk framework includes the Bank's risk appetite, limits framework and policies and procedures governing various types of risk. KPIs of WTDs & equivalent positions, as well as employees, incorporate relevant risk management related aspects. For example, in addition to performance targets in areas such as growth and profits, performance indicators include aspects such as the desired funding profile and asset quality. The BGRNC takes into consideration all the above aspects while assessing organisational and individual performance and making compensation-related recommendations to the Board.
 - **Overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure**
The annual performance targets and performance evaluation incorporate both qualitative and quantitative aspects including asset quality, provisioning, increase in stable funding sources, refinement/improvement of the risk management framework, effective management of stakeholder relationships and mentoring key members of the top and senior management.
 - **Discussion of the ways in which these measures affect remuneration**
Every year, the financial plan/targets are formulated in conjunction with a risk framework with limit structures for various areas of risk/lines of business, within which the Bank operates to achieve the financial plan. To ensure effective alignment of compensation with prudent risk taking, the BGRNC takes into account adherence to the risk framework in conjunction with which the financial plan/targets have been formulated. KPIs of WTDs and equivalent positions, as well as employees, incorporate relevant risk management related aspects. For example, in addition to performance targets in areas such as growth and profits, performance indicators include aspects such as the desired funding profile and asset quality. The BGRNC takes into consideration all the above aspects while assessing organisational and individual performance and making compensation-related recommendations to the Board.
 - **Discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration.**
The nature and type of these measures have not changed over the past year and hence, there is no impact on remuneration.
- d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration**
- **Overview of main performance metrics for Bank, top level business lines and individuals**
The main performance metrics include profits, loan growth, deposit growth, risk metrics (such as quality of assets), compliance with regulatory norms, refinement of risk management processes and customer service. The specific metrics and weightages for various metrics vary with the role and level of the individual.
 - **Discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance**
The BGRNC takes into consideration above mentioned aspects while assessing performance and making compensation-related recommendations to the Board regarding the performance assessment of WTDs and equivalent positions. The performance assessment of individual employees is undertaken based on achievements compared to their goal sheets, which incorporate various aspects/metrics described earlier.

DIRECTORS' REPORT

- **Discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak, including the Bank's criteria for determining 'weak' performance metrics**
The Bank's Compensation Policy outlines the measures the Bank will implement in the event of a reasonable evidence of deterioration in financial performance. Should such an event occur in the manner outlined in the policy, the BGRNC may decide to apply malus on none, part or all of the unvested deferred variable compensation.

e) Description of the ways in which the Bank seeks to adjust remuneration to take account of the longer term performance

- **Discussion of the Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance**

The quantum of bonus for an employee does not exceed a certain percentage (as stipulated in the compensation policy) of the total fixed pay in a year. Within this percentage, if the quantum of bonus exceeds a predefined threshold percentage of the total fixed pay, a part of the bonus is deferred and paid over a period. These thresholds for deferrals are same across employees.

- **Discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements**

The deferred portion of variable pay is subject to malus, under which the Bank would prevent vesting of all or part of the variable pay in the event of an enquiry determining gross negligence, breach of integrity or in the event of a reasonable evidence of deterioration in financial performance. In such cases, variable pay already paid out may also be subjected to clawback arrangements, as applicable.

f) Description of the different forms of variable remuneration that the Bank utilises and the rationale for using these different forms

- **Overview of the forms of variable remuneration offered. A discussion of the use of different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance**

The Bank pays performance linked retention pay (PLRP) to its front-line staff and junior management and performance bonus to its middle and senior management. PLRP aims to reward front line and junior managers, mainly on the basis of skill maturity attained through experience and continuity in role which is a key differentiator for customer service. The Bank also pays variable pay to sales officers and relationship managers in wealth management roles while ensuring that such pay-outs are in accordance with applicable regulatory requirements.

The Bank ensures higher proportion of variable pay at senior levels and lower variable pay for front-line staff and junior management levels.

(B) Quantitative disclosures

The following table sets forth, for the period indicated, the details of quantitative disclosure for remuneration of whole-time Directors (including MD & CEO) and equivalent positions.

₹ in million, except numbers

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2018
Number of meetings held by the BGRNC	10	7
Remuneration paid to its members during the financial year (sitting fees)	0.5	0.3
Number of employees who received a variable remuneration award ¹	6	4
Number and total amount of sign-on awards made	-	-
Number and total amount of guaranteed bonuses awarded	-	-
Details of severance pay, in addition to accrued benefits	-	-
Breakdown of amount of remuneration awards for the financial year		

₹ in million, except numbers

Particulars	Year ended March 31, 2017	Year ended March 31, 2018
Fixed ²	231.5	222.7
Variable ³	-	-
- Deferred	-	-
- Non-deferred	-	-
Share-linked instruments ^{3,4}	5,071,000	4,526,500
Total amount of deferred remuneration paid out during the year	16	6.1
Total amount of outstanding deferred remuneration		
Cash	6.1	NA
Shares (nos.)	-	-
Shares-linked instruments ⁴	14,747,150	14,825,250
Other forms	-	-
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments	6.1	-
Total amount of reductions during the year due to ex-post explicit adjustments	-	-
Total amount of reductions during the year due to ex-post implicit adjustments	-	-

1. Includes deferred remuneration paid during the year to retired WTDs.
2. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund and gratuity fund by the Bank.
3. For the years ended March 31, 2018 and March 31, 2017, variable pay and share-linked instruments represent amounts paid/ options awarded for the years ended March 31, 2017 and March 31, 2016 respectively, as per RBI approvals. For the year ended March 31, 2018, ₹ 90.4 million of variable pay (FY2017: ₹ 75.6 million) and 4,307,500 share-linked instruments (FY2017: 4,526,500 option) are subject to RBI approval.
4. Pursuant to the issuance of bonus shares by the Bank on June 24, 2017, the share-linked instruments have been adjusted with increase of one option for every 10 outstanding options.

Disclosures required with respect to Section 197(12) of the Companies Act, 2013

The ratio of the remuneration of each Director to the median employee's remuneration and such other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and as amended from time to time.

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Chanda Kochhar, Managing Director & CEO	131:1
N. S. Kannan	88:1
Vishakha Mulye	88:1
Vijay Chandok	80:1
Anup Bagchi	80:1

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary ranges between 12% and 15%.

(iii) The percentage increase in the median remuneration of employees in the financial year;

The percentage increase in the median remuneration of employees in the financial year was around 10%.

(iv) The number of permanent employees on the rolls of company;

The number of employees, as mentioned in the section on 'Management's Discussion & Analysis' is 82,724. Out of this, the employees on permanent rolls of the company is 81,548, including employees in overseas locations.

DIRECTORS' REPORT

- (v) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

The average percentage increase made in the salaries of total employees other than the Key Managerial Personnel for fiscal 2018 was around 9 % while the average increase in the remuneration of the Key Managerial Personnel was in the range of 12% to 15%.

