ICICI Bank

+ DIGITAL FIRST

+ Insta Products
+ Seamless Payments

+ FUTURE READY

+ Trustworthy
+ Building Resilience

+ ECOSYSTEM BANKING

+ Partnerships
+ API Banking
+ Co-create Solutions

ACCELERATING DIGITISATION

ANNUAL REPORT 2020-21

OUR APPROACH TO REPORTING

ABOUT THIS REPORT

This is ICICI Bank's Annual Report for the year ended March 31, 2021. It has been prepared in accordance with Indian regulatory reporting requirements as well as the principles of the International Integrated Reporting Framework as developed by the International Integrated Reporting Council (IIRC). Through this report, the Bank aims to provide its stakeholders a comprehensive view of its operations, performance, its financial and non-financial resources and strategy to create long-term value. The report provides insights into the Bank's primary activities, its strategic priorities, risks and mitigants, governance structure, and the manner in which it has leveraged the six capitals, namely Financial, Human, Intellectual, Manufactured, Social and Relationship, and Natural.

REPORTING BOUNDARY

The non-financial information in the integrated report largely covers data on the India operations of ICICI Bank Limited and ICICI Foundation for Inclusive Growth.

REPORTING PERIOD

The Annual Report provides material information relating to the Bank's strategy and business model, operating context, performance and statutory disclosures covering the financial year April 1, 2020 to March 31, 2021.

SAFE HARBOUR

Certain statements in this Annual Report relating to a future period of time (including inter alia concerning our future business plans or growth prospects) are forward-looking statements intended to qualify for the 'safe harbour' under applicable securities laws including the US Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. These risks and uncertainties include, but are not limited to statutory and regulatory changes, international economic and business conditions; political or economic instability in the jurisdictions where we have operations, increase in non-performing loans, unanticipated changes in interest rates, foreign exchange rates, equity prices or other rates or prices, our growth and expansion in business, the adequacy of our allowance for credit losses, the actual growth in demand for banking products and services, investment income, cash flow projections, our exposure to market risks, changes in India's sovereign rating, and the impact of the Covid-19 pandemic which could result in fewer business opportunities, lower revenues, and an increase in the levels of non-performing assets and provisions, depending among other factors upon the period of time for which the pandemic extends, the remedial measures adopted by governments and central banks, and the time taken for economic activity to resume at normal levels after the pandemic, as well as other risks detailed in the reports filed by us with the United States Securities and Exchange Commission. Any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of the date of this release. ICICI Bank undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof. Additional risks that could affect our future operating results are more fully described in our filings with the United States Securities and Exchange Commission. These filings are available at www.sec.gov.

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ICICI BANK AT A GLANCE

ICICI Bank is a large private sector bank in India offering a diversified portfolio of financial products and services to retail, SME and corporate customers. The Bank has an extensive network of branches and ATMs. It is at the forefront of leveraging technology and offering services through digital channels like mobile and internet banking.

VISION

To be the trusted financial services provider of choice for our customers, thereby creating sustainable value for our stakeholders.

MISSION

To grow our risk-calibrated core operating profit by:

- Delivering products and services that create value for customers.
- Bringing together all our capabilities to seamlessly meet customer needs.
- Conducting our business within well-defined risk tolerance levels.

₹15.74 trillion Consolidated Total Assets	**₹313.51 billion** Core Operating Profit*	**₹161.93 billion** Profit After Tax*
19.12% Total Capital Adequacy Ratio	**3.69%** Net Interest Margin*	**21%** Increase in Total Deposits year-on-year
41% Average CASA Ratio*	**55%** Retail Portfolio as a proportion of Total Portfolio (including non-fund based outstanding)	**20%** Growth in Retail Loans year-on-year

During fiscal 2021; others at March 31, 2021

ICICI BANK AT A GLANCE

iMobile Pay

ICICI Bank launched 'iMobile Pay', a payment and banking services app that can be used by customers of any bank, in December 2020. Within five months of the launch, over 2.5 million customers of other banks have activated the app.

Video KYC

ICICI Bank launched Video KYC to empower customers to complete the Know Your Customer (KYC) process through video interaction. The Bank is the first in the industry to offer this facility for opening salary accounts, availing a personal loan and a credit card.

Coolest Workplace

ICICI Bank has been recognised as 'India's Coolest Workplace' by 'Business Today' magazine in the Banking, Financial Services and Insurance (BFSI) sector for the fifth year in a row. This ranking is based on the annual survey - 'India's Coolest Workplaces'**.

EMI @ Internet Banking

The 'EMI @ Internet Banking' service of ICICI Bank allows pre-approved customers to convert their high-value online purchases into instant EMIs. The Bank is the first in the industry to introduce this facility.

90% digital transactions

Over 90% of savings account transactions (financial and non-financial) are done through digital channels.***

Over 580,000 individuals trained

ICICI Foundation for Inclusive Growth, the CSR arm of the ICICI Group, has trained over 580,000 less privileged individuals since its inception till March 31, 2021, helping them to earn a sustainable livelihood.

Highest market share in FASTag

The Bank is the leader in electronic toll collection transactions done through FASTag with a 35.5% market share by value at the end of fiscal 2021.

90% instant personal loans

ICICI Bank sourced around 90% of all personal loans instantaneously in fiscal 2021.

UPI transactions increase by 3.3X

ICICI Bank's UPI payments to merchants transactions increased 3.3 times in value and 1.9 times in volume, year-on-year in fiscal 2021.

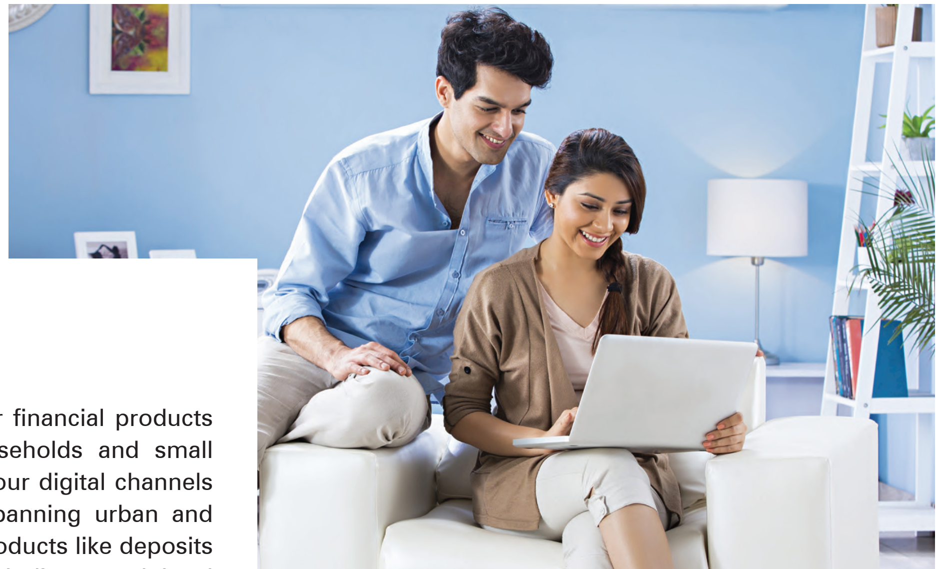
75% credit cards issued digitally

The Bank issued close to 75% of all credit cards digitally to customers in fiscal 2021.

***Earlier known as 'Best Companies to Work For'*

****Digital transactions include transactions on internet, iMobile, point-of-sale, touch-banking, phone banking and debit card use for e-commerce*

KEY BUSINESS AREAS



RETAIL, SME AND RURAL BANKING

We offer deposit, credit and other financial products and services to individuals, households and small businesses across India, through our digital channels and extensive branch network spanning urban and rural areas. We also offer select products like deposits and remittances to non-resident Indians, and local market offerings in select international geographies.

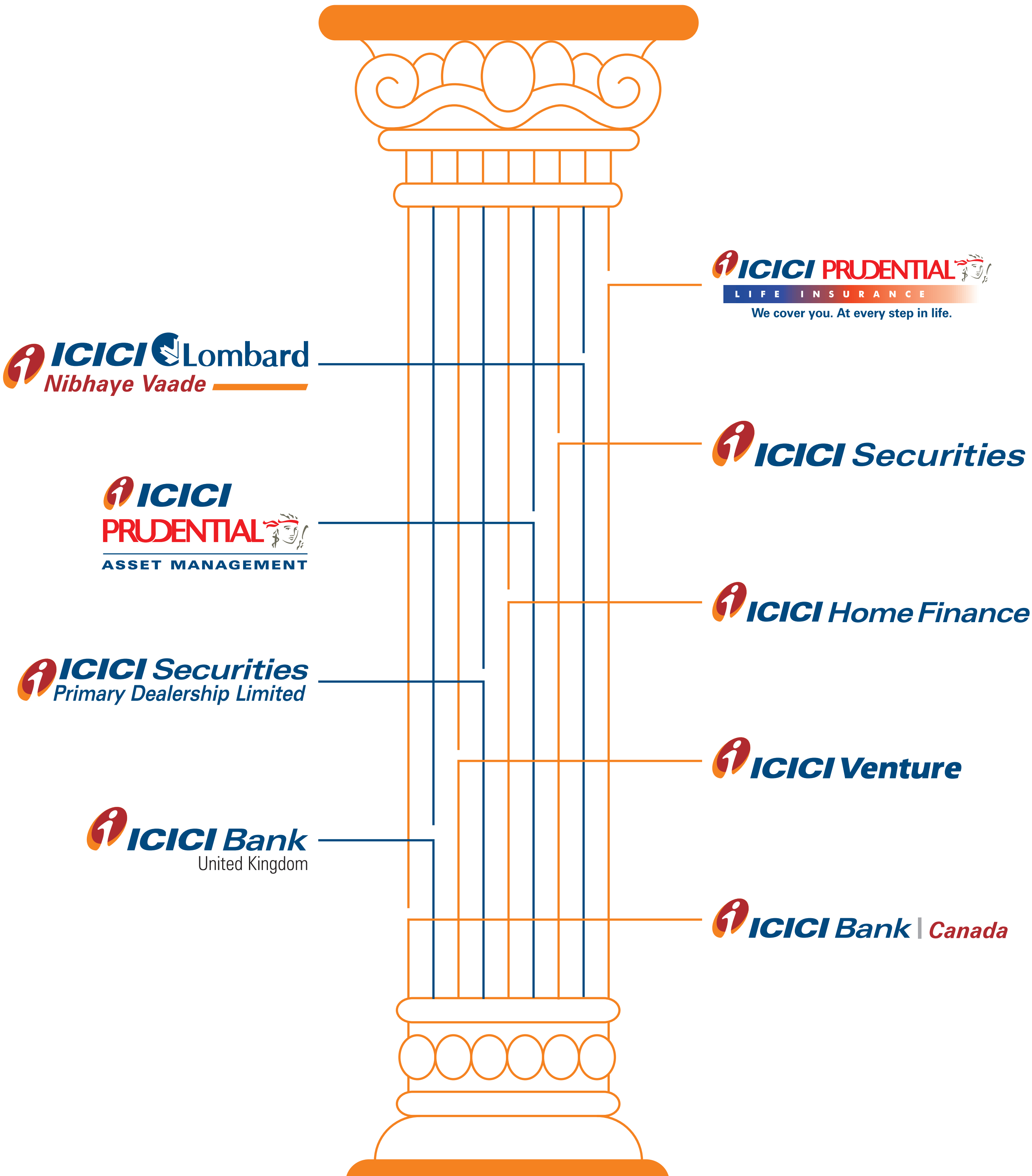
WHOLESALE BANKING

We offer financial solutions to large and medium-sized companies and their business and channel partners, and to financial and government/public sector entities. The product offerings include deposits, long-term finance, working capital, trade, cash management, transaction banking and treasury management. In addition to our network in India, we leverage our international presence to meet the cross-border requirements of our clients. We offer retail banking solutions to employees of our corporate clients. We thus aim to comprehensively serve the ecosystems of our corporate clients.

