

June 29, 2023

The Board of Directors
ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
India

Members of the Board of Directors:

We understand that ICICI Securities Limited, a listed public limited company incorporated under the laws of India (“**ICICI Securities**”), proposes to enter into a Scheme of Arrangement pursuant to the provisions of Section 230 and other relevant provisions of the Companies Act, 2013, as amended, as may be applicable, read with Regulation 37 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended and circulars issued thereunder (the “**SEBI Delisting Regulations**”) among ICICI Securities, ICICI Bank Limited, a listed public limited company incorporated under the laws of India (which is also the holding company of ICICI Securities), and their respective shareholders and creditors, the agreed form of which was provided to us by ICICI Securities (the “**Scheme**”).

Pursuant to the Scheme, among other things:

- a) The equity shares of ICICI Securities held by the shareholders other than ICICI Bank as on the Record Date (*as defined in the Scheme*) (such shareholders, the “**Public Shareholders**”) shall automatically stand cancelled and on and from the Record Date, the other equity shares of ICICI Securities shall be delisted from the BSE Limited and the National Stock Exchange of India Limited (“**Stock Exchanges**”) in accordance with the SEBI Delisting Regulations (“**Delisting**”); and
- b) Pursuant to the Delisting, on and from the Record Date, ICICI Securities shall become a wholly-owned subsidiary of ICICI Bank and be deemed to have been delisted from the Stock Exchanges, and the Public Shareholders shall be issued and allotted equity shares in ICICI Bank as consideration for the cancellation of equity share capital of ICICI Securities held by such Public Shareholders (together with the Delisting, the “**Transaction**”).

The terms and conditions of the Transaction are more fully set forth in the Scheme, to be filed by the above-mentioned companies with the relevant benches of the National Company Law Tribunal in India. We understand that pursuant to the Scheme:

- a) the equity shares of ICICI Securities held by the Public Shareholders shall automatically stand cancelled and on and from the Record Date, the other equity shares of ICICI Securities shall be delisted from the Stock Exchanges in accordance with the SEBI Delisting Regulations; and
- b) as consideration for the cancellation of equity share capital of ICICI Securities held by the Public Shareholders, each Public Shareholder of equity shares, of Rs. 5/- each of ICICI Securities (each such



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equity share of ICICI Securities, an “**ICICI Securities Equity Share**”), will be issued and allotted 67 equity shares, of Rs. 2/- each of ICICI Bank (each equity share of ICICI Bank, an “**ICICI Bank Equity Share**”), for every 100 ICICI Securities Equity Shares held by such Public Shareholder (the “**Swap Ratio**”).

The Swap Ratio is based upon the joint recommendation made by Ernst & Young Merchant Banking Services LLP, an independent registered valuer appointed by ICICI Securities, and PwC Business Consulting Services LLP, an independent registered valuer appointed by ICICI Bank, in connection with the Transaction, as set forth in their joint valuation report dated June 29, 2023 (the “**Valuation Report**”).

You have requested our opinion as of the date hereof as to the fairness, from a financial point of view, to the Public Shareholders of ICICI Securities of the Swap Ratio provided for in the Scheme.

In connection with this opinion, we have, among other things:

- (i) reviewed certain publicly available business and financial information relating to ICICI Securities, ICICI Bank, their respective subsidiaries and associates, as applicable;
- (ii) reviewed certain financial and operating information with respect to the business, operations and prospects of ICICI Securities, furnished to us by or discussed by us with the management of ICICI Securities, including certain historical financial information and financial forecasts relating to ICICI Securities prepared and/or confirmed by the management of ICICI Securities (such financial information and forecasts, the “**ICICI Securities Financials and Forecasts**”);
- (iii) reviewed certain internal financial and operating information with respect to the business, operations and prospects of ICICI Bank, furnished to or discussed with us by the management of ICICI Securities, including certain historical financial information and financial forecasts relating to ICICI Bank prepared and/or confirmed by the management of ICICI Securities (such financial information and forecasts, the “**ICICI Bank Financials and Forecasts**”);
- (iv) discussed the past and current business, operations, financial condition and prospects of ICICI Securities, ICICI Bank, their respective subsidiaries and associates, as applicable, with members of senior management of ICICI Securities;
- (v) reviewed the trading histories for the ICICI Securities Equity Shares and the ICICI Bank Equity Shares as well as for the American Depository Shares of ICICI Bank and a comparison of such trading histories (other than for the American Depository Shares of ICICI Bank) with the trading histories of other companies we deemed relevant, in India as well as outside India;
- (vi) reviewed the financial estimates and sum-of-the-parts valuation of ICICI Securities and ICICI Bank, as applicable, done by various research analysts;
- (vii) compared certain financial and trading information of ICICI Securities and ICICI Bank with similar information of other companies we deemed relevant, in India;
- (viii) reviewed the Valuation Report;
- (ix) reviewed a draft, dated June 28, 2023, of the Scheme (the “**Draft Scheme**”); and