- (vi) **Affirmation that the remuneration is as per the remuneration policy of the company.**

Yes

IV. Corporate Social Responsibility Committee

Terms of Reference

The functions of the Committee include review of corporate social responsibility (CSR) initiatives undertaken by the ICICI Group and the ICICI Foundation for Inclusive Growth, formulation and recommendation to the Board of a CSR Policy indicating the activities to be undertaken by the Company and recommendation of the amount of expenditure to be incurred on such activities, reviewing and recommending the annual CSR plan to the Board, making recommendations to the Board with respect to the CSR initiatives, policies and practices of the ICICI Group, monitoring the CSR activities, implementation and compliance with the CSR Policy and reviewing and implementing, if required, any other matter related to CSR initiatives as recommended/suggested by RBI or any other body.

Composition

At March 31, 2018, the Corporate Social Responsibility Committee consisted four Directors including two independent Directors, the Government Nominee Director and the Managing Director & CEO and was chaired by Tushaar Shah, an independent Director. There were three Meetings of the Committee during the year. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
Tushaar Shah, <i>Chairman (Chairman w.e.f. April 25, 2017)</i>	3/3
Dileep Choksi <i>(w.e.f. April 6, 2017)</i>	3/3
M. S. Ramachandran <i>(upto April 24, 2017)</i>	1/1
Amit Agrawal <i>(w.e.f. April 6, 2017)</i>	1/3
Chanda Kochhar	3/3

Amit Agrawal ceased to be a member of the Committee pursuant to his cessation as the Government Nominee Director with effect from April 5, 2018. Upon completion of his tenure as a Director, Tushaar Shah ceased to be a Member of the Committee with effect from May 3, 2018. The Board at its Meeting held on May 2, 2018 appointed Dileep Choksi as the Chairman of the Committee and inducted Radhakrishnan Nair, an independent Director as a Member of the Committee with effect from May 3, 2018.

The Board at its Meeting held on June 27, 2018 further reconstituted the Committee pursuant to which Anup Bagchi, Executive Director was inducted as a Member and Radhakrishnan Nair, an independent Director, was appointed as the Chairperson of the Committee with effect from July 1, 2018.

Details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year

The CSR policy has been hosted on the website of the Company <http://www.icicibank.com/managed-assets/docs/about-us/ICICI-Bank-CSR-Policy.pdf>.

The Annual Report on CSR activities is annexed herewith as Annexure E.

V. Credit Committee

Terms of Reference

The functions of the Committee include review of developments in key industrial sectors, major credit portfolios and approval of credit proposals as per the authorisation approved by the Board.

Composition

At March 31, 2018, the Credit Committee consisted three Directors including two independent Directors and the Managing Director & CEO and was chaired by M. K. Sharma, an independent Director. There were 25 Meetings of the Committee during the year. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
M. K. Sharma, <i>Chairman (w.e.f. April 6, 2017)</i>	25/25
Homi Khusrokhana (<i>upto January 20, 2018</i>)	19/19
M. S. Ramachandran (<i>upto April 24, 2017</i>)	1/2
Tushaar Shah* (<i>w.e.f. January 21, 2018</i>)	4/6
Chanda Kochhar	24/25

* Participated in three Meetings through video-conference.

Upon completion of his tenure as a Director, Tushaar Shah ceased to be a Member of the Committee with effect from May 3, 2018. The Board at its Meetings held on May 2, 2018 and May 29, 2018 reconstituted the Committee pursuant to which Radhakrishnan Nair and M. D. Mallya, independent Directors, were inducted as Members of the Committee with effect from May 3, 2018 and May 29, 2018 respectively.

Upon completion of his tenure as a Director, M. K. Sharma ceased to be a Member of the Committee with effect from July 1, 2018. The Board at its Meeting held on June 27, 2018 further reconstituted the Committee pursuant to which Vishakha Mulye, Executive Director, was inducted as a Member of the Committee with effect from July 1, 2018. Further, the Board approved that the Chairperson would be an Executive Director as determined at each meeting.

VI. Customer Service Committee

Terms of Reference

The functions of this Committee include review of customer service initiatives, overseeing the functioning of the Customer Service Council and evolving innovative measures for enhancing the quality of customer service and improvement in the overall satisfaction level of customers.

Composition

At March 31, 2018, the Customer Service Committee consisted four Directors including two independent Directors, the Managing Director & CEO and an Executive Director, and was chaired by Tushaar Shah, an independent Director. There were six Meetings of the Committee during the year. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
Tushaar Shah, <i>Chairman</i> (<i>Member w.e.f. April 6, 2017 and Chairman w.e.f. January 21, 2018</i>)	5/6
Uday Chitale (<i>w.e.f. January 21, 2018</i>)	2/2
M. S. Ramachandran, (<i>upto April 24, 2017</i>)	N.A.
V. Sridar (<i>upto January 20, 2018</i>)	4/4
Chanda Kochhar	6/6
Anup Bagchi (<i>w.e.f. April 6, 2017</i>)	6/6

Upon completion of his tenure as a Director, Tushaar Shah ceased to be a Member of the Committee with effect from May 3, 2018. The Board at its Meeting held on May 2, 2018 appointed Uday Chitale as the Chairman of the Committee and inducted Neelam Dhawan as a Member of the Committee with effect from May 3, 2018.

The Board at its Meeting held on June 27, 2018 further reconstituted the Committee pursuant to which M. D. Mallya, an independent Director, was inducted as a Member as well as appointed as the Chairman of the Committee with effect from July 1, 2018.

DIRECTORS' REPORT

VII. Fraud Monitoring Committee

Terms of Reference

The Committee monitors and reviews all the frauds involving an amount of ₹ 10.0 million and above with the objective of identifying the systemic lacunae, if any, that facilitated perpetration of the fraud and put in place measures to rectify the same. The functions of this Committee include identifying the reasons for delay in detection, if any, and reporting to top management of the Bank and RBI on the same. The progress of investigation and recovery position is also monitored by the Committee. The Committee also ensures that staff accountability is examined at all levels in all the cases of frauds and action, if required, is completed quickly without loss of time. The role of the Committee is also to review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls and put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

Composition

At March 31, 2018, the Fraud Monitoring Committee consisted five Directors including three independent Directors, the Managing Director & CEO and an Executive Director and was chaired by Dileep Choksi, an independent Director. There were six Meetings of the Committee during the year. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
Dileep Choksi, <i>Chairman (Chairman w.e.f. January 21, 2018)</i>	5/6
Uday Chitale <i>(w.e.f. January 21, 2018)</i>	1/1
Neelam Dhawan* <i>(w.e.f. January 21, 2018)</i>	1/1
Homi Khusrokhana <i>(upto January 20, 2018)</i>	5/5
V. K. Sharma <i>(upto April 5, 2017)</i>	N.A.
V. Sridar <i>(upto January 20, 2018)</i>	5/5
Chanda Kochhar	6/6
Anup Bagchi <i>(w.e.f. April 6, 2017)</i>	6/6

Participated in one Meeting through video-conference.

VIII. Information Technology Strategy Committee

Terms of Reference

The functions of the Committee are to approve strategy for Information Technology (IT) and policy documents, ensure that IT strategy is aligned with business strategy, review IT risks, ensure proper balance of IT investments for sustaining the Bank's growth, oversee the aggregate funding of IT at Bank-level, ascertain if the management has resources to ensure the proper management of IT risks, review contribution of IT to business and oversee the activities of Digital Council.