TREASURY

Our treasury operations comprise management of the Bank's liquidity, government securities portfolio and interest rate risk, proprietary trading, and foreign exchange and derivative solutions for clients.

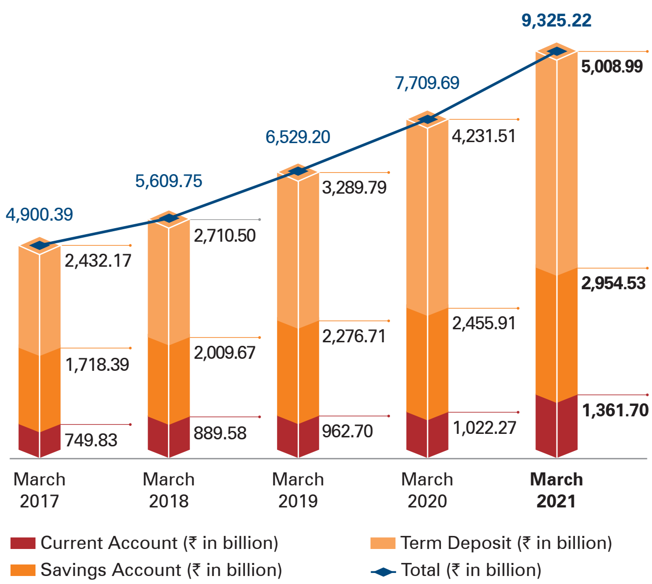
ICICI Bank Key Subsidiaries



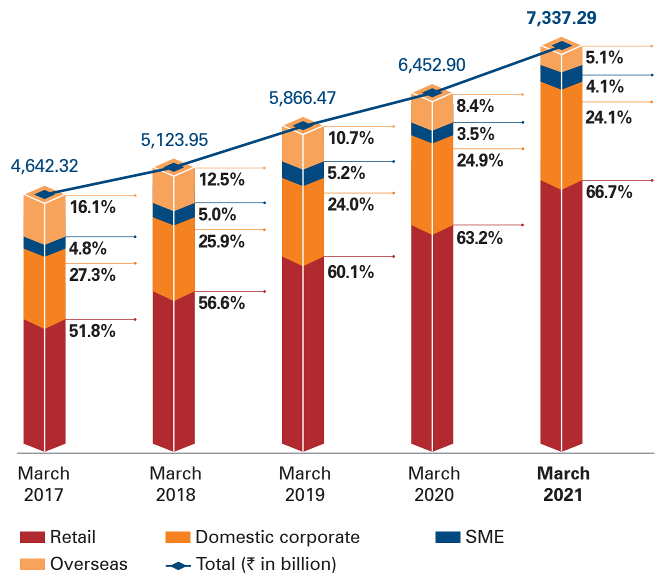
Note: ICICI Lombard General Insurance Company is awaiting requisite approvals for a proposed all-stock merger of another non-life insurance business with itself, which on consummation would result in the company ceasing to be a subsidiary.

FINANCIAL HIGHLIGHTS

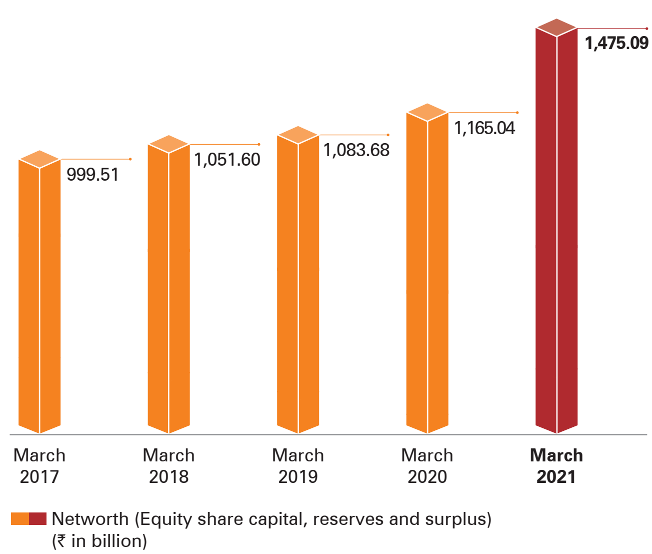
TOTAL DEPOSITS



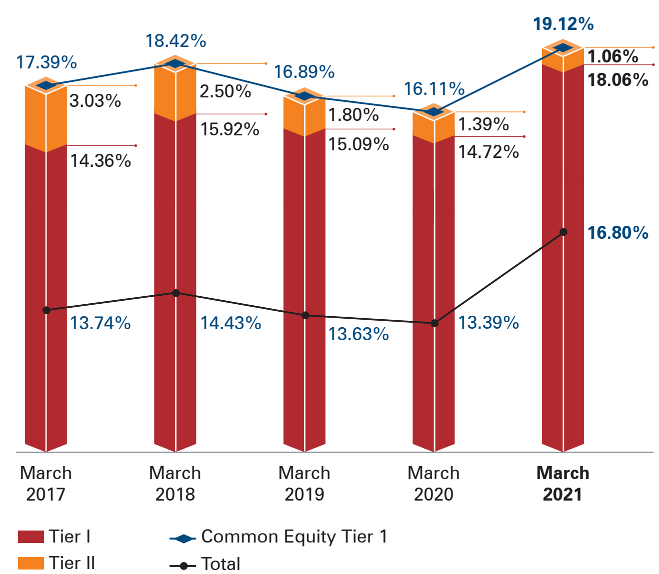
TOTAL ADVANCES



NETWORTH

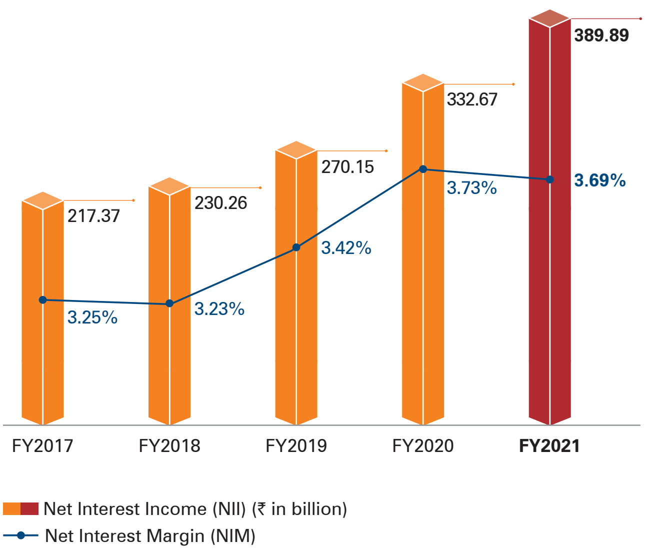


CAPITAL ADEQUACY

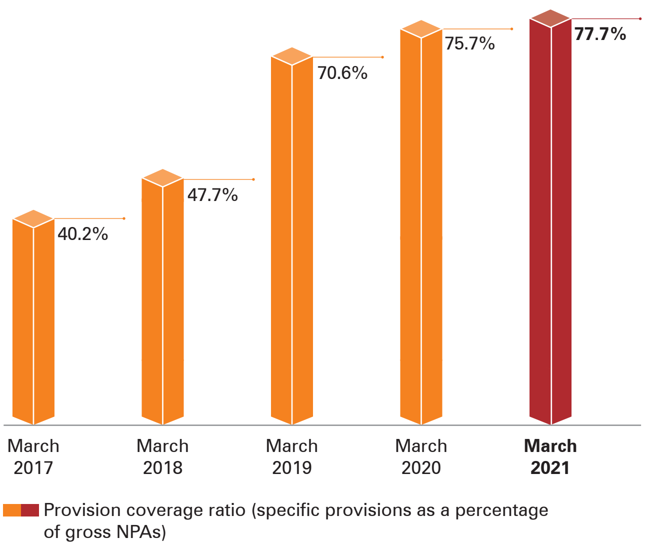


FINANCIAL HIGHLIGHTS

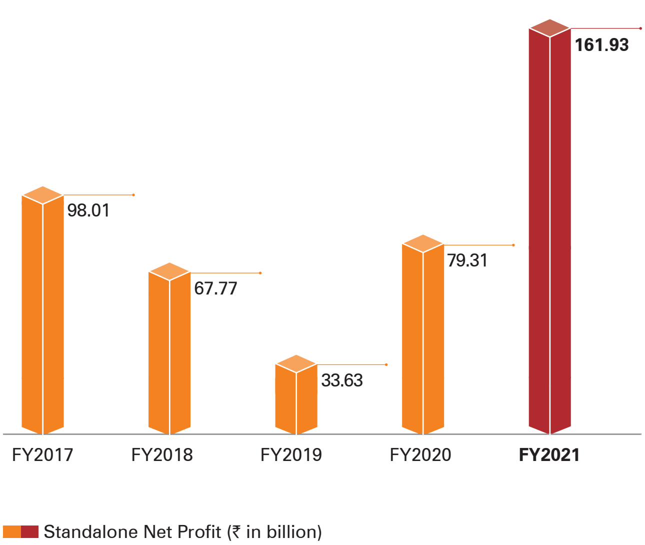
NII & NIM



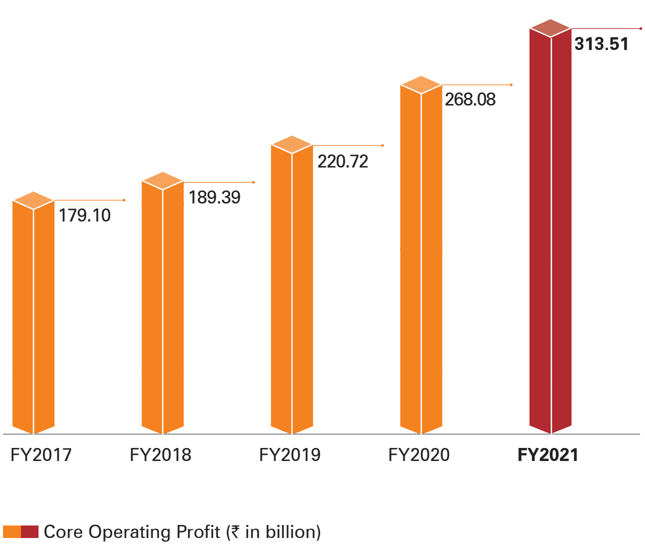
PROVISION COVERAGE RATIO



STANDALONE NET PROFIT



CORE OPERATING PROFIT



MESSAGE FROM THE CHAIRMAN

The performance of the Bank in terms of growth, portfolio quality and profitability is a result of the focussed execution of its strategy over the past few years.

