

ICICI BANK LTD
Form 20-F
July 31, 2018

As filed with the Securities and Exchange Commission on July 31, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

(Mark One)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES
EXCHANGE ACT OF 1934**

OR

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the fiscal year ended March 31, 2018.

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the transition period from _____ to _____.

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

Commission file number: 001-15002

ICICI BANK LIMITED

(Exact name of Registrant as specified in its charter)

Vadodara, Gujarat, India

(Jurisdiction of incorporation or organization)

ICICI Bank Towers

Bandra-Kurla Complex

Mumbai 400051, India

(Address of principal executive offices)

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
<u>Equity Shares of ICICI Bank Limited(1)</u>	<u>New York Stock Exchange</u>
<u>American Depositary Shares, each representing two Equity Shares of ICICI Bank Limited, par value</u>	<u>New York Stock Exchange</u>
<u>Rs. 2 per share</u>	

(1) Not for trading, but only in connection with the registration of American Depositary Shares representing such Equity Shares pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

[None]

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

[None]

The number of outstanding Equity Shares of ICICI Bank Limited as of March 31, 2018 was 6,427,990,776.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer Non-accelerated Filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

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If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

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Certain Definitions

In this annual report, all references to “we”, “our”, and “us” are to ICICI Bank Limited and its consolidated subsidiaries and other consolidated entities under generally accepted accounting principles in India (“Indian GAAP”). In the financial statements contained in this annual report and the notes thereto, all references to “the Company” are to ICICI Bank Limited and its consolidated subsidiaries and other consolidated entities under Indian GAAP.

References to specific data applicable to particular subsidiaries or other consolidated entities are made by reference to the name of that particular entity. References to the “amalgamation” are to the amalgamation of ICICI, ICICI Personal Financial Services and ICICI Capital Services with ICICI Bank. References to “Sangli Bank” are to The Sangli Bank Limited prior to its amalgamation with ICICI Bank, effective April 19, 2007. References to “Bank of Rajasthan” are to the Bank of Rajasthan Limited prior to its amalgamation with ICICI Bank, effective from the close of business at August 12, 2010.

References to “ICICI Bank” and “the Bank” are to ICICI Bank Limited on an unconsolidated basis. References to “ICICI” are to ICICI Limited and its consolidated subsidiaries and other consolidated entities under Indian GAAP prior to the amalgamation of ICICI Limited, ICICI Personal Financial Services Limited and ICICI Capital Services Limited with ICICI Bank Limited, which was effective March 30, 2002 under Indian GAAP. References to a particular “fiscal” year are to the year ended on March 31 of such a year. Unless otherwise indicated, all references to the “Board of Directors” and the “Board” are to the board of directors of ICICI Bank.

All references to the “Companies Act”, the “Banking Regulation Act” and the “Reserve Bank of India Act” are to the Companies Act, 2013, the Banking Regulation Act, 1949 and the Reserve Bank of India Act, 1934 as passed by the Indian Parliament and as amended from time to time. All references to “RBI” and the “Reserve Bank of India” are to the central banking and monetary authority of India.

Pursuant to the issuance and listing of our securities in the United States under registration statements filed with the United States Securities and Exchange Commission, we file annual reports on Form 20-F which must include financial statements prepared under generally accepted accounting principles in the United States (U.S. GAAP), or financial statements prepared according to a comprehensive body of accounting principles with a reconciliation of net income and stockholders’ equity to U.S. GAAP. When we first listed our securities in the United States, Indian GAAP was not considered a comprehensive body of accounting principles under the United States securities laws and regulations. Accordingly, our annual reports on Form 20-F for fiscal years 2000 through 2005 included U.S. GAAP financial statements. However, pursuant to a significant expansion of Indian accounting standards, Indian GAAP constitutes a comprehensive body of accounting principles. Accordingly, we have included in this annual report, as in the annual reports for fiscal years 2014 through 2018, consolidated financial statements prepared according to Indian GAAP, with a reconciliation of net income and stockholders’ equity to U.S. GAAP and a description of significant

differences between Indian GAAP and U.S. GAAP.

Our annual report prepared and distributed to our shareholders under Indian law and regulations include unconsolidated Indian GAAP financial statements, management's discussion and analysis of the Bank's results of operations and financial condition based on the Bank's unconsolidated Indian GAAP financial statements and our consolidated Indian GAAP financial statements.

The economic and industry data and information presented in this document are sourced from government statistical releases, press releases and notifications by the Government of India, the Reserve Bank of India and other regulators, data available on the websites of the Government of India, Reserve Bank of India, other regulators and industry bodies.