Composition

At March 31, 2018, the IT Strategy Committee consisted three Directors including two independent Directors and the Managing Director & CEO and was chaired by Neelam Dhawan, an independent Director. There were four Meetings of the Committee held during the year. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
Neelam Dhawan, <i>Chairperson (w.e.f. January 21, 2018)</i>	1/1
Dileep Choksi <i>(w.e.f. January 21, 2018)</i>	1/1
Homi Khusrokhana <i>(upto January 20, 2018)</i>	3/3
V. Sridar <i>(upto January 20, 2018)</i>	3/3
Chanda Kochhar	4/4

The Board at its Meeting held on June 27, 2018 reconstituted the Committee pursuant to which Anup Bagchi, Executive Director, was inducted as a Member of the Committee with effect from July 1, 2018.

IX. Risk Committee

Terms of Reference

The functions of the Committee are to review ICICI Bank's risk management policies pertaining to credit, market, liquidity, operational, outsourcing, reputation risks, business continuity plan and disaster recovery plan. The functions of the Committee also include review of the Enterprise Risk Management (ERM) framework, Risk Appetite Framework (RAF), stress testing framework, Internal Capital Adequacy Assessment Process (ICAAP) and framework for capital allocation; review of the status of Basel II and Basel III implementation, risk return profile of the Bank, risk dashboard covering various risks, outsourcing activities and the activities of the Asset Liability Management Committee. The Committee also has oversight on risks of subsidiaries covered under the Group Risk Management Framework.

Composition

At March 31, 2018, the Risk Committee consisted four Directors including three independent Directors and the Managing Director & CEO and was chaired by M. K. Sharma, an independent Director. There were seven Meetings of the Committee during the year. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
M. K. Sharma, <i>Chairman</i>	7/7
Dileep Choksi	6/7
Homi Khusrokhana (<i>upto January 20, 2018</i>)	5/5
V. K. Sharma	0/7
V. Sridar (<i>upto January 20, 2018</i>)	5/5
Chanda Kochhar	7/7

Upon completion of his tenure as a Director, M. K. Sharma ceased to be a Member of the Committee with effect from July 1, 2018. The Board at its Meeting held on June 27, 2018 further reconstituted the Committee pursuant to which M. D. Mallya, an Independent Director, was inducted as a Member and Dileep Choksi, an independent Director, was appointed as the Chairperson of the Committee with effect from July 1, 2018.

X. Stakeholders Relationship Committee

Terms of Reference

The functions and powers of the Committee include approval and rejection of transfer or transmission of equity shares, preference shares, bonds, debentures and securities, issue of duplicate certificates, allotment of shares and securities issued from time to time, review redressal and resolution of grievances of shareholders, debenture holders and other security holders, delegation of authority for opening and operation of bank accounts for payment of interest, dividend and redemption of securities and the listing of securities on stock exchanges.

Composition

At March 31, 2018, the Stakeholders Relationship Committee consisted three Directors including two Executive Directors and was chaired by Uday Chitale, an independent Director. There were five Meetings of the Committee during the year. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
Uday Chitale, <i>Chairman (w.e.f. January 21, 2018)</i>	1/1
Homi Khusrokhana (<i>upto January 20, 2018</i>)	4/4
V. Sridar (<i>upto January 20, 2018</i>)	3/4
N. S. Kannan	5/5
Anup Bagchi (<i>w.e.f. January 21, 2018</i>)	1/1

DIRECTORS' REPORT

Pursuant to his appointment as the Managing Director & CEO of ICICI Prudential Life Insurance Company Limited, N. S. Kannan ceased to be the Executive Director of the Bank. Consequently N. S. Kannan ceased to be a Member of the Stakeholders Relationship Committee effective June 19, 2018.

The Board at its Meeting held on June 27, 2018 further reconstituted the Committee pursuant to which M. D. Mallya, an independent Director, was inducted as a Member as well as appointed as the Chairman of the Committee with effect from July 1, 2018.

The Company Secretary of the Bank acts as the Compliance Officer in accordance with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 196 shareholder complaints received in fiscal 2018 were processed. At March 31, 2018, no complaints were pending.

XI. Review Committee for Identification of Wilful Defaulters/Non Co-operative Borrowers

Terms of Reference

The function of the Committee is to review the order of the Committee for identification of wilful defaulters/non co-operative borrowers (a Committee comprising wholetime Directors and senior executives of the Bank to examine the facts and record the fact of the borrower being a wilful defaulter/non co-operative borrower) and confirm the same for the order to be considered final.

Composition

The Managing Director & CEO is the Chairperson of this Committee and any two independent Directors will comprise the remaining members. There were five Meetings of the Committee during the year and details of the same is set out in the following table:

Name of Member	Number of meetings attended
Chanda Kochhar, <i>Chairperson</i>	5/5
Dileep Choksi	4/4
Homi Khusrookhan	3/3
V. Sridar	2/2
Tushaar Shah	1/1

XII. Separate Meeting of Independent Directors to review matters as prescribed by statute

The Independent Directors met on May 3, 2017 and May 3, 2018 to review the matters as statutorily prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

XIII. Other Committees

In addition to the above, the Board has from time to time constituted various committees, namely, Committee of Executive Directors, Executive Investment Committee, Asset Liability Management Committee, Committee for Identification of Wilful Defaulters/non co-operative borrowers, Committee of Senior Management (comprising certain wholetime Directors and Executives) and Committee of Executives, Compliance Committee, Product & Process Approval Committee, Regional Committees for India and overseas operations, Outsourcing Committee, Operational Risk Management Committee, Vigilance Committee, Product Governance Committee and other Committees (all comprising Executives). These committees are responsible for specific operational areas like asset liability management, approval/renewal of credit proposals, approval of products and processes and management of operational risk, under authorisation/supervision of the Board and its Committees.

XIV. General Body Meetings

The details of General Body Meetings held in the last three years are given below:

General Body Meeting	Day, Date	Time	Venue
Twenty-Third AGM	Friday, June 30, 2017	12:00 noon	Professor Chandravadan Mehta Auditorium, General Education Centre, Opposite D. N. Hall Ground, The Maharaja Sayajirao University, Pratapgunj, Vadodara 390 002
Twenty-Second AGM	Monday, July 11, 2016	12:00 noon	Sir Sayajirao Nagargruh, Vadodara
Twenty-First AGM	Monday, June 29, 2015	12:00 noon	Mahanagar Seva Sadan, Near GEB Colony, Old Padra Road, Akota, Vadodara 390 020

The details of the Special Resolutions passed in the Annual General Meetings held in the previous three years are given below:

General Body Meeting	Day, Date	Resolution
Annual General Meeting	Friday, June 30, 2017	Private placement of securities under Section 42 of the Companies Act, 2013
Annual General Meeting	Monday, July 11, 2016	Private placement of securities under Section 42 of the Companies Act, 2013
Annual General Meeting	Monday, June 29, 2015	Private placement of securities under Section 42 of the Companies Act, 2013

Postal Ballot

Special Resolution was passed through postal ballot during fiscal 2018 *vide* Postal Ballot Notice dated May 5, 2017 under Section 110 of the Companies Act, 2013 for the following:

- (i) Alteration of Articles of Association
- (ii) Amendment to the Employee Stock Option Scheme