The year gone by saw the world faced with possibly its greatest challenge in living memory. The health crisis and economic challenges caused by the Covid-19 pandemic have demanded exceptional efforts on every front. India navigated the complex and challenging environment during fiscal 2021, driven by a determined response by our medical professionals, frontline workers, communities and the policy measures of the government and regulatory authorities. Most parameters of economic activity returned to pre-Covid levels by the last quarter of the fiscal year. However, a second wave of the pandemic emerged in late fiscal 2021 that saw a significant increase in infections across the country, in urban and rural areas. The receding of this second wave in recent weeks and the acceleration of the vaccination programme raise hopes of a gradual return to a more normal environment as the year progresses.

In this uncertain environment, ICICI Bank has accorded the highest priority to the continuity of service to our customers and the safety of our employees, and ensuring that the Bank is resilient against potential risks and well-poised to benefit from the recovery. Our employees have demonstrated immense professionalism and dedication towards the successful navigation of these challenges by our institution. On behalf of the Board, I would like to thank all employees for their dedication and response during this difficult period, and for upholding the ethos of brand ICICI.

During fiscal 2021, significant provisions were made to cushion the balance sheet from the potential risks arising out of uncertainties around the trajectory of the pandemic and level of economic activity. Throughout the year, the Bank carried substantial excess liquidity, as it saw very healthy deposit inflows. Despite the challenging environment, the Bank saw a healthy growth in core operating profit and profit after tax in fiscal 2021. The Bank raised additional equity capital with the objective of further strengthening its capital adequacy and improving its competitive positioning. While regulatory guidelines did not permit banks to declare dividend last year, the Board of Directors has recommended payment of dividend to the shareholders in the current year.

The performance of the Bank in terms of growth, portfolio quality and profitability is a result of the focussed execution of its strategy over the past few years. The

MESSAGE FROM THE CHAIRMAN

Bank's consistent focus on growing its deposit franchise and its ability to raise deposits at low cost have enabled it to compete effectively in lending opportunities. The Bank has adopted an ecosystem-based approach, seeking to effectively and holistically serve the needs of customers and their networks, backed by a strong emphasis on internal collaboration and synergy. The risk frameworks within which the Bank has conducted its business have proved resilient in the face of the disruption caused by the pandemic.

Our continuing efforts to promote a cashless ecosystem and enable digital access to financial services proved invaluable in an environment of social distancing and restrictions on movement. Our strategy, based on a customer-centric approach, enabled us to respond to the needs of our customers and launch digital alternatives for them to stay connected and meet their financial needs. We launched initiatives like the ICICI STACK to enable banking on digital platforms for all customer segments. ICICI Bank continues to create innovative, convenient and comprehensive digital experiences for our customers.

The Board is committed to ensuring that ICICI Bank is a future-ready and resilient organisation with a focus on long term value-creation. Our business is underpinned by strong governance and risk management practices, and an ethos of being a trustworthy financial institution. During the year, the Board and its Committees conducted regular reviews to assess the Bank's response to the challenges posed by the pandemic and evaluating its impact on our business and loan portfolio. From a longer term perspective, a wide range of issues and risks were reviewed to ensure organisational resilience and the responsiveness of the Bank to the evolving environment, particularly with relation to technology. The Board is focussed on critical aspects like cyber security and data privacy, and the scalability and resilience of the Bank's technology architecture.

We are sensitive to our role within our ecosystem that includes customers, employees, suppliers, communities and the environment. Maintaining integrity, fairness and transparency are important values for us in our engagement with our stakeholders. Ensuring right-selling of products to our customers and the philosophy of 'Fair to Customer, Fair to Bank' are core to our strategy. We continue to instil a sense of accountability and ethics among employees through robust policies and strong governance. Our governance culture supported by sound risk management is aimed at ensuring we remain resilient during challenging periods and forge a sustainable future for the organisation.

We thank all our stakeholders and look forward to your continued support.

With best wishes,

Girish Chandra Chaturvedi
Chairman

BOARD OF DIRECTORS

BOARD MEMBERS

Girish Chandra Chaturvedi
Non-Executive (part-time) Chairman

Hari L. Mundra
Independent Director

Lalit Kumar Chandel
Government Nominee Director

S. Madhavan
Independent Director

Neelam Dhawan
Independent Director

Radhakrishnan Nair
Independent Director

Rama Bijapurkar
Independent Director

B. Sriram
Independent Director

Uday Chitale
Independent Director

Sandeep Bakhshi
Managing Director & CEO

Anup Bagchi
Executive Director

Sandeep Batra
Executive Director

Vishakha Mulye
Executive Director

KEY PERSONNEL

Rakesh Jha
Group Chief Financial Officer

Ranganath Athreya
Company Secretary

BOARD COMMITTEES

Audit Committee
Uday Chitale, *Chairman*
S. Madhavan
Radhakrishnan Nair

Board Governance, Remuneration & Nomination Committee
Neelam Dhawan, *Chairperson*
Girish Chandra Chaturvedi
Rama Bijapurkar
B. Sriram

Corporate Social Responsibility Committee
Radhakrishnan Nair, *Chairman*
Rama Bijapurkar
Uday Chitale
Anup Bagchi

Credit Committee
Sandeep Bakhshi, *Chairman*
Hari L. Mundra
B. Sriram
Vishakha Mulye

Customer Service Committee
Rama Bijapurkar, *Chairperson*
Hari L. Mundra
Sandeep Bakhshi
Anup Bagchi

Fraud Monitoring Committee
S. Madhavan, *Chairman*
Neelam Dhawan
Radhakrishnan Nair
Sandeep Bakhshi
Anup Bagchi

Information Technology Strategy Committee
B. Sriram, *Chairman*
Neelam Dhawan
Anup Bagchi
Sandeep Batra

Risk Committee
Girish Chandra Chaturvedi, *Chairman*
S. Madhavan
Sandeep Batra

Stakeholders Relationship Committee
Hari L. Mundra, *Chairman*
Uday Chitale
Anup Bagchi

MESSAGE FROM THE WHOLETIME DIRECTORS

Sandeep Bakhshi
Managing Director & CEO

In fiscal 2021, ICICI Bank focussed on maintaining a strong balance sheet in the face of challenges posed by the Covid-19 pandemic; ensuring the safety of our employees and care for those impacted by the virus; ensuring uninterrupted service delivery for our customers; and continuing to focus on our objective of risk-calibrated growth in the core operating profit. We created substantial provisioning buffers and also raised additional capital to further strengthen the balance sheet. Our digital solutions enabled us to meet all banking needs of our customers, whether individuals or businesses, remotely. We were not only able to serve our existing customers but also onboard new customers with ease. These strengths led to strong deposit growth, a return of loan growth as economic activities began to normalise and healthy growth in core operating profit.

Our employees are our biggest assets, and we are immensely proud of the commitment and dedication shown by them in these difficult circumstances. We are now engaged in a focussed programme for vaccinating all our employees. We have also worked with the Government authorities in their efforts to combat the pandemic and provide relief to those affected.

The Bank will continue to be guided by the twin principles of 'One Bank, One ROE' emphasising the need to maximise the Bank's share of profitable growth opportunities, and 'Fair to Customer, Fair to Bank' emphasising the need to deliver fair value to customers while creating value for shareholders.

Anup Bagchi
Executive Director

Digital initiatives are at the core of all activities at ICICI Bank. In fiscal 2021, we came out with a slew of innovative digital solutions to help our customers tide over the challenges posed by the pandemic. Our mantra – Banking with Care – was aimed at empowering our customers to undertake banking transactions from the comfort of their home/office, without visiting a branch. ICICI STACK played an important role as the backbone of our digital offering for retail customers. In addition, we offered a range of solutions for merchants and businesses to meet their requirements digitally. Our mobile application, iMobile Pay, took the lead in offering interoperability by allowing individuals, who are not our customers, to connect their bank account with the app, make payments and undertake banking transactions. It also gave them instant access to the entire range of services of ICICI Bank. During the year, we continued to focus on data analytics-led underwriting and digitising our mortgage and loan businesses.

Sandeep Batra
Executive Director

Our employees showed extraordinary commitment and went beyond the call of their duties to serve our customers and take care of each other in the wake of the pandemic. The welfare and well-being of our employees and their families is of utmost importance to us. We have supported Covid-19 affected colleagues and their families with medical e-consultation, and assisted them in quarantine and hospitalisation. We have launched a focussed programme to vaccinate all our employees and their immediate family members. In order to facilitate seamless operations for non-branch colleagues, we rolled out a large work-from-home infrastructure within a few weeks from the onset of the pandemic. We continue to invest in technology to build a robust architecture for tomorrow. The four pillars of the architecture are a resilient and flexible backbone, deep understanding of customers, delivering delightful experience and a digitally native engagement with them.

Vishakha Mulye
Executive Director

Fiscal 2021 was the most challenging year in many ways. Safety of our employees, customers and all our stakeholders was of paramount importance. We deployed a robust business continuity plan to minimise service disruptions. Our branches were operational throughout the year and we offered digital services to our customers through our various platforms such as Corporate Internet Banking, Trade Online, FX Online and InstaBIZ. These platforms offer a wide range of banking services including payments, collections, trade finance and foreign exchange. Our strategy of focussing on the Corporate Ecosystem helped our customers to manage their businesses efficiently, and also created new opportunities for the Bank in both Retail and Wholesale businesses. We stay committed to our goal of creating value for our customers.

RESPONDING TO COVID-19

COVID-19

The Covid-19 pandemic resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity. The Government of India initiated a nation-wide lockdown from March 25, 2020 for three weeks which was extended to May 31, 2020. This created significant challenges for employees, customers, communities and businesses. The lockdown measures were gradually eased from June 2020 leading to economic activities progressively improving towards the later part of fiscal 2021. However, a second wave of the Covid-19 pandemic emerged in India since March 2021, where the number of new cases has increased significantly and has resulted in re-imposition of localised/regional lockdown measures in various parts of the country.

CHALLENGING OPERATING ENVIRONMENT

India's Gross Domestic Product (GDP) declined during fiscal 2021, with contraction in industrial and services output. A strong agricultural output along with limited spread of the pandemic led to resilience in the rural economy. The banking system was impacted by lower lending opportunities and revenues, and an increase in credit costs. While rapid improvement in economic activity was seen towards the later part of the year, the second wave of Covid-19 since March 2021 saw the re-emergence of uncertainties towards the end of fiscal 2021.

UNPRECEDENTED POLICY MEASURES

Low interest rates, provision of ample systemic liquidity, moratorium on loan repayments for specific borrower segments, asset classification standstill benefit to overdue accounts where a moratorium was granted, resolution framework for stressed assets and relaxation in liquidity coverage requirement were some of the measures announced by the Reserve Bank of India. The Government announced direct benefit transfers to vulnerable economic segments and credit guarantee schemes for micro, small and medium enterprises, among others.

