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Independent Auditors' Report

To The Board of Directors of ICICI Bank Limited

We have audited the accompanying consolidated financial statements of ICICI Bank Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the ICICI Group") and associates, comprising of the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Profit and Loss account and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the ICICI Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') from time to time.

The respective Board of Directors of the companies included in the ICICI Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the ICICI Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.



Independent Auditors' Report (Continued)

ICICI Bank Limited

Auditor's Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the ICICI Group and its associates as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 15 to the consolidated financial statements, which provides details with regard to the creation of provision relating to Funded Interest Term Loan through utilization of reserves pertaining to the year ended 31 March 2015, as permitted by the RBI vide letter dated 6 January 2015. Our opinion is not modified in respect of this matter.

Other Matters

- (a) We did not audit the financial statements of thirteen subsidiaries, whose financial statements reflect total assets of Rs. 1,067,124 million as at 31 March 2016, total revenues of Rs. 64,249 million and net cash inflows amounting to Rs. 7,375 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the ICICI Group's share of net profit of Rs. 91 million for the year ended 31 March 2016, as considered in the consolidated financial statements, in respect of an associate, whose financial statements and other financial information have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.

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Independent Auditors' Report (Continued)

ICICI Bank Limited

- (b) We have jointly audited with other auditor, the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 1,047,662 million as at 31 March 2016, total revenues of Rs. 231,799 million for the year ended 31 March 2016 and net cash inflows amounting to Rs. 22,195 million for the year ended 31 March 2016. For the purpose of the consolidated financial statements, we have relied upon the work of the other auditor, to the extent of work performed by them and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates to this subsidiary, is based solely on the report of the other auditor, to the extent of work performed by them.
- (c) The consolidated financial statements also include the ICICI Group's share of net profit of Rs. 223 million for the year ended 31 March 2016, as considered in the consolidated financial statements, in respect of six associates, whose financial statements and other financial information have not been audited by us. These financial statements and other financial information are unaudited and have been furnished to us by Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associates, is based solely on such unaudited financial statements and other financial information. In our opinion and according to the information and explanations given to us by Management, these financial statements and other financial information are not material to the ICICI Group.
- (d) The auditors of ICICI Prudential Life Insurance Company, the ICICI Group's Life Insurance subsidiary have reported, "The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2016 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority ("IRDAI" / "Authority") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists on standalone financial statements of the Company".
- (e) The auditors of ICICI Lombard General Insurance Company Limited, the ICICI Group's General Insurance subsidiary have reported, "The Actuarial valuation of liabilities in respect of Incurred But Not Reported ('IBNR') and Incurred But Not Enough Reported ('IBNER') as at March 31, 2016, other than for reinsurance accepted from Declined Risk Pool ('DR Pool') has been duly certified by the Appointed Actuary of the Company and relied upon by us. The Appointed Actuary has also certified that the assumptions considered by him for such valuation are in accordance with the guidelines and norms prescribed by the IRDAI and the Actuarial Society of India in concurrence with the IRDAI. In respect of reinsurance accepted from DR Pool, IBNR / IBNER has been recognized based on estimates received from DR pool".

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by Management.

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Independent Auditors' Report (Continued)

ICICI Bank Limited

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report to the extent applicable that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit of the aforesaid consolidated financial statements;
 - (b) in our opinion, proper books of account as required by law relating to presentation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) the Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting policies prescribed by the RBI and to the extent of the direction given by the RBI in respect to the matter dealt with in the Emphasis of Matter paragraph above;
 - (e) on the basis of written representations received from the directors of the Holding Company as at 31 March 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the ICICI Group and its associate companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the ICICI Group and its associate companies and the operating effectiveness of such controls, refer our separate Report in "Annexure A";
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the ICICI Group and its associates – Refer Note 7 to the consolidated financial statements.
 - ii. provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts – Refer (a) Note 7 to the consolidated financial statements in respect of such items as it relate to the ICICI Group and its associate entities and (b) the ICICI Group's share of net profit in respect of its associates.



Independent Auditors' Report (*Continued*)

ICICI Bank Limited

Report on Other Legal and Regulatory Requirements (*Continued*)

- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries and associate companies incorporated in India.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Venkataramanan Vishwanath

Partner

Membership No: 113156

Mumbai
29 April 2016

Annexure A to the Independent Auditor's Report of even date on the Consolidated Financial Statements of ICICI Bank Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our report of the consolidated financial statements of ICICI Bank Limited, its subsidiary companies and its associate companies (collectively referred to as "the Group") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of ICICI Bank Limited (hereinafter referred to as 'the Holding Company'), its subsidiary companies and associate companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.



Independent Auditor's Report (Continued)

ICICI Bank Limited

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

9. The auditors of ICICI Prudential Life Insurance Company, the Group's Life Insurance subsidiary have reported, "We report that the actuarial valuation of liabilities for life policies in force and policies where premium is discontinued but liability exists as at March 31, 2016 has been certified by the Appointed Actuary as per the regulations, and has been relied upon by us as mentioned in para other matters of our audit report on the financial statements for the year ended March 31, 2016. Our opinion is not modified in respect of above matter."
10. The auditors of ICICI Lombard General Insurance Company Limited, the Group's General Insurance subsidiary have reported, "The Actuarial valuation of liabilities in respect of Incurred But Not Reported ('IBNR') and Incurred But Not Enough Reported ('IBNER') as at March 31, 2016, other than for reinsurance accepted from Declined Risk Pool ('DR Pool') has been duly certified by the Appointed Actuary of the Company as per the Regulations and has been relied upon by us as mentioned in para 9(h) of our Audit Report on the financial statements for the year ended 31st March, 2016. Accordingly, our opinion on the internal financial controls over financial reporting does not include reporting on the adequacy and operating effectiveness of the internal controls over the valuation and accuracy of the aforesaid actuarial liabilities".

Independent Auditor's Report (*Continued*)

ICICI Bank Limited

11. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to seven subsidiary companies, one subsidiary company which is jointly audited with another auditor and an associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Venkataramanan Vishwanath

Partner

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29 April 2016