The Bank followed the procedure as prescribed under Companies (Management and Administration), Rules, 2014, as amended and the Secretarial Standard 2 issued by the Institute of Company Secretaries of India. The Members were provided the facility to cast their votes through electronic voting (e-voting) or through postal ballot. The Board of Directors of the Company, appointed Mr. Alwyn D'souza of Alwyn D'souza & Co., Company Secretaries, as the Scrutinizer for conducting the postal ballot voting process. The scrutinizer submitted his report to the Chairman after the completion of the scrutiny of the postal ballots (including e-voting). Considering the combined results of the Postal Ballot via postal ballot forms and e-voting facility, the resolution was approved on June 12, 2017. The results were declared on June 13, 2017 and communicated to the stock exchanges and displayed on the Bank's website www.icicibank.com. The details of the voting pattern is given below:

Resolution	Total number of votes polled	% of votes polled on outstanding shares	Votes cast in favour of the Resolution	Votes cast against the Resolution	% of Votes in favour on votes polled	% of votes against on votes polled	Invalid votes
Alteration of Articles of Association	3,92,55,63,565	67.38	3,92,39,26,748	16,36,817	99.96	0.04	98,459
Amendment to the Employee Stock Option Scheme	3,92,51,16,014	67.38	3,82,79,14,727	9,72,01,287	97.52	2.48	1,57,285

DIRECTORS' REPORT

At present, no special resolution is proposed to be passed through postal ballot.

XV. Disclosures

1. There are no materially significant transactions with related parties i.e., directors, management, subsidiaries, or relatives conflicting with the Bank's interests. The Bank has no promoter.
2. Penalties or strictures imposed on the Bank by any of the stock exchanges, the Securities & Exchange Board of India (SEBI) or any other statutory authority, for any non-compliance on any matter relating to capital markets, during the last three years, detailed as hereunder:

In reference to Show cause notice issued by RBI dated September 6, 2017 and supplementary show cause notice dated November 07, 2017 and as mentioned by RBI in its press release dated March 29, 2018, RBI has through an order dated March 26, 2018, imposed a monetary penalty of ₹ 589.0 million on ICICI Bank for non-compliance with directions/guidelines issued by RBI. This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949.

3. In terms of the Whistle Blower Policy of the Bank, no employee of the Bank has been denied access to the Audit Committee.

XVI. Means of Communication

It is ICICI Bank's belief that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. ICICI Bank disseminates information on its operations and initiatives on a regular basis. ICICI Bank's website (www.icicibank.com) serves as a key awareness facility for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on ICICI Bank's strategy, financial performance, operational performance and the latest press releases.

ICICI Bank's investor relations personnel respond to specific queries and play a proactive role in disseminating information to both analysts and investors. In accordance with SEBI and Securities Exchange Commission (SEC) guidelines, all information which could have a material bearing on ICICI Bank's share price is released through leading domestic and global wire agencies. The information is also disseminated to the National Stock Exchange of India Limited (NSE), the BSE Limited (BSE), New York Stock Exchange (NYSE), Securities Exchange Commission (SEC), Singapore Stock Exchange, Japan Securities Dealers Association and SIX Swiss Exchange Ltd from time to time.

The financial and other information and the various compliances as required/prescribed under the Listing Regulations are filed electronically with NSE/BSE through NSE Electronic Application Processing (NEAP) System and through BSE Listing Centre and are also available on their respective websites in addition to the Bank's website. Additionally, information is also disseminated to BSE/NSE where required by email or fax.

ICICI Bank's quarterly financial results are published either in the Financial Express (Mumbai, Pune, Ahmedabad, New Delhi, Lucknow, Chandigarh, Kolkata, Chennai, Bengaluru, Hyderabad and Kochi editions) or the Business Standard (Ahmedabad, Bengaluru, Bhubaneswar, Chandigarh, Chennai, Hyderabad, Kochi, Kolkata, Lucknow, Mumbai, New Delhi and Pune editions), and Vadodara Samachar (Vadodara). The financial results, official news releases, analyst call transcripts and presentations are also available on the Bank's website.

The Management's Discussion & Analysis forms part of the Annual Report.

General Shareholder Information

Annual General Meeting	Day, Date & Time	Venue
Twenty-Fourth AGM	Wednesday, September 12, 2018, 11.30 a.m.	Sir Sayajirao Nagargruh, Vadodara Mahanagar Seva Sadan, Near GEB Colony, Old Padra Road, Akota, Vadodara 390 020

Financial Year : April 1, 2017 to March 31, 2018
 Book Closure : August 28, 2018 to September 12, 2018
 Dividend Payment Date : September 13, 2018

Listing of equity shares/ADSs/Bonds on Stock Exchanges

Stock Exchange	Code for ICICI Bank
BSE Limited (BSE) (Equity) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	532174 & 632174 ¹
National Stock Exchange of India Limited (NSE) (Equity) Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai 400 051	ICICIBANK
New York Stock Exchange (ADSs) ² 11, Wall Street, New York, NY 10005, United States of America	IBN

1. Fill segment of BSE.
2. Each ADS of ICICI Bank represents two underlying equity shares.

The bonds issued in domestic market comprised of privately placed bonds as well bonds issued via public issues which are listed on BSE/NSE.

ICICI Bank has paid annual listing fees for the relevant periods to BSE and NSE where its equity shares/bonds are listed and NYSE where its ADSs are listed.

Listing of other securities

The bonds issued overseas are issued either in public or private placement format. The listed bonds are traded on Singapore Exchange Securities Trading Limited, 2 Shenton Way, #02-02, SGX Centre 1, Singapore 068804 or SIX Swiss Exchange Ltd, P.O. Box 1758, CH-8021 Zurich, Switzerland or Tokyo Stock Exchange, 2-1 Nihombashi Kabutocho, Chuo-ku Tokyo 103-8220 Japan.

Market Price Information

The reported high and low closing prices and volume of equity shares of ICICI Bank traded during fiscal 2018 on BSE and NSE are set out in the following table:

Month	BSE			NSE			Total Volume on BSE and NSE
	High ₹	Low ₹	Volume	High ₹	Low ₹	Volume	
April 2017	260.68	244.27	28,050,514	260.64	244.23	294,766,486	322,817,000
May 2017	296.64	247.95	56,314,696	296.77	247.95	686,787,972	743,102,668
June 2017	295.23	286.18	18,471,010	295.18	286.23	316,970,253	335,441,264
July 2017	310.20	289.45	35,513,452	310.35	289.50	273,787,529	309,300,981
August 2017	302.20	287.10	22,735,367	302.60	286.95	230,083,569	252,818,936
September 2017	298.20	275.55	13,762,764	298.30	275.95	265,346,113	279,108,877
October 2017	305.60	257.85	26,856,926	305.70	257.85	484,037,908	510,894,834
November 2017	325.10	305.80	22,375,693	325.10	305.50	338,858,264	361,233,957
December 2017	317.50	299.40	32,923,892	318.15	299.50	223,570,224	256,494,116
January 2018	362.05	309.25	41,681,148	362.30	309.50	364,937,744	406,618,892
February 2018	345.75	313.50	34,926,534	346.20	313.25	291,549,305	326,475,839
March 2018	306.35	275.80	27,704,791	306.05	275.55	369,766,992	397,471,783
Fiscal 2018	362.05	244.27	361,316,787	362.30	244.23	4,140,462,360	4,501,779,147

The Bank issued one bonus share for every 10 equity shares effective June 24, 2017. Share prices and volumes in the table have been adjusted accordingly.