Read more about the operating environment in the Management's Discussion and Analysis section on page 108.

ICICI BANK'S RESPONSE TO COVID-19

We were responsive to the evolving pandemic situation. We rolled out digital solutions, enabled remote working and ensured banking services were offered seamlessly during the lockdown period. We are committed to supporting our stakeholders through the challenging environment.

Employees

- Employee safety and well-being was of utmost priority, and we took care to provide a safe and healthy work environment, along with extending support to employees.
- The Bank acted rapidly to establish remote working solutions, and putting in place measures to enable smooth functioning from any location; nearly 40% of the employees were enabled to work from home at the onset of the pandemic.
- We upgraded the Universe on the Move mobile application for employees, facilitating functions like access to emergency numbers, a wellness hub, scheduled meetings and approvals to be carried out remotely and for the management to communicate with employees.
- The Bank supported Covid-affected employees and their families through measures such as enabling medical e-consultation, assisting in quarantine and hospitalisation. We have also started a programme to vaccinate, as well as reimburse the cost of vaccination against Covid-19 for our employees and their dependents.

Transparent plexiglass partitions provided across branches for the safety of employees and customers.

RESPONDING TO COVID-19

Customers

- Innovative digital solutions were launched and features enhanced in existing products, while encouraging customers to use digital channels for their banking requirements.
- We launched ICICI STACK in March 2020 to enable banking on a digital platform for all types of customers.
- We ensured uninterrupted access to services and kept our branches accessible at most locations.
- Our employees continued to guide customers through the pandemic.

Communities

- The ICICI Group committed ₹1.00 billion towards Covid-19 relief efforts. The Bank contributed ₹500.0 million to PM CARES Fund and undertook direct spends of about ₹210.0 million.
- The Bank and ICICI Foundation supported efforts on the ground to provide essential materials during the lockdown period covering over 550 districts, and also undertook initiatives to support migrant workers returning to their homes in rural areas.

Trainees at ICICI RSETI in Udaipur stitching PPE Kits for distribution to local authorities.

WE CONTINUED TO DELIVER ON OUR OBJECTIVES

Despite the challenging environment, the Bank's financial position remained strong and we continued to make progress on our strategic objectives.

- We continued to focus on risk-calibrated growth in core operating profit; which grew by 16.9% year-on-year to ₹313.51 billion.
- We continued to strengthen our deposit franchise; average current account deposits increased by 25.5% and average savings account deposits by 16.7% during fiscal 2021. Total deposits grew by 21%.
- We grew our loan portfolio with a focus on diversification and granularity; the proportion of retail loans to total loans, including non-fund outstanding, was 55% at March 31, 2021.
- Our focus on leveraging digital across our businesses saw significant results. The ICICI STACK, our upgraded mobile banking app iMobile Pay and our InstaBIZ platform for small business customers saw significant adoption and contributed to the growth in our business.
- We focussed on protecting the balance sheet from potential risks. We were proactive in provisioning and also made the provisioning policy more conservative in fiscal 2021. Our provisioning coverage ratio on NPAs was 77.7% at March 31, 2021. This excludes the Covid-19 related provisions of about 1% of loans, held by the Bank.
- We maintained a strong capital position and our capital adequacy ratios were well above the minimum regulatory requirements. We raised ₹150.00 billion of capital through Qualified Institutions Placement with the objective of further strengthening our capital adequacy and improving our competitive position.

BUSINESS MODEL

CAPITALS

Financial Capital
Our ability to maintain a strong balance sheet and enable business continuity, sustained growth and shareholder returns.

For further details, please refer to the Management's Discussion and Analysis section on page 108

Human Capital
Our competent workforce with diverse skill sets and valuable experience.

For further details, please refer to the write-up on Human Capital on page 40

Intellectual Capital
Our ability to stay innovative and develop products and services that provide superior experiences to our customers.

For further details, please refer to the write-up on Our Business Strategy on page 16

Manufactured Capital
Our network of branches, ATMs and digital channels that act as touchpoints for our customers.

For further details, please refer to the write-up on Our Business Strategy on page 16

Social and Relationship Capital
Our commitment towards social empowerment and financial ecosystem accessible to all.

For further details, please refer to the write-up on Social and Relationship Capital on page 46

Natural Capital
Impact on natural resources either through our operations or through business focus.

For further details, please refer to the write-up on Natural Capital on page 54

VALUE DRIVERS

Financial Capital
- Ensure a resilient balance sheet and strong capital levels
- Maintain robust funding profile
- Continue to strengthen portfolio quality
- Create value for shareholders

Human Capital
- Guided by 'One Bank, One Team'
- Employee-centric culture
- Continuous skill training and capability building
- Employee engagement
- Safe and healthy work environment

Intellectual Capital
- Early adoption of emerging technologies enabling innovation
- Augmenting existing digital products
- Entering into mutually beneficial partnerships
- Decongesting processes and improving customer experience

Manufactured Capital
- A combination of physical and digital channels enabling seamless service delivery
- Strengthening digital capabilities for cost efficiency, process efficiency and enhancing customer experience
- Core and supporting IT systems that are responsive and scalable

Social and Relationship Capital
- Participating in development efforts through the ICICI Foundation for Inclusive Growth
- Increasing penetration of financial services in rural and unbanked areas
- Empowering rural women entrepreneurs

Natural Capital
- Supporting environment-friendly projects, subject to appropriate risk-return assessment
- Efficient energy management in the Bank's operations
- Use of renewable energy
- Environment-friendly initiatives

CORE BUSINESS ACTIVITIES

ICICI Bank

- Provide savings products
- Provide credit to support consumption and economic activities
- Enhance business capabilities through strategic investments and partnerships
- Facilitate payments and transactions
- Enable wealth creation and management

Strategic Focus Areas for Business
- A customer-centric approach with a focus on value creation and deeper relationships
- Risk-calibrated growth in core operating profit
- Twin principles of 'One Bank, One ROE' and 'Fair to Customer, Fair to Bank'
- Continuous investments in technology, exploring innovative ideas and leveraging partnerships to maintain our leadership
- Maintain comfortable levels of capital at all times

Growth Drivers
- A strong franchise and brand
- Continuous enhancements to products and services
- Strong risk management and compliance culture
- Emerging opportunities in the Indian economy

Outputs
Net Interest Income
₹389.89 billion during fiscal 2021

Fee Income
₹126.59 billion during fiscal 2021

Total Loans and Advances
₹7,337.29 billion at March 31, 2021

Deposits
₹9,325.22 billion at March 31, 2021

Operating within the Guardrails of Risk & Compliance
- Credit
- Market
- Liquidity
- Operational
- Information Technology
- Cyber
- Legal
- Reputation
- Compliance

OUTCOMES

Financial Capital
- Core operating profit grew by 16.9% in fiscal 2021 on a year-on-year basis
- Net NPA ratio decreased from 1.41% at March 31, 2020 to 1.14% at March 31, 2021
- Raised equity of ₹150.00 billion through Qualified Institutions Placement to further strengthen the balance sheet
- Additional Covid-19 related provision of ₹74.75 billion
- Credit cost (excluding Covid-19 related provisions) as percentage of average advances at 1.75% in fiscal 2021 (target of 1.2%-1.3% in a normal operating environment)
- Consolidated ROE of 13% in fiscal 2021

Human Capital
- Care and support extended to employees during Covid-19 pandemic
- Collaboration among cross-functional teams strengthened
- Building talent by providing opportunities to acquire knowledge and skills; special modules on emerging technologies created
- Continued the series '12x12 Ignite' to keep employees abreast on emerging domains including digital transformation, data science and behavioural economics
- Total employee strength of 98,750 at March 31, 2021

Intellectual Capital
- Ensured seamless delivery of banking services digitally through the year; ICICI STACK a major enabler of digital adoption by customers
- Digital initiatives like 'iMobile Pay', 'WhatsApp Banking', 'CorpConnect' and 'DigitalLite' launched
- Significant growth in digital sourcing and transactions in fiscal 2021
- Create an Enterprise Architecture framework across digital platforms, data and analytics, micro services-based architecture, cloud computing, cognitive intelligence and other emerging technologies

Manufactured Capital
- Mobile ATMs deployed for the benefit of the public in containment zones
- Simplified processes to improve response time to customers
- 24-hour processing introduced in areas like NRI and Trade services, 3-in-1 account opening and tax payments
- 97% of our branches were functional during the lockdown months from April-May 2020

Social and Relationship Capital
- On-ground efforts to provide relief during Covid-19 pandemic undertaken by the Bank and ICICI Foundation covering over 550 districts in 36 states and UTs
- ₹2.00 billion spent towards corporate social responsibility initiatives during fiscal 2021
- Social and environmental projects promoted through ICICI Foundation focussing on water conservation, ecological balance and efficient farming techniques
- Continuing support to self-help groups and promoting women entrepreneurship

Natural Capital
- Lending to renewable energy sector continued in fiscal 2021; outstanding portfolio of ₹31.50 billion at March 31, 2021
- Sustainable financing practices under the Social and Environmental Management Framework
- 97.5 KWp of new renewable energy capacity added at the Bank's premises

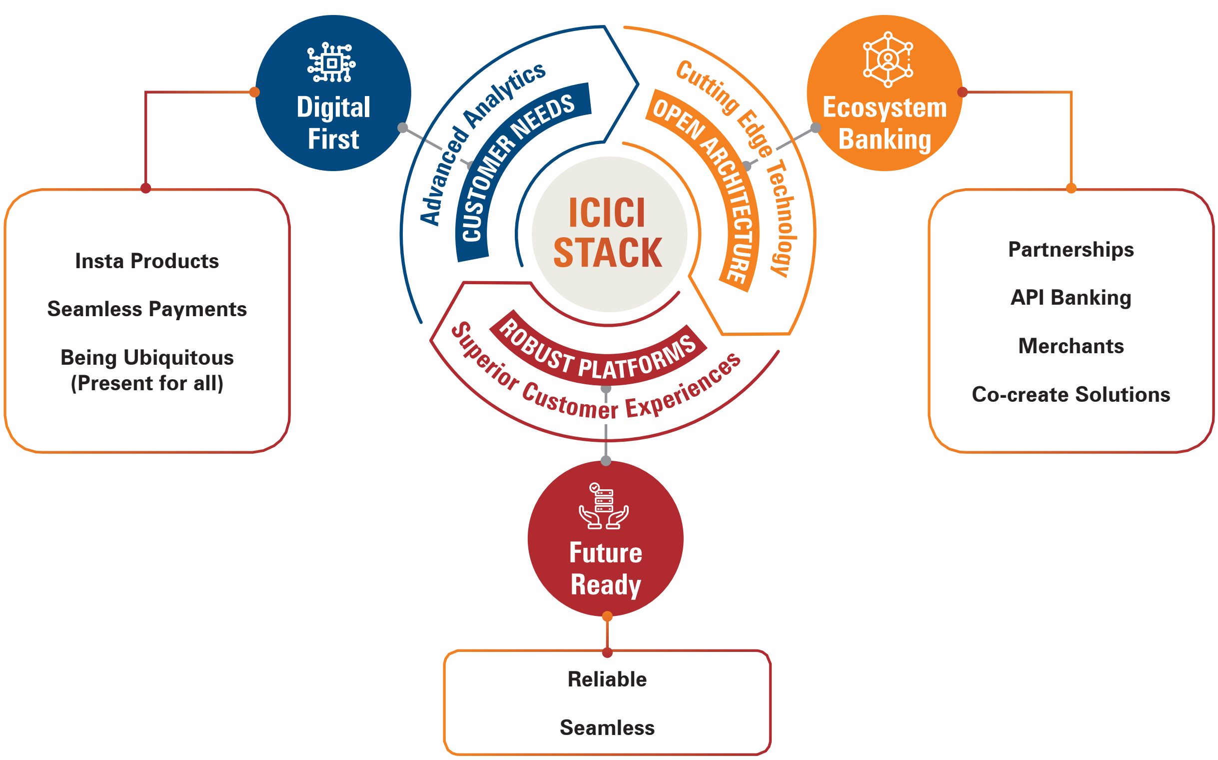
OUR BUSINESS STRATEGY

We are focussed on growing our core operating profits within the guardrails of risk and compliance. The growing formalisation of the Indian economy and rapid adoption of technology are key growth opportunities. We aim to leverage our technological capabilities and our holistic offerings of financial products and services to create value for our customers.