Forward-Looking Statements

We have included statements in this annual report which contain words or phrases such as “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future”, “objective”, “should”, “can”, “could”, “may”, “will pursue” and similar expressions or variations of such expressions that may constitute “forward-looking statements”. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the actual growth in demand for banking and other financial products and services in the countries in which we operate or where a material number of our customers reside; future levels of non-performing and restructured loans and any increased provisions and regulatory and legal changes relating to those loans; our exposure to securities of asset reconstruction companies; our ability to successfully implement our strategies, including our retail deposit growth strategy, our strategic use of technology and the internet and our strategy to reduce our net non-performing assets; the continued service of our senior management; the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions in which we are or become a party to; the outcome of any internal or independent enquiries or regulatory or governmental investigations; our rural expansion; our exploration of merger and acquisition opportunities; our ability to integrate recent or future mergers or acquisitions into our operations and manage the risks associated with such acquisitions to achieve our strategic and financial objectives; our ability to manage the increased complexity of the risks that we face following our international growth; our growth and expansion in domestic and overseas markets; our status as a systemically important bank in India; our ability to maintain enhanced capital and liquidity requirements; the adequacy of our allowance for credit and investment losses; our ability to market new products; investment income; cash flow projections; the impact of any changes in India’s credit rating; the impact of any new accounting standards or new accounting framework; our ability to implement our dividend payment practice; the impact of changes in banking and insurance regulations and other regulatory changes in India and other jurisdictions on us, including changes in regulatory intensity, supervision and interpretations; the state of the global financial system and systemic risks; the bond and loan market conditions and availability of liquidity amongst the investor community in these markets; the nature of credit spreads and interest spreads from time to time, including the possibility of increasing credit spreads or interest rates; our ability to roll over our short-term funding sources and our exposure to credit, market, liquidity and reputational risks. We undertake no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this annual report include, but are not limited to, the monetary and interest rate policies of India and the other markets in which we operate, general economic and political conditions in India, southeast Asia, and the other countries which have an impact on our business activities or investments, political or financial instability in India or any other country caused by any factor including regional hostilities, terrorist attacks or social unrest, man-made or natural disasters and catastrophes, inflation, deflation, unanticipated turbulence in interest rates, changes or volatility in the value of the rupee, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in general, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environment in India and regional or general changes in asset valuations. For a further discussion of the factors that could cause actual results to differ, see the discussion under “Risk Factors” contained in this annual report.

Exchange Rates

Fluctuations in the exchange rate between the Indian rupee and the U.S. dollar will affect the U.S. dollar equivalent of the Indian rupee price of equity shares on the Indian stock exchanges and, as a result, will affect the market price of our American Depositary Shares, or ADSs, in the United States. These fluctuations will also affect the conversion into U.S. dollars by the depository of any cash dividends paid in Indian rupees on our equity shares represented by ADSs.

During fiscal 2014, the rupee depreciated against the U.S. dollar by 10.1%, moving from Rs. 54.52 per US\$1.00 at March 31, 2013 to Rs. 60.00 per US\$1.00 at March 31, 2014 due to concern about India's current account deficit and possible implications of the anticipated withdrawal of quantitative easing by the U.S. Federal Reserve. During fiscal 2015, the rupee depreciated against the U.S. dollar by 3.9%, moving from Rs. 60.00 per US\$1.00 at March 31, 2014 to Rs. 62.31 per US\$1.00 at March 31, 2015. During fiscal 2016, the rupee depreciated against the U.S. dollar by 6.3%, moving from Rs. 62.31 per US\$1.00 at March 31, 2015 to Rs. 66.25 per US\$1.00 at March 31, 2016. During fiscal 2017, the rupee appreciated against the U.S. dollar by 2.1% to Rs. 64.85 per US\$1.00 at March 31, 2017 from Rs. 66.25 per US\$ 1.00 at March 31, 2016. The rupee depreciated during the first nine months of fiscal 2017, but appreciated sharply during the three months ended March 31, 2017 supported by strong equity inflows from foreign portfolio investors. During fiscal 2018, the rupee depreciated by 0.4% against the U.S. dollar to Rs. 65.11 per US\$1.00. During fiscal 2019, through June 30, 2018, the rupee depreciated by 5.1% against the U.S. dollar to Rs. 68.46 per US\$1.00 mainly due to global uncertainties arising from trade related issues between key economies, rise in global oil prices and volatilities in global financial markets. See also "*Risk Factors—Risks Relating to India and Other Economic and Market Risks— Current account deficits, including trade deficits, and capital flow and exchange rate volatility could adversely affect our business and the price of our equity shares and ADSs*".

The following table sets forth, for the periods indicated, certain information concerning the exchange rates between Indian rupees and U.S. dollars. The exchange rates reflect the exchange rates as set forth in the H.10 statistical release of the Federal Reserve Board.

Fiscal Year	Period End ⁽¹⁾	Average ^{(1),(2)}
2014	60.00	60.76
2015	62.31	61.34
2016	66.25	65.58
2017	64.85	66.96
2018	65.11	64.48
2019 (through June 30, 2018)	68.46	67.45

Month	High	Low
March 2017	66.83	64.85

April 2017	65.10	64.08
May 2017	64.87	64.03
June 2017	64.66	64.23
July 2017	64.84	64.11
August 2017	64.16	63.64
September 2017	65.71	63.78
October 2017	65.48	64.70
November 2017	65.46	64.29
December 2017	64.57	63.83
January 2018	64.01	63.38
February 2018	65.20	63.93
March 2018	65.24	64.83
April 2018	66.92	64.92
May 2018	68.38	66.52
June 2018	68.81	66.87

(1) The exchange rate at each period end and the average rate for each period differed from the exchange rates used in the preparation of our financial statements.