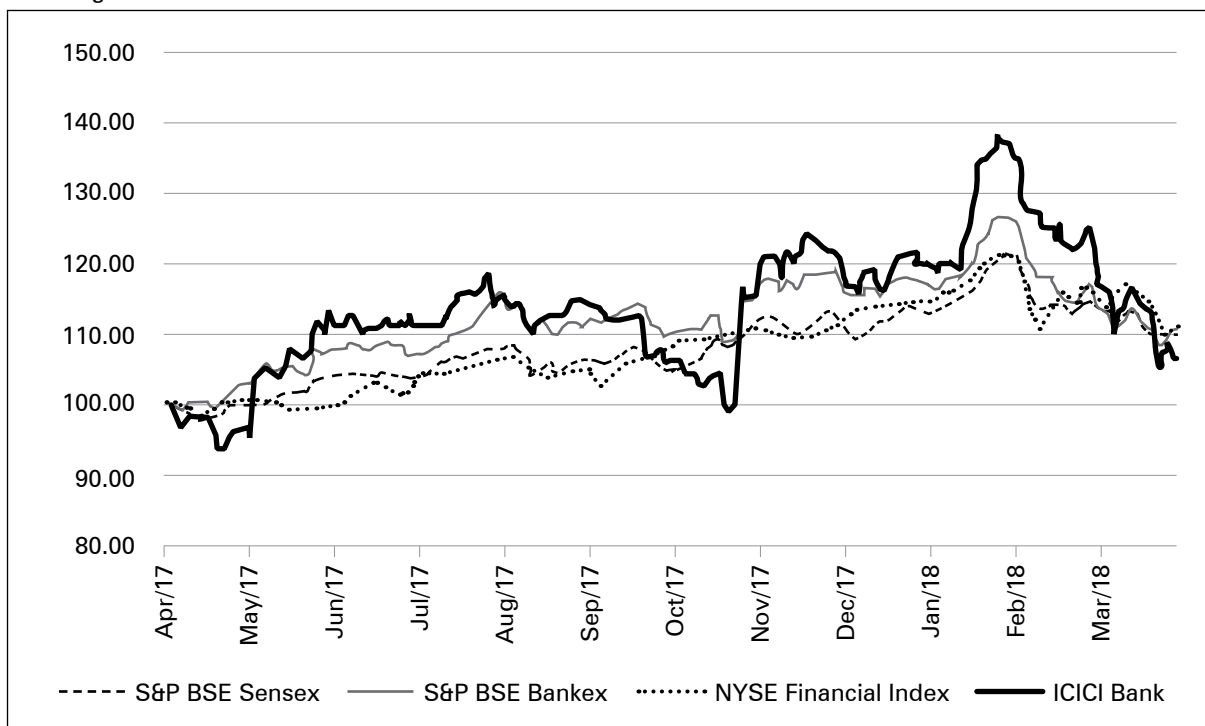
DIRECTORS' REPORT

The reported high and low closing prices and volume of ADRs of ICICI Bank traded during fiscal 2018 on the NYSE are given below:

Month	High (USD)	Low (USD)	Number of ADS traded
April 2017	8.00	7.50	112,908,164
May 2017	9.02	7.71	241,530,664
June 2017	9.17	8.78	152,262,176
July 2017	9.72	8.90	136,531,827
August 2017	9.45	8.79	174,370,358
September 2017	9.40	8.46	117,338,640
October 2017	9.15	7.91	272,236,040
November 2017	9.89	9.34	164,074,945
December 2017	9.81	9.33	91,013,566
January 2018	11.22	9.71	154,597,739
February 2018	10.78	9.50	151,033,704
March 2018	9.45	8.55	173,399,464
Fiscal 2018	11.22	7.50	1,941,297,287

The Bank issued one bonus ADS for every 10 ADS held effective June 24, 2017. ADS prices and volumes in the table have been adjusted accordingly.

The performance of ICICI Bank equity shares relative to the S&P BSE Sensitive Index (Sensex), S&P BSE Bank Index (Bankex) and NYSE Financial Index during the period April 1, 2017 to March 31, 2018 is given in the following chart:



Share Transfer System

ICICI Bank's investor services are handled by 3i Infotech Limited (3i Infotech). 3i Infotech is a SEBI registered Category I - Registrar to an Issue & Share Transfer (R&T) Agent. 3i Infotech is an information technology company and in addition to R&T services, provides a wide range of technology & technology-enabled products and services.

ICICI Bank's equity shares are traded mainly in dematerialised form. During the year, 1,589,536 equity shares of face value ₹ 2/- each involving 7,238 certificates were dematerialised. At March 31, 2018, 99.59% of paid-up equity share capital (including equity shares represented by ADS constituting 24.17% of the paid-up equity share capital) are held in dematerialised form.

Physical share transfer requests are processed and the share certificates are returned normally within a period of seven days from the date of receipt, if the documents are correct, valid and complete in all respects.

The number of equity shares of ICICI Bank transferred during the last three years (excluding electronic transfer of shares in dematerialised form) is given below:

	Fiscal 2016	Fiscal 2017	Fiscal 2018
	Shares of face value ₹ 2	Shares of face value ₹ 2	Shares of face value ₹ 2
Number of transfer deeds	1,114	414	629
Number of shares transferred	314,890	109,155	157,922

As required under Regulation 40(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate is obtained every six months from a practising Company Secretary that all transfers have been completed within the stipulated time. The certificates are filed with BSE and NSE.

In terms of SEBI circular no. D&CC/FITTC/CIR-16 dated December 31, 2002, as amended *vide* circular no. CIR/MRD/DP/30/2010 dated September 6, 2010 an audit is conducted on a quarterly basis by a firm of Chartered Accountants, for the purpose of, inter alia, reconciliation of the total admitted equity share capital with the depositories and in the physical form with the total issued/paid up equity share capital of ICICI Bank. Certificates issued in this regard are placed before the Stakeholders Relationship Committee and filed with BSE and NSE, where the equity shares of ICICI Bank are listed.

Physical Share Disposal Scheme

With a view to mitigate the difficulties experienced by physical shareholders in disposing off their shares, ICICI Bank, in the interest of investors holding shares in physical form (upto 250 shares of face value of ₹ 2 each) has instituted a Physical Share Disposal Scheme. The scheme was started in November 2008 and continues to remain open. Interested shareholders may contact the R&T Agent, 3i Infotech Limited for further details.

Registrar and Transfer Agents

The Registrar and Transfer Agent of ICICI Bank is 3i Infotech Limited. Investor services related queries/requests/complaints may be directed to R. C. D'souza at the address as under:

3i Infotech Limited

International Infotech Park
 Tower 5, 3rd Floor
 Vashi Railway Station Complex
 Vashi, Navi Mumbai 400 703
 Maharashtra, India
 Tel No. : +91-22-7123 8000
 Fax No. : +91-22-7123 8099
 E-mail : investor@icicibank.com

DIRECTORS' REPORT

Queries relating to the operational and financial performance of ICICI Bank may be addressed to:

Rakesh Jha/Anindya Banerjee
 ICICI Bank Limited
 ICICI Bank Towers
 Bandra-Kurla Complex
 Mumbai 400 051
 Tel No. : +91-22-2653 7131
 Fax No. : +91-22-2653 1175
 E-mail : ir@icicibank.com

Debenture Trustees

Pursuant to Regulation 53 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the names and contact details of the debenture trustees for the public issue bonds and privately placed bonds of the Bank are given below:

Bank of Maharashtra Head Office, Legal Dept. Lokmangal, "1501" Shivaji Nagar, Pune - 411 005 Tel. No: +91-020-2553 6256 bomcolaw@mahabank.com	Axis Trustee Services Limited Axis House, Ground Floor, Bombay Dyeing Mill Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025 Tel No: +91- 22- 2425 5202 debenturetrustee@axistrustee.com	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai 400 001 Tel No: +91 -22 - 4080 7001 ajit.guruji@idbitrustee.com
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The details are available on the website of the Bank at the link
<http://www.icicibank.com/Personal-Banking/investments/icici-bank-bonds/index.page>.

