

MESSAGE FROM THE CHAIRMAN



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As I write this letter, the world is going through one of the most turbulent times with challenges that are unprecedented. Every nation is striving to fight the Covid-19 pandemic. Economic activity had almost come to a standstill as we lived through a period of intense uncertainties, and is only now beginning to resume. The impact is sweeping across every segment of society and every economic activity. However, amidst these challenges, it is evident that these events have only accelerated the pace of change and will redefine the way businesses, people and governments engage. This will give rise to new technological paradigms difficult to envisage at present. Year 2020 is going to be a turning point for everyone and in every way.

In the last two years, since the time I have joined as Chairman, the Bank has demonstrated strength in steering through challenging circumstances. Businesses have been driven with a focus on risk-calibrated profitable growth. The balance sheet of the Bank has been strengthened substantially and risk management practices have focussed on generating sustainable and stable growth in business. The steps taken have enabled the Bank to emerge more dynamic and this reflects in the performance of the Bank in fiscal 2020.

During fiscal 2020, growth in the Bank's core operating profit was healthy and the capital and liquidity position remains strong. The franchise has been strengthened supporting robust flow of deposits during the year. There has been an improvement in asset quality parameters with a granular and stronger portfolio mix. The performance in fiscal 2020 has also ensured value-creation for all stakeholders, including shareholders and customers. This has been achieved despite a challenging operating environment for the Indian banking industry. The Bank's progress in fiscal 2020 only further increases our confidence in its strategic priorities and the core principles driving businesses.

The year saw some innovative products being launched for the Bank's customers. Designing solutions that are all-encompassing has been made possible by placing the customer at the centre of business operations and harnessing digital capabilities. The Bank's ability to leverage technology combined with analytical insights and partnerships have created new ways of serving customers through digital journeys and one-stop solutions for all banking needs. The insta-lending products, the focus on seamless onboarding of customers, simplifying

processes to enable smooth transactions are together creating a rewarding digital experience for our customers.

Fiscal 2020 has however concluded in the most unexpected circumstances caused by the spread of the Covid-19 pandemic in India. The lockdown in April and May 2020 has created significant disruptions to the economy, businesses and the banking industry. India has made significant efforts in dealing with this emergency. We convey our sincere appreciation to the health workers, the police and others in the forefront in the fight against the crisis.

The Bank is committed to stand by its customers and the larger community in this hour of need. Of utmost importance is the health, well-being of our employees and customers and business continuity. The Bank has formed a quick response team to take steps to protect the health of the employees and provide essential services to customers. About 97% of the branches were functional with reduced working hours during the lockdown. Mobile ATMs were deployed for the benefit of the general public residing in and around the containment zones. Even under these demanding circumstances, the Bank has seen an opportunity in enhancing its digital journey. The launch of 'ICICISStack', a comprehensive digital banking platform offering services to a range of customers including retail, business banking, SME and corporate customers, reflects the Bank's approach.

Our employees have shown strong resilience and ability to adapt to changing circumstances. I would like to thank every employee of the Bank for the commendable efforts and character displayed during this challenging period, and for responsibly upholding the reputation of the institution.

During the health crisis, the Bank and ICICI Foundation for Inclusive Growth have made efforts at a national level by facilitating supply of critical material like masks, sanitisers, personal protective equipment and others. The scale of efforts is considerable having reached out to over 500 districts across 34 states and union territories. ICICI Group has committed a sum of ₹1.00 billion to support the nation's fight against the Covid-19 outbreak, including ₹800.0 million to the PM CARES Fund.

The Bank continued to strengthen its policies and processes and maintain strong risk management practices in these evolving times. With a commitment

to the highest levels of corporate governance, the Board of Directors, with two-third independent members, maintains its oversight through various committees. The Bank is focussed on building a service-oriented culture and ensure ethical conduct. The policies, principles and approaches of the Bank towards environment, society and governance have been captured in the Board-approved ESG Framework. We have also released a separate report highlighting the Bank's initiatives around ESG along with the Annual Report.

Looking ahead, there are significant challenges for the economy and the banking sector in fiscal 2021. A contraction in economic growth is inevitable, and regaining the confidence and momentum of activity as in the past may take some time. A health emergency of this magnitude will lead to extraordinary responses and outcomes. Under these circumstances, the Bank remains committed to being with its customers and ensuring seamless delivery of financial services and will participate in the relief measures to mitigate the impact of the crisis. The Bank is cognisant of the elevated risks in the operating environment and will take steps to remain strong and resilient and be well-positioned to absorb potential losses that could arise. Our passion to create value continues in these challenging times.

I wish to thank all our stakeholders and my colleagues on the Board of Directors. Together, we shall overcome these challenges and emerge stronger.

With best wishes,

Girish Chandra Chaturvedi

Chairman