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- (x) performed such other analyses and studies and considered such other information and factors as we deemed appropriate.

In arriving at our opinion, we have assumed and relied upon, without any independent verification or validation, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with us and have relied upon the assurances of the management of ICICI Securities that they are not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the ICICI Securities Financials and Forecasts and the ICICI Bank Financials and Forecasts, we have been advised by ICICI Securities, and have assumed, that: (i) they have been reasonably prepared and/or confirmed on bases reflecting the best currently available estimates and good faith judgments of the management of ICICI Securities as to the future financial performance of ICICI Securities and ICICI Bank, and (ii) they are based on the understanding of the management of ICICI Securities of the current business strategy, operations, competition and macro-economic indicators and involves known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results to be materially different from any future results, performance or achievements expressed or implied by the ICICI Securities Financials and Forecasts and/or the ICICI Bank Financials and Forecasts.

Without limiting the generality of the foregoing, we have also assumed, at the direction of ICICI Securities, that ICICI Securities, ICICI Bank, their respective subsidiaries and associates, as applicable, will receive all statutory clearances with respect to their respective operations in accordance with the assumptions regarding such clearances in the ICICI Bank Financials and Forecasts and the ICICI Securities Financials and Forecasts.

We have been informed by the management of ICICI Securities that the ICICI Securities Financials and Forecasts provided to us have been prepared in accordance with Indian Accounting Standards (Ind-AS) and that the ICICI Bank Financials and Forecasts have been prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP). We have not made or been provided with any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of ICICI Securities, ICICI Bank or their respective subsidiaries and/or associates, as applicable, and/or any other entity (other than the Valuation Report, which we have reviewed and relied upon without independent verification for purposes of this opinion), nor have we made any physical inspection or title verification of the properties or assets of ICICI Securities, ICICI Bank, their respective subsidiaries and/or associates, as applicable, and/or any other entity, and we do not express any opinion as to the value of any asset of ICICI Securities, ICICI Bank, their respective subsidiaries and/or associates, as applicable, and/or any other entity, whether at current prices or in the future. We have not evaluated the solvency or fair value of ICICI Securities, ICICI Bank, their respective subsidiaries and/or associates, as applicable, and/or any other entity under the laws of India or any other laws relating to bankruptcy, insolvency or similar matters.

We have assumed, at the direction of ICICI Securities, that the Transaction will be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, judicial, regulatory and other approvals, consents, releases and waivers for the Transaction, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, will be imposed that would have an adverse effect on ICICI Securities, ICICI Bank, their respective subsidiaries and/or associates, as applicable, and/or any other entity or the contemplated benefits of the Transaction. We also have assumed, at the direction of ICICI Securities, that the final executed Scheme will not differ in any material respect from the Draft Scheme reviewed by us.

We have not undertaken any independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, or other contingent liabilities, or any settlements thereof, to which ICICI Securities, ICICI Bank, their respective subsidiaries and/or associates, as applicable, and/or any other entity are or may be a party



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or are or may be subject, and this opinion does not consider the potential effects of any such litigation, actions, claims, other contingent liabilities or settlements.