Information on Shareholding

Shareholding pattern of ICICI Bank at March 31, 2018

Shareholder Category	Shares	% holding
Deutsche Bank Trust Company Americas (Depositary for ADS holders)	1,553,716,495	24.17
FII's, NRIs, Foreign Banks, Foreign Companies, OCBs and Foreign Nationals	2,363,839,329	36.77
Insurance Companies	863,754,047	13.45
Bodies Corporate (including Government Companies)	125,541,844	1.95
Banks & Financial Institutions	3,071,804	0.05
Mutual Funds	1,104,462,167	17.18
Individuals, HUF and Trusts	353,357,106	5.50
NBFC Registered with RBI	948,746	0.01
Provident Fund / Pension Fund	52,643,783	0.82
Alternative Investment Fund	1,920,162	0.03
IEPF	4,735,293	0.07
Total	6,427,990,776	100.00

Shareholders of ICICI Bank with more than one percent holding at March 31, 2018

Sr. No	Name of the Shareholder	Type of shares	No. of shares	%
1	Deutsche Bank Trust Company Americas	Equity	1,553,716,495	24.17
2	Life Insurance Corporation of India	Equity	603,252,345	9.38
3	Dodge & Cox International Stock Fund	Equity	388,897,176	6.05
4	HDFC Trustee Co Ltd (Various Mutual Fund Accounts)/HDFC Large Cap Fund	Equity	275,843,678	4.29
5	ICICI Prudential Mutual Fund (Various Mutual Fund Accounts)	Equity	163,223,945	2.54

Sr. No	Name of the Shareholder	Type of shares	No. of shares	%
6	SBI Mutual Fund/SBI Dual Advantage Fund And Other Various Fund Accounts	Equity	133,169,518	2.07
7	Reliance Capital Trustee Co Ltd/Reliance ETF/Reliance Emergent India Fund (Various Fund Accounts)	Equity	101,446,335	1.58
8	Aditya Birla Sun Life Trustee Private Limited	Equity	99,464,487	1.55
9	Government of Singapore	Equity	101,380,233	1.58
10	Norges Bank on account of The Government Pension Fund Global	Equity	59,362,755	0.92

Note- Pursuant to SEBI circular dated December 19, 2017, the shareholding under different folios has been consolidated basis common Permanent Account Number

Distribution of shareholding of ICICI Bank at March 31, 2018

Range – Shares	No. of Folios	%	No. of Shares	%
Upto 1,000	427,985	48.28	14,850,980	0.23
1,001 – 5,000	300,970	33.95	71,153,318	1.11
5,001 – 10,000	95,204	10.74	62,618,295	0.97
10,001 – 50,000	53,571	6.05	97,157,514	1.51
50,001 & above	8,694	0.98	6,182,210,669	96.18
Total	886,424	100.00	6,427,990,776	100.00

Disclosure with respect to shares lying in suspense account

The Bank had 99,175 equity shares held by 498 shareholders lying in suspense account at the beginning of the fiscal 2018. The Bank has been transferring the shares lying unclaimed to the eligible shareholders as and when the request for the same has been received after proper verification. During the year, the Bank had allotted 9,662 Bonus shares and had received requests from 18 shareholders holding 9,715 shares for claiming these shares out of which 8,615 shares held by 15 shareholders were transferred from the suspense account. As on March 31, 2018, 100,222 shares held by 483 shareholders remained unclaimed in the suspense account.

The voting rights on the shares lying in suspense account are frozen till the rightful owner of such shares claims the shares.

Transfer of unclaimed dividend and shares to investor education & protection fund (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the amounts of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Accounts of the Company are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the unclaimed dividend for the financial year ended March 31, 2010 was transferred to the IEPF on August 21, 2017.

Further, as per the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016 (IEPF Rules), the shares in respect of which the dividend has not been claimed for seven consecutive years are required to be transferred by the Company to the designated Demat account of the IEPF Authority. In compliance with the aforesaid provision the Bank on November 30, 2017 has transferred, 4,735,293 equity shares of ₹ 2 each to the demat account of the IEPF Authority which is maintained with National Securities Depository Limited (NSDL).

With respect to the unclaimed dividend for the financial year ended March 31, 2011, reminder letters were sent to the Members in March and April 2018 to claim the outstanding dividend amounts on or before June 27, 2018 failing which the corresponding shares alongwith unclaimed dividend would become due for transfer to the designated demat account as mentioned above. The unclaimed dividend for the financial year ended March 31, 2011 would accordingly be transferred to the IEPF in August 2018. The corresponding shares alongwith the unclaimed dividend would also be transferred to the demat account of the IEPF Authority.

DIRECTORS' REPORT

Members who have not yet encashed their dividend warrant(s) for the financial years ended March 31, 2012 and/or subsequent years are requested to submit their claims to the Registrar and Transfer Agent of the Company without any delay. The unclaimed dividend and the unclaimed equity shares can be claimed by making an application directly to IEPF in the prescribed form under the IEPF Rules which is available on the website of IEPF i.e. www.iepf.gov.in. or you may write to 3i Infotech Limited for any assistance in this regard. As stipulated under the said Rules, all subsequent corporate benefits that would accrue in relation to the above shares will also be credited to the said IEPF Account.

Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 has stipulated various procedural steps for all listed entities and their Registrar & Transfer Agents (RTA) with the objective of streamlining the processes relating to maintenance of records, transfer of securities and seamless payment of dividend amounts to shareholders. The circular also mandated the issuer companies to seek the copy of PAN Card and Bank Account details from the shareholders through their RTA. Further, BSE vide circular No. LIST/COMP/15/2018-19 dated July 5, 2018 regarding amendment to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) with respect to mandatory dematerialisation for transfer of securities had stipulated to ensure that shares must be held in the DEMAT form in case of transfer of securities. Listed Companies and their Registrars and Transfer Agents (RTAs) were advised that with effect from December 5, 2018, it should be ensured that shares which are lodged for transfer shall be in dematerialised form only.

In view of the above, the Registrar and Transfer Agent had vide its letter dated July 11, 2018 advised the shareholders whose PAN/Bank account details were not available/updated in the records to provide the same within 21 days of the date of the letter. The RTA had further advised the shareholders to convert the physical shares into dematerialized form.

Outstanding GDRs/ADSs/Warrants or any Convertible Debentures, conversion date and likely impact on equity

ICICI Bank has 776.86 million ADS (equivalent to 1,553.72 million equity shares) outstanding, which constituted 24.17% of ICICI Bank's total equity capital at March 31, 2018. Currently, there are no convertible debentures outstanding.