The Bank's strategic objective of risk-calibrated growth in core operating profits continued during fiscal 2021. Our core operating profit grew by 16.9% during fiscal 2021 to ₹313.51 billion, through the focussed pursuit of target market segments. Our strategy is underpinned by a strong franchise, growing our portfolio in strategically attractive ecosystems and protecting our balance sheet from downside risks. We have adopted a 360° customer-centric approach to tap opportunities across customer segments and create intuitive customer journeys through personalisation and future-ready solutions. We are building capabilities to tap opportunities across ecosystems by leveraging internal synergies across teams, building partnerships and simplifying processes. The twin principles of 'One Bank, One ROE', emphasising the need to maximise the Bank's share of the target opportunity across all products and services, and 'Fair to Customer, Fair to Bank' emphasising the need to deliver fair value to customers while creating value for shareholders, guide our operations.

Leveraging digital technology is core to every aspect of our business. We leverage digital to decongest and streamline processes; analyse and understand

LEVERAGING DIGITAL ACROSS OUR BUSINESS



OUR BUSINESS STRATEGY

customer needs; and improve customer onboarding and the continuing customer experience. The ICICI STACK, API Banking portal, iMobile, InstaBIZ and internet banking platforms as well as bespoke solutions for corporate and institutional customers provide seamless banking services digitally and enhance customers' transacting experiences. Partnerships with technology companies and platforms with large customer bases and transaction volumes offer unique opportunities for growth, and enhancing service delivery and customer experience. The Bank also has a start-up investment and partnerships team to collaborate with and invest in fintech startups and co-develop products aligned with our digital roadmap.

The Bank launched a first-in-the-industry service through a comprehensive digital banking platform called ICICI STACK, which offers nearly 500 services to ensure uninterrupted banking experiences. This is available on the Bank's digital platforms where digital account opening, instant loans, investments and health and term insurance are facilitated.

KEY BUSINESS SEGMENTS

Retail and Rural Banking

The retail business continued to be a key driver of growth in fiscal 2021, as we pursued a strategy of building a diversified and granular loan portfolio. The focus in the retail business was on understanding and fulfilling customer needs underpinned by personalised banking, simple banking, fair banking and strong risk management. The Bank's retail loan portfolio (including the rural and business banking portfolios) grew by 19.9% year-on-year to ₹4,892.20 billion at March 31, 2021, compared to a growth of 17.7% in the overall domestic loan book to ₹6,961.39 billion. Retail loans accounted for 66.7% of total loans, and including non fund-based outstanding, the share was 55% in the total portfolio.

The Bank's funding profile remained robust with strong growth in the deposit base. Total savings account deposits increased by 20.3% year-on-year to ₹2,954.53 billion at March 31, 2021. Total term deposits grew by 18.4% year-on-year to ₹5,008.99 billion at March 31, 2021. The growth in the deposit franchise was supported by ongoing efforts to strengthen the Bank's digital platforms and process simplification to provide a seamless banking experience to our customers.

Retail Banking

During fiscal 2021, with challenges posed by the Covid-19 pandemic, we responded quickly to enable customers to meet their financial requirements safely. About 97% of the Bank's branches were functional with reduced working hours during the months of lockdown in April-May 2020. We deployed mobile ATM vans for the benefit of the public residing in and around containment zones. A video-based Know-Your-Customer process (Video KYC) was launched, which empowered retail customers to complete their onboarding process for savings accounts, personal loans and Amazon Pay credit cards through a contactless video interaction. We also launched WhatsApp banking to enable retail customers to undertake a range of banking requirements from their homes during the pandemic. Further, a cardless cash withdrawal facility was enabled at our ATMs.

The Bank has always been at the forefront of digital transformation across the financial services industry in India. The all-new ICICI Bank website launched during the year is equipped with new capabilities including semantic and personalised search, and voice and hyper-personalised communication. We are focussing on key partnerships across ecosystems of liabilities, co-branded credit cards and e-commerce, to provide differentiated offerings to our customers and create opportunities for growth.

A first-of-its-kind facility, iMobile Pay extended the ambit of the Bank's mobile banking app to customers of any bank, providing instant access to the entire range of

ICICI Bank's mobile ATM deployed at Chennai.

OUR BUSINESS STRATEGY

payment options and the Bank's services. An innovative feature is the facility to pay to contacts, which enables users to automatically see the Unique Payment Interface (UPI) IDs of their phone book contacts. The mobile app is interoperable with all other UPI-based payment apps. In a span of five months since its launch, there were more than 2.5 million activations from non-ICICI Bank customers.

Enhancing the digital journey of customers with the Bank involved creating innovative solutions, both for customers and for relationship managers. We revamped our home loan website offering an interactive customer experience and providing relevant content like a calculator for checking loan eligibility, an e-book explaining the journey to apply for a home loan and a blog on the mortgage industry to enable customers to make informed decisions. With instant processes like Express Home Loans, the entire loan sanction process is facilitated in just five simple steps and in a few minutes for eligible customers.

For superior and seamless connect, a Virtual Relationship Management channel was introduced which caters to customers' transaction and product needs through a human interface on the phone. We have focussed on decongested and seamless delivery and enhanced customer convenience.

INCREASE IN DIGITAL SOURCING OF RETAIL BUSINESS DURING FISCAL 2021

PERSONAL LOANS

90% by number of customers

CREDIT CARDS

75% by number of cards

TERM LIFE INSURANCE

33% by number of protection policies

FIXED DEPOSITS

56% by volume

SYSTEMATIC INVESTMENT PLAN

64% by number of SIPs

iMobile Pay: ICICI Bank's mobile banking app, provides instant access to the entire range of payment options and the Bank's services to customers of any other bank.

OUR BUSINESS STRATEGY

The Bank offers a host of APIs and SDKs (software developer kits) which facilitate third-party apps offering payment solutions for their retail customers. The Bank has launched an API Banking portal which consists of 250 APIs and enables partner companies to co-create innovative solutions in a frictionless manner and in a fraction of the time usually taken for such integration. Various digital solutions have been developed by the Bank for lending and payments, including democratising of APIs for a seamless experience.

Digital initiatives have played a key role in driving growth and efficiency in the retail business. These initiatives have improved the efficiency of branches. The Bank is now able to serve more customers at its existing branches and has enabled employees to perform more value-added activities. The Bank periodically reviews branches based on customer footfalls and economic activities to ensure optimal distribution of the branch network. We added 922 cash acceptance machines and 148 insta-banking kiosks[1] during fiscal 2021.

CUSTOMER TOUCH POINTS AT MARCH 31, 2021

5,266
Branches

14,136
ATMs

2,713
Cash acceptance machines

1,786
Insta-banking kiosks[1]

[1]Insta-banking kiosks are touch-screen self-service devices that allow customers to pre-process or completely process transactions, thus reducing wait-time.

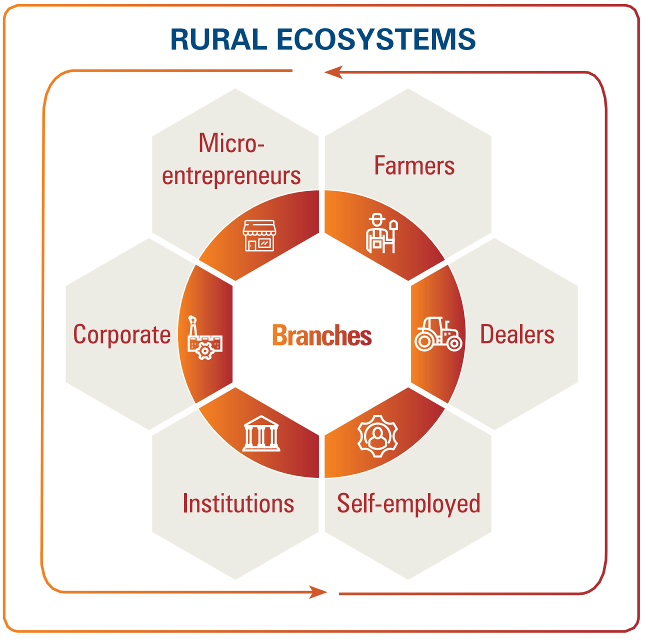
Rural and Inclusive Banking

Our rural banking operations aim to meet the financial requirements of customers in rural and semi-urban locations. Our products in this segment include working capital loans for growing crops, financing post-harvest activities, loans against gold jewellery along with personal loans, financing against warehouse receipts, farm equipment loans, affordable housing finance and auto and two-wheeler loans. We also provide consumption loans for low-income customers. We offer financial solutions to micro-finance institutions, self-help groups, co-operatives constituted by farmers, corporations and medium enterprises engaged in agriculture-linked businesses.

Our operational structure and offerings put us in a unique position to leverage opportunities in different ecosystems within the rural markets. At the heart of this approach are six main ecosystems identified in the rural market which include Agriculture, Dealers, Self-Employed, Corporates, Institutions and Micro-Entrepreneurs.

The farmer ecosystem includes participants like farmers, seed producers, agri-input dealers, warehouses, agri-equipment dealers, commodity traders and agri processors. The Bank has designed different products for each player to meet their specific financial requirements so that the entire agri-value chain is well-financed. Products offered include working capital loans through the Kisan Credit Card and gold loans, and term loans for farm equipment, dairy livestock purchase and farm development. The rural ecosystem of corporates includes manufacturing and processing units, employees, dealers and suppliers. The dealer ecosystem comprises dealers/distributors of farm equipment, white goods, and pharmaceutical manufacturers. Similarly, the self-employed ecosystem comprises of rural entrepreneurs who are engaged in trading and manufacturing activities based out of commercial and industrial areas in the rural market dealing with both agri and non-agri related products. The institutional segment comprises various institutes like schools, colleges, hospitals and government offices. We closely engage with them to develop products and processes, including technology solutions. The micro-lending space includes women from the lower-income strata of the population, non-government organisations and other institutions working at the grass-root level in the rural economy. The Bank has products and services specifically to cater to this segment.