We express no view or opinion as to any terms or other aspects or implications of the Transaction (other than the Swap Ratio to the extent expressly specified herein), including, without limitation, the form or structure of the Transaction, the taxation impact of the Transaction or the ICICI Bank Equity Shares issued and allotted under the Transaction or any terms or other aspects or implications of any other agreement, arrangement or understanding entered into in connection with or related to the Transaction or otherwise. We were not requested to, and we did not, participate in the negotiation of the terms of the Transaction. As you are aware, we were not requested to, and we did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of all or any part of ICICI Securities. We express no view or opinion as to any such matters. Our opinion does not address any matters otherwise than as expressly stated herein, including but not limited solely to matters such as corporate governance, shareholder rights or any other equitable consideration, and is limited to the fairness, from a financial point of view, to the Public Shareholders of ICICI Securities of the Swap Ratio provided for in the Scheme and no opinion or view is expressed with respect to any consideration received in connection with the Transaction by the holders of any other class of securities, creditors or other constituencies of any party. In addition, no opinion or view is expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the Transaction, or class of such persons, relative to the Swap Ratio. Furthermore, no opinion or view is expressed as to the relative merits of the Transaction in comparison to other strategies or transactions that might be available to ICICI Securities or in which ICICI Securities might engage or as to the underlying business decision of ICICI Securities to proceed with or effect the Transaction. Further, ICICI Securities will remain solely responsible for the commercial assumptions on which this opinion is based and for its decision to proceed with the Transaction.

Further, our opinion does not take into account any corporate actions of ICICI Securities or ICICI Bank after the date hereof, including payment of dividends. We are not expressing any opinion as to what the value of the ICICI Bank Equity Shares actually will be when issued or the prices at which the ICICI Bank Equity Shares will trade at any time, including following announcement or consummation of the Transaction. In addition, we express no opinion or recommendation as to how any shareholder, creditor or other person should vote or act in connection with the Transaction or any related matter. In addition, we are not expressing any view or opinion with respect to, and have relied, with the consent of ICICI Securities, upon the assessments of representatives of ICICI Securities regarding, legal, regulatory, accounting, tax and other matters relating to ICICI Securities, ICICI Bank, any of their respective subsidiaries and/or associates, as applicable, or any other entity and the Transaction (including the contemplated benefits of the Transaction) as to which we understand that ICICI Securities obtained such advice as it deemed necessary from qualified professionals.

We have also assumed that all aspects of the Transaction and any other transaction contemplated in the Scheme would be in compliance with applicable laws and regulations, and we have issued this opinion on the understanding that we would not in any manner verify, or be responsible for ensuring, such compliance, including, without limitation, compliance with the provisions of the SEBI Delisting Regulations. Without prejudice to the generality of the foregoing, we express no opinion and have assumed that the Transaction will not trigger obligations to make open offers under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and accordingly, we have not considered the consequences or impact on ICICI Securities, if any such open offers are mandated, and we have also assumed that the Transaction will not result in any adverse effect on ICICI Securities or its business, whether under tax or other laws or under the terms of any license or approval.



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We have acted as financial advisor to the Board of Directors of ICICI Securities to render this opinion and will receive a fee for our services, which will be paid upon the rendering of this opinion. In addition, ICICI Securities has agreed to reimburse our expenses (subject to certain restrictions) and indemnify us against certain liabilities arising out of our engagement.

We and our affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of our businesses, we and our affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of ICICI Securities, ICICI Bank and their respective subsidiaries, joint ventures, associates and/or affiliates.

We and our affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to ICICI Securities and its subsidiaries, joint ventures, associates and/or affiliates, and have received or in the future may receive compensation for the rendering of these services.

In addition, we and our affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to ICICI Bank and its subsidiaries, joint ventures, associates and/or affiliates and have received or in the future may receive compensation for the rendering of these services.

It is understood that this letter is for the benefit and use of the Board of Directors of ICICI Securities (in its capacity as such) in connection with and for purposes of its evaluation of the Transaction and is not rendered to or for the benefit of, and shall not confer rights or remedies upon, any person other than the Board of Directors of ICICI Securities. This opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party, nor shall any public reference to us be made, for any purpose whatsoever except (i) with our prior written consent in each instance; (ii) as required to be disclosed by ICICI Securities to the Stock Exchanges pursuant to applicable laws and may be disclosed on the website of ICICI Securities and the Stock Exchanges to the extent required under applicable laws and further may also be made a part of the explanatory statement to be circulated to the shareholders and/or creditors of ICICI Securities; and (iii) as required to be disclosed to relevant judicial, regulatory or government authorities, in each case only as may be mandatorily required by applicable laws. Our opinion is necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion, and we do not have any obligation to update, revise, or reaffirm this opinion. The issuance of this opinion was approved by our Asia Pacific Fairness Opinion Review Committee.

Based upon and subject to the foregoing, including the various assumptions and limitations set forth herein, we are of the opinion on the date hereof that the Swap Ratio provided for in the Scheme is fair, from a financial point of view, to the Public Shareholders of ICICI Securities.



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Very truly yours,



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