Commodity price risk or foreign exchange risk and hedging activities

The foreign exchange risk position including bullion is managed within the ₹ 15.00 billion net overnight open position (NOOP) limit approved by the Board of Directors. The Bank does not take positions in commodities. The Bank primarily has floating rate linked foreign currency assets. Wholesale liability raising takes place in USD or other currencies via bond issuances, bilateral loans and syndicated/club loans as well as refinance from Export Credit Agencies (ECA) which may be at a fixed rate or floating rate linked. In case of fixed rate fund raising in USDs, the interest rate risk is hedged via interest rate swaps wherein the Bank moves to a floating rate index in order to match the asset profile. In case of fund raising in non USD currencies, the foreign exchange risk is hedged via foreign exchange swaps or currency interest rate swaps.

Plant Locations – Not applicable

Address for Correspondence

Ranganath Athreya
 General Manager & Company Secretary (with effect from July 28, 2018)
 ICICI Bank Limited
 ICICI Bank Towers
 Bandra-Kurla Complex
 Mumbai 400 051
 Tel No. : +91-22-2653 8900
 Fax No. : +91-22-2653 1230
 E-mail : companysecretary@icicibank.com

The Bank is in compliance with requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Bank has also complied with the discretionary requirements such as maintaining a separate office for the Chairman at the Bank's expense, ensuring financial statements with unmodified audit opinion, separation of posts of Chairman and Chief Executive Officer and reporting of internal auditor directly to the Audit Committee.

ANALYSIS OF CUSTOMER COMPLAINTS

a) Customer complaints in fiscal 2018

No. of complaints pending at the beginning of the year	4,272
No. of complaints received during the year	237,343
No. of complaints redressed during the year	235,406
No. of complaints pending at the end of the year	6,209

Note: The above does not include complaint redressed within 1 working day.

b) Awards passed by the Banking Ombudsman in fiscal 2018

Number of unimplemented awards at the beginning of the year	Nil
Number of awards passed by the Banking Ombudsman during the year	Nil
Number of awards implemented during the year	Nil
Number of unimplemented awards at the end of the year	Nil

COMPLIANCE CERTIFICATE OF THE AUDITORS

ICICI Bank has annexed to this report, a certificate obtained from the statutory auditors, M/s B S R & Co. LLP, Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

EMPLOYEE STOCK OPTION SCHEME

The Bank has an Employee Stock Option Scheme (ESOS/Scheme) which was instituted in fiscal 2000 to enable the employees and wholtime Directors of ICICI Bank and its subsidiaries to participate in future growth and financial success of the Bank. The ESOS aims at achieving the twin objectives of (i) aligning employee interest to that of the shareholders; and (ii) retention of talent. Through employee stock option grants, the Bank seeks to foster a culture of long-term sustainable value creation. The Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and the below disclosures are available at www.icicibank.com/aboutus/annual.page. Pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, options are granted by the Board Governance, Remuneration & Nomination Committee (BGRNC) and noted by the Board.

The Scheme was initially approved by the Members at their meeting held on February 21, 2000 and thereafter further amended through resolutions at the General Meeting held on September 20, 2004, June 25, 2012 and vide a postal ballot resolution passed on April 22, 2016. The scheme was further amended through a resolution at the Board Governance, Remuneration & Nomination Committee held on July 11, 2016 and vide a postal ballot resolution passed on June 12, 2017. The Bank has upto March 31, 2018 granted 487.11 million stock options from time to time aggregating to 7.58% of the issued equity capital of the Bank at March 31, 2018. As per the ESOS, as amended from time to time, the maximum number of options granted to any employee/Director in a year is limited to 0.05% of ICICI Bank's issued equity shares at the time of the grant, and the aggregate of all such options is limited to 10% of ICICI Bank's issued equity shares on the date of the grant (equivalent to 642.80 million shares of face value ₹ 2 each at March 31, 2018).

DIRECTORS' REPORT

Options granted after April 1, 2014 vest in a graded manner over a three year period, with 30%, 30% and 40% of the grant vesting in each year, commencing from the end of 12 months from the date of the grant, other than the following:

- 275,000 options granted in April 2014, 50% vested on April 30, 2017 and balance 50% vested on April 30, 2018.
- Options granted in September 2015, 50% vested on April 30, 2018 and balance 50% would vest on April 30, 2019. The unvested options would lapse upon termination of employment due to retirement (including pursuant to early/voluntary retirement scheme).
- 300,000 options granted in January 2018, would vest to the extent of 100% at the end of four years from the date of grant.

Options granted prior to April 1, 2014 vested in a graded manner over a four-year period, with 20%, 20%, 30% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant, other than the following:

- Options granted in April 2009 vested in a graded manner over a five-year period with 20%, 20%, 30% and 30% of the grant vesting in each year, commencing from the end of 24 months from the date of the grant.
- The grant approved by the Board at its Meeting held on October 29, 2010 (for which RBI approval for grant to wholetime Directors was received in January 2011), vested 50% on April 30, 2014 and the balance 50% vested on April 30, 2015.
- Options granted in September 2011 vested in a graded manner over a five-year period with 15%, 20%, 20% and 45% of the grant vesting in each year, commencing from end of 24 months from the date of grant.

The price for options granted (except for grants approved on October 29, 2010 where the grant price was the average closing price of the ICICI Bank stock on the stock exchange during the six months upto October 28, 2010) is equal to the closing price on the stock exchange which recorded the highest trading volume preceding the date of grant of options in line with the SEBI regulations.

The BGRNC at its Meeting held on May 3, 2017 approved a grant of approximately 36.3 million options (bonus adjusted) for fiscal 2017 to eligible employees and wholetime Directors of ICICI Bank and its subsidiaries. Each option confers on the employee a right to apply for one equity share of face value of ₹ 2 of ICICI Bank at ₹ 250.55 being the grant price proportionately adjusted post issuance of bonus options in June 2017 based on the price of ₹ 275.60 calculated as per the SEBI Regulations which was closing price on the stock exchange which recorded the highest trading volume in ICICI Bank shares on May 2, 2017.

Particulars of options granted by ICICI Bank upto March 31, 2018 are given below:

Options granted till March 31, 2018 (excluding options forfeited/lapsed)	487,109,621
Options forfeited/lapsed	83,085,543
Options vested	401,079,784
Options exercised	251,437,371
Total number of options in force	235,672,250
Number of shares allotted pursuant to exercise of options	251,437,371
Extinguishment or modification of options	Nil
Amount realised by exercise of options (₹)	20,369,703,051

1. The numbers indicated include options granted till March 31, 2018 including those granted to wholetime Directors (WTDs) as per RBI approvals. For the year ended March 31, 2018, approx. 35.5 million options were approved by BGRNC at its meeting held on May 7, 2018 (FY2017: 36.3 million options bonus adjusted) which includes options granted to WTDs subject to RBI approval.
2. For details on option movement during the year refer Financials-Schedule 18-Employee Stock Option Scheme. 37,507,933 options vested during FY2018 and ₹ 3,939,489,824 was realised by exercise of options during FY2018.
3. Pursuant to the issuance of bonus shares by the Bank in June 2017, stock options were also adjusted with increase of one option for every 10 outstanding options. Accordingly, all numbers reported above have been re-stated.