OUR BUSINESS STRATEGY



We have scaled-up funding of electronic Negotiable Warehousing Receipts (eNWR), which provides an opportunity for borrowers to access credit quickly and with ease. Farmers can use eNWR to get loans against underlying commodities. This protects the farmers from volatility and gives opportunities to avail better prices for their produce. Further, the Warehousing Development and Regulatory Authority (WDRA) has a well-defined mechanism to empanel warehouses for issuing eNWR, which mitigates potential risks in the business.

Offering complete financial solutions to customers and their ecosystem has been a strategic focus in the Bank's businesses. In the rural space, an example of this approach is the financial solution provided to farmers and other participants of the dairy ecosystem. This includes providing a suite of financial solutions including term loans and working capital loans to dairy unions, payment solutions and promoting investments in animal husbandry. These solutions are supplemented by providing skill training through ICICI Foundation. We have reached over 29,500 farmers to invest into animal husbandry valued over ₹5.10 billion and have tied-up with about 2,200 Village Level Cooperative Societies (VLCS) with about 0.2 million members.

Apart from meeting the financial requirements for business purposes, we also offer products to meet the personal requirements of participants in the rural ecosystem.

A community banking approach has been adopted with emphasis on personal relationships with customers. The operational structure ensures that we can meet holistic financial needs of customers in the villages at their doorstep. The Bank's reach in rural areas comprises a network of branches, ATMs and field staff, and business correspondents providing last-mile access in remote areas. Of the Bank's network of 5,266 branches, 51% are in rural and semi-urban areas with 649 branches in villages that were previously unbanked. There were over 4,000 customer service points enabled through the business correspondent network at March 31, 2021.

The Bank has a mobile application that enables its employees to capture and submit loan applications from the applicant's doorstep and also gives indicative eligibility and deviations on product lending norms. This effectively shortens the turnaround time and the cost to service new loan applications. A light version mobile app, 'Mera iMobile' has been developed for rural customers in 11 regional languages, with 135 services, in which multiple functionalities work without internet access. 'Mera iMobile' app is used by more than half a million customers.

We have tied up with fintech start-ups that support Aadhaar-enabled transactions. During the year, 180 million transactions aggregating about ₹389 billion were facilitated. These solutions are making financial services more accessible and affordable.

The rural banking portfolio grew by 26.9% year-on-year during fiscal 2021 to ₹721.58 billion, driven mainly by growth in loans against jewellery and loans to rural self-employed customers.

For information on the Bank's financial inclusion and rural development initiatives, refer to the chapter Social and Relationship Capital on page 46.

Small & Medium Enterprises and Business Banking

The Small and Medium Enterprises (SME) portfolio comprises exposures to companies with a turnover of up to ₹2.50 billion. Our business banking portfolio comprises small business customers with an average loan ticket size of ₹10-15 million. The SME portfolio grew by 32.5% year-on-year to ₹302.84 billion and the

OUR BUSINESS STRATEGY

business banking portfolio grew by 40.5% year-on-year to ₹373.27 billion at March 31, 2021.

Our focus in these businesses is on parameterised and programme-based lending, which is granular and well-collateralised. We offer our SME and business banking customers a wide spectrum of solutions addressing their evolving business needs such as customised offerings, faster turnaround time, transaction convenience, timely access to capital and cross-border trade and foreign exchange products. Providing digital solutions is at the core of the engagement, with the range of solutions spanning customer onboarding, payments and collections, lending and cross-border transactions.

Following the Covid-19 pandemic, we have provided financial assistance to clients based on various government schemes, which includes providing moratoria on loan repayment and Emergency Credit lines to eligible SME customers. We have disbursed an aggregate amount of about ₹140 billion to SME and other customers under the government's Emergency Credit Line Guarantee Scheme till March 31, 2021. We were able to leverage on our growing digital capabilities during this period by providing contactless solutions like digital current account opening, online electronic franking and digital signature-based document execution (Eazysign).

A new digital platform, InstaBIZ, was launched specifically for the small and medium enterprises (SME) and the self-employed segment, which offers over 200 products and services on mobile and internet banking platforms.

InstaBIZ: India's most comprehensive digital banking app for businesses offers over 200 banking products and services.

Customers can seamlessly execute their trade finance and foreign exchange transactions through the Trade Online and FX Online platforms and carry out trade transactions online in a paperless environment. Customers can avail bank guarantees on the go, which provides a superior transaction and service experience.

The Bank continued to enhance the data analytics-driven onboarding, credit assessment and monitoring of our retail and SME customers and creation of propositions for their supply-chain financing needs. Supply chain financing is an integral part of the SME business and a focus area towards deepening our coverage of the corporate ecosystem. Our CorpConnect platform enables corporates to integrate their Enterprise Resource Planning (ERP) system using Application Programme Interfaces or host-to-host protocols. Our plug-n-play based digital supply chain financing platform, DigitalLite, enables the onboarding of customers seamlessly and quickly. These two platforms enable corporates to seamlessly manage the supply chain financing, payments, collection and reconciliation requirements of their dealers and vendors in a convenient and paperless process. These platforms also automatically assess the eligibility of the corporate's dealers and vendors for credit through business rule engine and intelligent algorithm with automated bureau checks. With these capabilities, digital approval letter generation automation and e-sign features, we are able to set up credit limits and offer credit sanction to the corporate's dealers and vendors within a few hours, even if they are not customers of the Bank. Over half of our supply chain linked business corporate clients have been onboarded on our digital platforms.

We follow strong risk management practices in managing our SME and business banking portfolio, with a view to enhancing the portfolio quality by reducing concentration risks and a focus towards granular and collateralised lending-based growth. Our robust portfolio monitoring framework is able to proactively analyse and detect stressed cases which enables us to take early action and ensure healthy portfolio quality. The Bank has further strengthened its underwriting process by integrating various digital tools like bank statement analyser, automatic fetching of bureau reports and enhanced business rule engine to generate probability of default scores for score-based analysis into one single ecosystem called Infinity. A combination of qualitative and quantitative assessment tools are utilised to arrive at the final decision.

OUR BUSINESS STRATEGY

Wholesale Banking

The Wholesale Banking Group has a wide and deep client franchise, which includes top business houses, large private sector companies, financial institutions and banks, public sector undertakings and central and state government entities. In the last few years, we have developed a strong franchise across multi-national companies (MNCs) and new age services companies, and also established a strong franchise in the financial sponsors space with special focus on private equity funds and their investee companies.

We have a comprehensive coverage model. Our Bank's established presence as a financial service provider and extensive branch network across the country providing last mile coverage has helped us to strengthen our client franchise. By leveraging the Bank's overseas branches, we have been able to focus on MNCs, financial sponsors and India linked companies. Our approach has been to deepen our partnership and support our clients through their life cycle. Our leading-edge product portfolio is comprehensive and technologically advanced and includes lending products for working capital and capital expenditure requirements and other products that the client may need across trade, treasury, bonds, commercial papers, channel financing, supply chain solutions, and various other activities.

With a focus on the Bank's overall strategy of maximising the risk-calibrated core operating profit, the Wholesale Banking Group has reimagined its strategy of engaging with corporate clients. While Portfolio Quality and Earning Quality remain the key principles driving our strategy, value creation for our clients is the main focus. Instead of being only capital providers, we aim to become business partners to our clients. To achieve this, we realigned our structure in the past from product-centric to a client-centric model. With the client at the centre, all the groups across the Bank are well-aligned to offer the entire Bank's offerings to our clients and their ecosystems. We continued our strategy of 360° banking across the corporate ecosystem by offering a comprehensive suite of banking products to the corporate and its entire network of employees, dealers, vendors and all other stakeholders. This has not only made client servicing more effective, but also helped us to penetrate deeper in high-value retail accounts of promoters, directors and employees through a suite of retail products like salary, private and wealth banking, home loans, personal loans, vehicle loans, etc. This approach also reduced client acquisition cost. The Group focussed on capturing the money in motion for the entire Corporate Ecosystem to strengthen the Bank's liability franchise further.

We have evolved our digital offerings for corporate clients by building future-ready banking solutions and integrating client journeys through digitisation.

Driven by data analytics to derive insights, combined with an approach to build future-ready banking solutions and integrating client journeys through digitisation, we have evolved our digital offerings for corporate clients. One such innovative offering is the ICICI STACK for corporate clients that provides digital banking solutions for corporates on a single platform and also provides sector-specific solutions.

In a volatile business environment, with return of capital being the overarching objective, we leveraged analytics extensively to monitor transactions and portfolio quality. While new credit is extended in a granular manner to well-established and higher-rated business groups, analytics is used for portfolio monitoring and identification of early warning signals in the existing book. This has led to enhancement of the overall quality of the existing corporate portfolio. We also focussed on reducing concentration risks to make the portfolio more granular.

Technology continues to be the cornerstone of our strategy as well as execution. The online application for credit assessment of mid-corporate clients was scaled up during the year. Apart from quick onboarding, this enabled objective and comprehensive risk assessment of clients, based on multiple parameters like bureau information, and qualitative and quantitative factors. Another innovative solution offered was CP Online, a first-of-its-kind cloud based platform, which seamlessly integrates various stakeholders for the issuance of commercial paper (CP). By automating the document preparation and digitising the process flow, CP Online reduces the client's workload by more than 80% and turnaround time from four days to less than a day. The strong product proposition helped the Bank to double its market share of CP flows within a year.

Transaction Banking

In fiscal 2021, the disruptions due to measures to control the spread of Covid-19 impacted the day-to-day functioning of our corporate and SME clients, whether it was paying their suppliers and employees, collecting money from their customers or handling their daily import and export transactions. Our proactive response coupled with technology investments made in our digital capabilities over the years, both in customer facing solutions and in internal workflow management, became compelling for our customers and enabled our employees to provide uninterrupted services to customers. In this context, one key positive outcome has been a multi-year acceleration in the digital adoption by our corporate customers leading to enhanced customer satisfaction, amongst other business outcomes. The number of customers on our Trade Online platform more than doubled during fiscal 2021.

In continuing with our thought leadership in the digital space and customer-centric approach, we have also brought to market certain ecosystem based solutions. We curated a number of industry and segment specific solutions. An example of industry specific solutions that we launched in fiscal 2021 was an end-to-end digital capability for the capital market industry, which in turn helped us capture a greater share of the liability opportunity from this ecosystem. An example of a segment specific solution that we launched during the year was a platform to enhance the ease of doing business for MNCs in India through our Infinite India portal. The portal offers value-added services in collaboration with partners to ease the MNCs' journey of setting up or scaling up their business in India. Similar initiatives have been taken to capture the entire ecosystem opportunity across multiple industries and segments.

We have also launched 15 industry STACKs as a part of ICICI STACK for Corporates to provide the depth and breadth of digital solutions required by the diverse customer segments we serve.

With a focus on capturing the entire 360° banking opportunity, the Bank continues to create best-in-class digital solutions to meet the varied requirements of our customers. These solutions range from industry shaping initiatives such as the first 'e-bank guarantee with e-stamping' issuance in collaboration with the state of Uttar Pradesh, thus creating a pathway for complete paperless bank guarantee issuance and advising, and amendments to operational efficiency-enhancing solutions for our customers such as a simplified digital payment solution for 'Multi-state GST'. Customisation at a scale is a key factor in our approach.