(2) Represents the average of the exchange rate on the last day of each month during the period.

Although certain rupee amounts in this annual report have been translated into U.S. dollars for convenience, this does not mean that the rupee amounts referred to could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all. Except as otherwise stated in this annual report, all translations from rupees to U.S. dollars are based on the exchange rate as set forth in the H.10 statistical release of the Federal Reserve Board at year-end fiscal 2018. The Federal Reserve Bank of New York certifies this rate for customs purposes in a weekly version of the H.10 release. The exchange rate as set forth in the H.10 statistical release of the Federal Reserve Board at year-end fiscal 2018 was Rs. 65.11 per US\$1.00 and at June 30, 2018 was Rs. 68.46 per US\$1.00.

Market Price Information

Equity Shares

Our outstanding equity shares are currently listed and traded on the BSE Limited, and the National Stock Exchange of India Limited.

At June 30, 2018, total 6,431,732,828 equity shares were outstanding. The prices for equity shares as quoted in the official list of each of the Indian stock exchanges are in Indian rupees.

The following table shows:

The reported high and low closing prices quoted in rupees for our equity shares on the National Stock Exchange of India Limited; and

The reported high and low closing prices for our equity shares, translated into U.S. dollars, based on the exchange rate as set forth in the H.10 statistical release of the Federal Reserve Board, on the last business day of each period presented.

	Price per equity share ^{(1),(2),(3)}			
	High	Low	High	Low
Annual prices:				
Fiscal 2014	Rs. 228.95	Rs. 142.46	US\$ 4.82	US\$ 2.37
Fiscal 2015	349.14	219.85	5.60	3.53
Fiscal 2016	301.05	166.36	4.55	2.51
Fiscal 2017	266.00	194.95	4.10	3.01
Fiscal 2018	362.30	257.85	5.56	3.96
Quarterly prices:				
Fiscal 2017:				
First Quarter	Rs. 234.23	Rs. 194.95	US\$ 4.47	US\$ 2.89
Second Quarter	252.86	217.59	3.80	3.27
Third Quarter	266.00	219.23	3.92	3.23
Fourth Quarter	263.91	228.27	4.07	3.52
Fiscal 2018:				
First Quarter	Rs. 296.77	Rs. 244.23	US\$ 4.59	US\$ 3.78

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Second Quarter	310.35	275.95	4.75	4.23
Third Quarter	325.10	257.85	5.09	4.04
Fourth Quarter	362.30	275.55	5.56	4.23
Fiscal 2019:				
First Quarter	Rs. K10.95	Rs. J68.65	US\$4.54	US\$K.92
Monthly prices:				
March 2017	Rs. 261.14	Rs. 240.91	US\$ L.03	US\$ K.71
April 2017	260.64	244.23	4.06	3.80
May 2017	296.77	247.95	4.60	3.84
June 2017	295.18	286.23	4.57	4.43
July 2017	310.35	289.50	4.84	4.51
August 2017	302.60	286.95	4.73	4.49
September 2017	298.30	275.95	4.57	4.23
October 2017	305.70	257.85	4.72	3.98
November 2017	325.10	305.50	5.04	4.74
December 2017	318.15	299.50	4.98	4.69
January 2018	362.30	309.50	5.70	4.87
February 2018	346.20	313.25	5.31	4.80
March 2018	306.05	275.55	4.70	4.23
April 2018	291.75	268.65	4.39	4.04
May 2018	310.95	276.90	4.62	4.12
June 2018	300.65	271.40	4.39	3.96

(1) Data from the National Stock Exchange of India Limited. The prices quoted on the BSE Limited may be different.

(2) One equity share of Rs. 10 has been sub-divided into five equity shares of Rs. 2 each effective December 5, 2014. Share prices for all periods in the table have been adjusted accordingly.

(3) The Bank issued one bonus share for every 10 equity shares in June 2017. Share prices for all periods in the table have been adjusted accordingly.

At June 30, 2018, the closing price of equity shares on the National Stock Exchange of India Limited was Rs. 275.40 equivalent to US\$ 4.02 per equity share (US\$ 8.04 per ADS on an imputed basis) translated at the exchange rate of Rs. 68.46 per US\$1.00 as set forth in the H.10 statistical release of the Federal Reserve Board on June 30, 2018.

At June 30, 2018, there were 880,309 holders of record of our equity shares, of which 1,203 had registered addresses in the United States and held an aggregate of 1,290,321 equity shares.

ADSs

Our ADSs, each representing two equity shares, were originally issued in March 2000 in a public offering and are listed and traded on the New York Stock Exchange under the symbol IBN. The equity shares underlying the ADSs are listed on the BSE Limited and the National Stock Exchange of India Limited.

At June 30, 2018, we had approximately 798 million ADSs, equivalent to about 1,595 million equity shares, outstanding. At June 30, 2018, there were 82,979 record holders of our ADSs, out of which 112 have registered addresses in the United States. The following table sets forth, for the periods indicated, the reported high and low closing prices on the New York Stock Exchange for our outs