The following Key Managerial Personnel (other than wholetime Directors) and Senior Management Personnel (SMP) were granted ESOPs upto maximum of 365,750 options, aggregating to 3,768,545 in FY2018. The numbers reported here are adjusted with increase of one option for every 10 outstanding options pursuant to the issuance of bonus shares by the Bank in June 2017.

Sr. No.	Name	Grade
1	Madhivanan B	Group Executive
2	Prasanna Balachander	Group Executive
3	Rakesh Jha	Group Executive (Chief Financial Officer)
4	Sanjay Chougule	Senior General Manager
5	G Srinivas	Senior General Manager
6	T. K. Srirang	Senior General Manager
7	Anita Pai	Senior General Manager
8	Partha Dey	Senior General Manager
9	Sanker Parameswaran	Senior General Manager (Company Secretary)
10	Saurabh Singh	Senior General Manager
11	Supritha Shirish Shetty	Senior General Manager
12	Sujit Ganguli	Senior General Manager
13	Ajay Gupta	Senior General Manager
14	Murali Ramakrishnan	Senior General Manager
15	Amit Palta	Senior General Manager
16	Narayanan N R	Senior General Manager
17	Kumar Ashish	Senior General Manager
18	Loknath Mishra	Senior General Manager
19	Anuj Bhargava	Senior General Manager
20	Avijit Saha	Senior General Manager
21	Subir Saha	Senior General Manager
22	Anil Kaul	Senior General Manager

1. For the year-ended March 31, 2018 the numbers indicated are the options granted during the year FY2018.

No employee was granted options during any one year equal to or exceeding 0.05% of the issued equity shares of ICICI Bank at the time of the grant.

The diluted earnings per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with AS-20 was ₹ 10.46 in fiscal 2018 compared to basic EPS of ₹ 10.56. Based on the intrinsic value of options, no compensation cost was recognised during fiscal 2018. However, if the Bank had used the fair value of options based on the binomial tree model, compensation cost in fiscal 2018 would have been higher by ₹ 3.52 billion including additional cost of ₹ 0.07 billion due to change in exercise period and proforma profit after tax would have been ₹ 64.25 billion. On a proforma basis, the Bank's basic and diluted earnings per share would have been ₹ 10.01 and ₹ 9.91 respectively.

The key assumptions used to estimate the fair value of options granted during fiscal 2018 are given below:

Risk-free interest rate	7.06% to 7.59%
Expected life	3.90 to 6.90 years
Expected volatility	31.71% to 32.92%
Expected dividend yield	0.73% to 1.81%

The weighted average fair value of options granted during fiscal 2018 was ₹ 86.43 (₹ 76.72 during fiscal 2017).

The Bank has an 'Employees Stock Option Scheme – 2000' (ESOS scheme) framed in line with the SEBI (Share Based Employee Benefits) Regulations, 2014 (Regulations). The Scheme has been amended from time to time with the approval of the Members and as per the amendments last approved by the Members vide a Postal Ballot resolution passed on June 12, 2017 the Exercise Period was defined as the period commencing from the date of

DIRECTORS' REPORT

vesting and which will expire on completion of such period not exceeding ten years from the date of vesting of Options as may be determined by the Board Governance, Remuneration & Nomination Committee ("BGNRC") for each grant.

The Board Governance Remuneration & Nomination Committee and Board at its meetings held on May 7, 2018 with the objective to further enhance employee efforts to execute the current strategy and align the compensation payout schedules for senior management to the time horizon of risks approved the amendment to the definition of Exercise Period as given below:

"The "Exercise Period" would commence from the date of vesting and will expire on completion of such period not exceeding five years from the date of vesting of Options as may be determined by the Board Governance Remuneration & Nomination Committee for each grant".

The amendment is intended to cover only future grants to be made and would come into effect only after approval by Members and will not cover grants already made. As per the Regulations, any variation to the terms of the Scheme requires the approval of Members by way of a special resolution. There are no other changes to the existing terms of the Scheme.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Bank has undertaken various initiatives for energy conservation at its premises, further details are given under Principle 6 of Section E of the Business Responsibility Report. The Bank has used information technology extensively in its operations, for more details please refer the section on Information Technology under Business Overview.

UPDATE ON RECENT DEVELOPMENTS AT THE BANK

The Audit Committee of the Bank under direction given by the Board of Directors has instituted an independent enquiry, headed by a former Supreme Court Judge, Hon'ble Mr. Justice B. N. Srikrishna (Retd.), to consider various allegations relating to the MD and CEO, Ms. Chanda Kochhar. The allegations have been levelled against Ms. Kochhar through media articles, a whistleblower complaint and complaints written by a private individual to senior government officials and regulators. The allegations include nepotism, quid pro quo and claims that Ms. Kochhar, by not disclosing conflicts of interest caused by certain transactions between certain borrowers of the Bank and entities controlled by Ms. Kochhar's spouse, committed infractions under applicable regulations and the Bank's Code of Conduct.

The independent enquiry is supported by an independent law firm and a forensic firm. The independent enquiry is under way.

In addition, SEBI issued a show-cause notice to Ms. Kochhar and to the Bank in May 2018 related to the allegations. The Bank is in the process of responding to the relevant allegations in the notice which pertain to the Bank. The Central Bureau of Investigation (CBI) also initiated a preliminary enquiry against various individuals and firms including unknown officers and/or officials of the Bank.

Ms. Kochhar is on a leave of absence while the independent enquiry takes place. In the interim, Mr. Sandeep Bakhshi has been appointed as Chief Operating Officer, subject to approval of the Reserve Bank of India (RBI), and reports directly to the Board of Directors during her absence.

GREEN INITIATIVES IN CORPORATE GOVERNANCE

In line with the 'Green Initiative' since the last five years, the Bank has effected electronic delivery of Notice of Annual General Meeting and Annual Report to those Members whose e-mail IDs were registered with the respective Depository Participants and downloaded from the depositories viz. National Securities Depository Limited/Central Depository Services (India) Limited. The Companies Act, 2013 and the underlying rules as well as Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, permit the dissemination of financial statements and annual report in electronic mode to the Members. Your Directors are thankful to the Members for actively participating in the Green Initiative and seek your continued support for implementation of the green initiative.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit of the Bank for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Banking Regulation Act, 1949 and the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
4. that they have prepared the annual accounts on a going concern basis;
5. that they have laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and
6. that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

ICICI Bank is grateful to the Government of India, Reserve Bank of India, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India and overseas regulators for their continued co-operation, support and guidance. ICICI Bank wishes to thank its investors, the domestic and international banking community, rating agencies and stock exchanges for their support.

ICICI Bank would like to take this opportunity to express sincere thanks to its valued clients and customers for their continued patronage. The Directors express their deep sense of appreciation to all the employees, whose outstanding professionalism, commitment and initiative has made the organisation's growth and success possible and continues to drive its progress. Finally, the Directors wish to express their gratitude to the Members for their trust and support.

For and on behalf of the Board

Girish Chandra Chaturvedi
Chairman

July 27, 2018

Compliance with the Group Code of Business Conduct and Ethics

I confirm that all Directors and members of the senior management have affirmed compliance with Group Code of Business Conduct and Ethics for the year ended March 31, 2018.

Sandeep Bakhshi
Chief Operating Officer (Designate)

July 27, 2018

Anup Bagchi
Executive Director