These solutions are being delivered to our customers through physical and digital channels. In addition to leveraging the existing physical branch network, we have expanded our capabilities to provide transaction banking services to our customers from about 114 locations as of March 31, 2020 to 183 locations as of March 31, 2021. This has also involved co-location of skilled transaction banking teams to branches. Many of these expanded branch capabilities are in the factory/township premises of certain large conglomerates in the country.

In addition to our scalable corporate internet banking platform which has over 100 features that are being continuously upgraded, we also embarked on providing embedded solutions at scale to our customers. These embedded banking solutions, which are offered through APIs or host-to-host connectivity, provide access to day-to-day banking services to corporates within their own ERP environments. In fiscal 2021, the Bank delivered over 21% higher number of integrations compared to a year ago. In addition to enhancing customer satisfaction, these embedded solutions ensure stable business for the Bank.

A critical aspect of capturing the ecosystem opportunity is vendor and dealer financing. A key priority for our corporate customers is to ensure continued and competitive financing for their supply chain to ensure uninterrupted business. In this regard, the Bank offers a complete product suite including all forms of vendor and dealer financing solutions. Necessary investments have been made in technology capabilities to ensure scalability of business is achieved within the credit guardrails. The digital capabilities are also supplemented by distributed teams located out of our branches capturing this important business for our customer and the Bank.

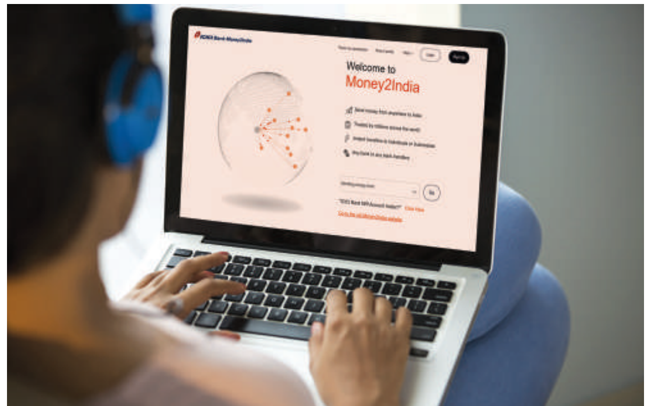
In these digital capabilities developed by the Bank, data analytics plays a very critical role. Investments in capability and capacity building in data analytics have resulted in delivering a number of use cases in wholesale banking, which is aimed at three main objectives of improved customer service, enhanced revenue opportunities and superior risk management. A number of tangible use cases have been delivered with measurable outcomes across the stated objectives.

International Business

ICICI Bank's international presence consists of branches in the United States, Singapore, Hong Kong, Bahrain, Dubai International Finance Centre, South Africa, China, Offshore Banking Unit (OBU) and IFSC Banking Unit (IBU), and representative offices in Bangladesh, Dubai, Abu Dhabi, Indonesia and Malaysia. We also have wholly-owned subsidiaries in the United Kingdom (UK) and Canada. ICICI Bank UK also has a branch in Germany. The Bank opened a new representative office in Nepal and closed its branch in Sri Lanka during the year.

Our international franchise continues to focus on four strategic pillars, namely the NRI ecosystem comprising deposits, remittances, investments and asset products; the MNC ecosystem comprising both foreign MNCs investing in India and Indian MNCs branching out for their foreign currency and other India related requirements and also Global In-house Centres (GIC), which are back-offices of MNCs created to serve the world; Trade ecosystem, comprising primarily India-linked trade transactions which are self-liquidating in nature; and funds ecosystem, to capture fund flows into India through the Foreign Portfolio Investment (FPI) and Foreign Direct Investment (FDI) route. Apart from this, the Bank continued to progress in its objective of reducing the non-India linked exposures in a planned manner. The non-India linked corporate portfolio reduced by 56% year-on-year or by USD 1.60 billion during fiscal 2021.

The Bank plays a pioneering role in promoting digital initiatives across businesses in the international banking arena. We have been continuously introducing and innovating products to enhance customer experiences. In the NRI segment, re-imagining the NRI ecosystem with ICICI STACK, for a deeper understanding of customer profiles and needs with 360° STACK solutions designed



The Money2India platform was enhanced with a completely revamped user interface across both web and mobile app solutions.

to meet the evolving banking needs of NRIs and their families in India, has been a core focus. The on-boarding of NRI customers has been made seamless by leveraging emerging technologies like OCR based account opening with facility to track applications. We also launched the opening of three-in-one accounts digitally, an industry-first initiative, for seamless opening of savings account with linked demat account and broking account. Remote servicing accessibility was enhanced with the launch of WhatsApp banking and i-Pal chatbot. The new and value-added digitised services for NRI customers resulted in 85% of NRI customers being digitally active.

Facilitating frictionless cross-border remittance solutions has been the core strategy in re-designing the solutions for both inward and outward remittance needs of NRIs and resident Indians. We implemented SWIFT gpi for inward and outward remittances, enabling end-to-end digital tracking of remittances. Our proprietary inward remittance platform, Money2India, was enhanced with a completely revamped user interface (UI) across both web and mobile app solutions to deliver a superior user experience. Single sign-on facility to access Money2India and Internet banking was launched for NRI customers, facilitating seamless unified login access to service remittance and banking needs.

Segment-specific solutions were redesigned, including the student ecosystem, for enabling seamless fee payments to overseas universities through online integrated solutions in tie-ups with institutional/fintech aggregators, both in India and overseas.

Government Banking

We are extensively engaged with government departments/ bodies and support them with technology-driven banking solutions. Government banking has been a core focus area for the Bank and we provide a range of banking services to Government of India ministries, state government departments and district and local bodies across the country. ICICI Bank offers its government customers a wide spectrum of solutions addressing the fast-evolving needs such as customisable and integrated solutions, large transaction processing capabilities and superior turnaround time. The customised products and services offered are aligned to act as enablers for enhancing e-governance and financial management.

The Bank assists the Government in collection of central taxes, state taxes and GST payments through authorised branches and digital channels. Our technology-driven banking platforms provide simple online tax payment options to customers. Statutory payments like EPFO and ESIC dues can also be done online through the Bank's platform.

We have partnered with a number of Central and State government departments to ensure quick disbursement of funds/benefits to beneficiaries and implementing agencies through the Public Financial Management System (PFMS) and non-PFMS platforms. These customisable and integrated solutions have supported the government's endeavour for efficiency in expenditure management.

ICICI STACK, the comprehensive digital banking suite is offered to government bodies, institutions, district administrations, local bodies and associated stakeholders, including their staff and employees to bring transparency and desired efficiencies in the implementation of the Government's objectives.

CUSTOMER CENTRICITY

The Bank is on a journey where differentiated customer experience along with operational excellence are at the core of everything we do. As we walk this path, we continuously seek to create value across the customer lifecycle through decongested delivery, zero or low-touch operations and enhanced customer engagement.

ICICI Bank believes in re-imagining customer journeys with hyper-personalised and omni-channel experiences.

The Bank's approach is to make customer experiences instant and speedy and processes and systems integrated, seamless, intelligently automated and scalable. The Bank places the customer at the centre of every design and reimagines customer journeys with hyper-personalised and omni-channel experiences.

Prioritising the customer in every business and service goal, the concept of customer satisfaction has been replaced by 'delight' in banking experiences. The Bank has embraced and built upon this transition while being committed to the core principle of 'Fair to Customer, Fair to Bank'.

During fiscal 2021, various customer service initiatives were implemented, some of which were:

- The account opening process for savings account, current account and assets was decongested by rolling out Customer 360°, which ensures that when an existing customer opens another relationship with the Bank, the existing data and Know Your Customer documents are reconsidered for the purpose.
- 24X7 processing was introduced in areas like NRI & Trade services, 3-in-1 account opening and tax payments, which is an industry-first initiative.
- Insta personal loan disbursement was implemented where the customer gets a link to initiate the disbursement.

OUR BUSINESS STRATEGY

- Online Dispute Resolution was launched, which is an industry-first initiative. It enables real-time decisioning on reversal of charges using data science, and the credit is instantly posted to the customer's account with zero human intervention.
- In phone banking, the AI powered conversational voice bot was introduced, which caters to around 90,000 calls every day.
- E-signing of documents such as pre-disbursement and post disbursement documents, online payment of stamp duty and others were enabled through a single flow using the EazySign web platform for SME customers.
- Approximately, 1,500 robotic process automations handling around 700 manpower worth of activities, were implemented to enhance efficiency and improve response time.

During the year, there was a sustained improvement in the Net Promoter Score (NPS) across products and services, a key metric to measure customer advocacy for onboarding and channels.

We also ensure continuous engagement with our customers through multiple channels including through branch employees, surveys, social media and channels to raise queries and grievances.

Our focus on customer service is driven to improve process efficiency, enhance customer experience and response time to queries and grievances.

TECHNOLOGY AT THE CORE

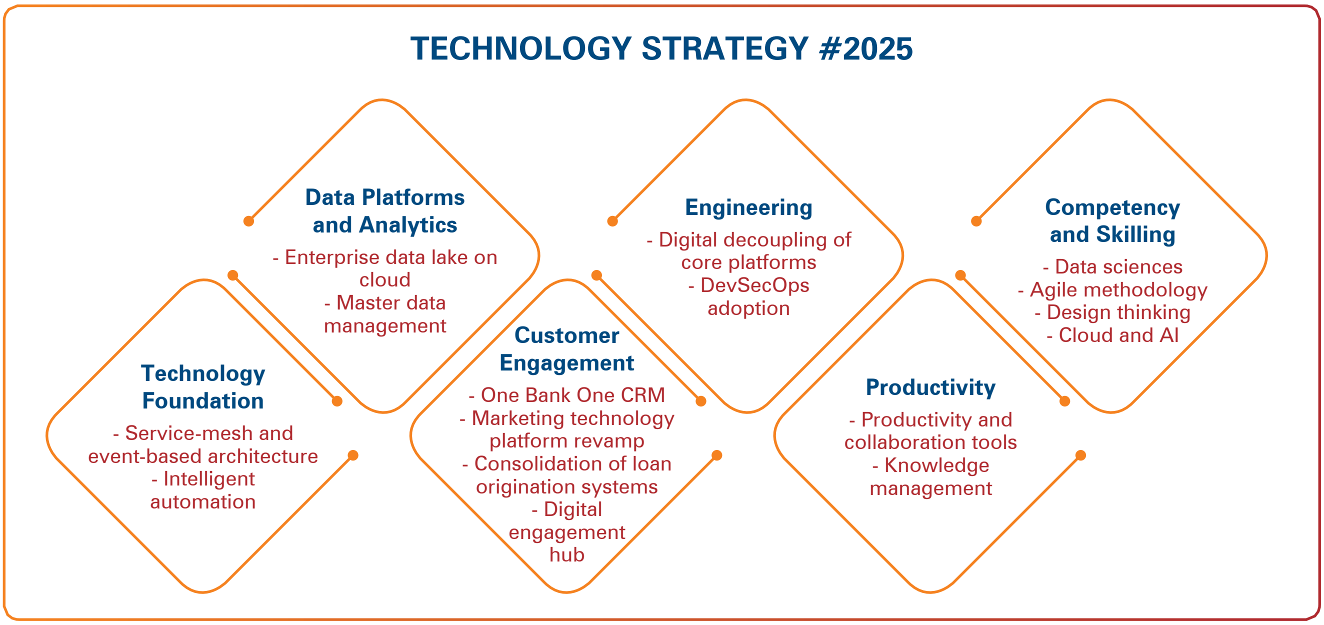
We continue to invest in building digital and technology competencies to deliver better customer service and increase productivity, while optimising costs. We actively monitor and improve our technology infrastructure to minimise disruptions in services to our customers. During fiscal 2021, we took significant steps to adapt our IT systems to the new environment due to Covid-19.

The accelerated shift to digital banking, and the need to make banking simpler and safer, prompted us to launch several new digital products and platforms. At the same time, we are focussed on looking beyond at the long term technology landscape.

As a part of our #2025 technology strategy, the Bank is creating an enterprise architecture framework across digital platforms, data and analytics, micro services-based architecture, cloud computing, cognitive intelligence and other emerging technologies. This is based on the pillars of scalability, modularity, flexibility and agility, resilience and reliability, and creating delightful and digitally-native customer experiences to enable sustainable profitable growth.

FUTURE-READY TECHNOLOGY

OUR BUSINESS STRATEGY



Architecting for Tomorrow

The fast emerging technology advancements like cloud computing and data sciences coupled with economics of ecosystems and customer preferences are constantly redefining risks and opportunities in a dynamic manner. Re-imagined customer touchpoints and journeys have dramatically impacted and transformed customer experiences across segments. Business process optimisation, decongestion in decision-making and new modes of revenue through different economic models and partnerships are getting crystallised.

Banking services are increasingly omnipresent and completely embedded into the customer journeys which makes scalability, extensibility, security and agility the cornerstones of development.

At the same time, new forms of risks such as social frauds and cyber threats are also a reality. In this context, the Bank has adopted an approach that enables us to respond to the changing dynamics in an agile and responsive manner.

Focus on Data, FinTech, APIs and Ecosystems

The Bank has a dedicated Data Science and Analytics team that works across business areas on projects relating to business analytics, decision strategies, forecasting models, machine learning, rule engines and performance monitoring. We maintain a comprehensive enterprise-wide data warehouse and employ statistical and modelling tools for leading-edge analytics.

In driving an innovation and start-up mindset, we have set up an Innovation Centre to collaborate with and invest in fintech startups and co-develop products aligned with the Bank's digital roadmap. The engagements with the startups are focussed on digital lending, revenue growth, digital platforms and process efficiencies.

While the Bank is focussed on growing its own digital channels, we are also creating an ecosystem through partnerships which cover all broad segments of customer and merchant payments. The Bank is offering a host of APIs and SDKs (software developer kits) which facilitate third party apps to offer payment solutions for their retail customers.

The Bank has launched an API Banking portal which consists of 250 APIs and enables partner companies to co-create innovative solutions in a frictionless manner and in a fraction of the time usually taken for such integration.

Cyber Security

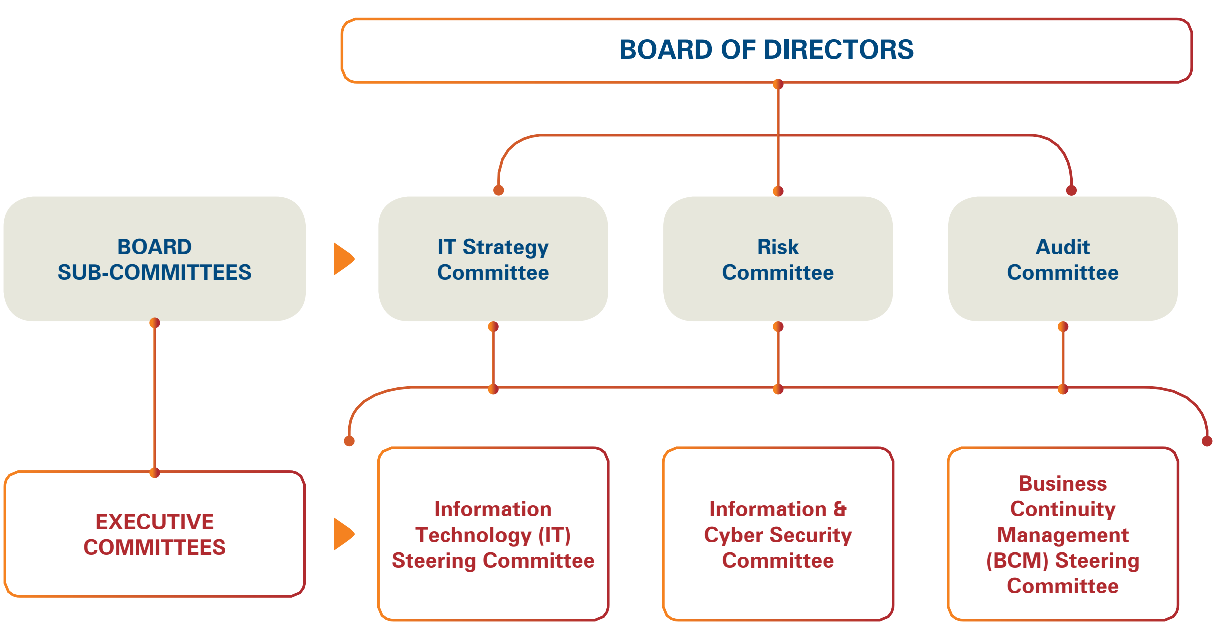
At the Bank, we believe that in the modern digital age, cyber security is not an IT/information security issue, but a business issue. It is vital to protect the Bank's and customers' assets and ensure continued trust of our stakeholders. We have adopted a multi-dimensional approach to cyber security. The CIA triad of Confidentiality, Integrity and Availability is at the heart of the information security framework implemented at the Bank. Keeping customer priorities in mind, we follow a 'defence in depth' approach in implementing cyber security solutions. This approach enables us to protect our data using a multi-layered defense mechanism and a combination of tools and techniques which complement and augment each other.

The Bank also lays emphasis on customer protection aspects such as phishing, adaptive authentication and awareness initiatives. We have been a pioneer in enabling customers to easily configure control parameters related to their cards such as limits, international access and other parameters on a self-service and real-time basis from the internet and mobile channels of the Bank. This enables customers to protect their cards from misuse.

The Bank has an information/cyber security governance framework consisting of leadership, organisational structures and processes that help us mitigate growing cyber security threats. Our cyber security governance encompasses management oversight at various levels with the ultimate responsibility assumed by the Board of Directors.

The governance structure for management of information/cyber security risk is helmed by the IT Strategy Committee, the Risk Committee and Audit Committee, all being Board-level Committees and chaired by Independent Directors. At the executive management level, there are specialised Committees to review key areas of IT and cyber risk. These include the Information and Cyber Security Committee, IT Steering Committee and the Business Continuity Management (BCM) Steering Committee which have diverse cross-functional members and well-defined terms of reference. Proceedings of these Committees are reported to the IT Strategy Committee. Further, the BCM Steering

GOVERNANCE STRUCTURE FOR INFORMATION TECHNOLOGY



OUR BUSINESS STRATEGY

Committee approves and monitors the implementation of the BCM plan, which includes the business continuity plan for processes, disaster recovery plan for IT systems and emergency response plan to mitigate the risk of injuries to customers and employees and damage to the Bank's assets.

Additionally, we have devised multiple key risk indicators/ dashboard to review system stability, continuity and availability and network uptime. The Bank’s Information Security Policy, Cyber Security Policy and Information Security Standards and Procedures are based on various industry standards such as NIST, regulatory requirements of various jurisdictions in which the Bank operates and other inputs like internal audits and benchmarking exercises.

As part of our Secure by Design philosophy, we ensure that every new piece of infrastructure or application is put through rigorous security testing. We also perform continuous scanning of our IT infrastructure and application landscape to identify any potential issues. The Bank has a 24x7 Security Operation Centre (SoC) for monitoring and surveillance of IT systems.

Considering the criticality and vitality of data protection, we have deployed a Data Leakage/Loss Prevention (DLP) system with data protection rules for sensitive data exposure from the Bank’s endpoints, emails and web gateways. Also, the Bank undertakes multiple assessments of the efficacy of its security controls by internal as well as external auditors and through specific thematic assignments. We also conduct and participate in cyber security drills and table top exercises to continuously fine tune our response mechanisms.

In the wake of the outbreak of Covid-19 pandemic, the Bank's first priority was to make sure customer services were least disrupted. To address this and to ensure employees’ safety was also not compromised, we made arrangements for all key activities to be performed on a work-from-home model through secure VPN (Virtual Private Network) and Virtual Desktop Interface (VDI). The Bank rolled out a large work-from-home infrastructure within a few weeks from the onset of the pandemic.

During this period, the Information Security Group also issued detailed advisories on Do’s and Don’ts for staff to follow when they work from home. This was followed up with regular snippets on information security best practices. We continuously audit the work-from-home setup for our security controls from aspects such as identity and access management, data protection, and other parameters. Our 24x7 Security Operation Centre also configured specific rules to continually monitor logs from VPN services and generate alerts in case of any unusual events. Further, DLP rules have been enhanced to avoid sensitive data exposure by employees.

There were no material incidents of security breaches or data loss during fiscal 2021.

DOING BUSINESS RESPONSIBLY

Our aim is to be a trusted financial services provider and deliver long-term value for our stakeholders. As we grow our business, we remain committed to acting responsibly and maintaining the highest standards of governance and compliance while delivering on our strategy.

The Bank is committed to act professionally, fairly and with integrity in all its dealings. We have a zero tolerance approach to bribery and corruption and have a well-defined Anti-Bribery and Anti-Corruption policy articulating the obligations of our employees in these matters. We continuously focus on the effectiveness of our financial controls and assess compliance with all regulatory requirements. All the key policies of the Bank are regularly reviewed and enhanced to ensure relevance, adherence to regulations and adoption of best practices on an ongoing basis. We aim to maintain a strong compliance and ethics culture. Our Board-approved Group Compliance Policy lays down the compliance framework with emphasis on ensuring that our products, customer offerings and activities conform to rules and regulations and adheres to the ethos of 'Fair to Customer, Fair to Bank'.

We made amendments to the ICICI Group Code of Business Conduct & Ethics which articulates the values, principles and standards guiding the conduct of employees of the Bank. Broad changes to the policy included enhancing the definition of conflict of interest and recusal provisions and defining the periodicity of conflict of interest disclosure by employees to the Compliance Group. In addition, changes were made to align with the Reserve Bank of India's circular on Compliance Functions in Banks and role of the Chief Compliance Officer, further enhancing the principles for managing conflict of interest. A new reporting tool was launched during the year for reporting/seeking clarifications on conflict of interest and for submitting the annual conflict of interest declaration by the leadership team. Apart from this, periodic training sessions and information mailers are sent to employees on a frequent basis. We are committed to constantly reviewing our governance practices and frameworks, with a focus on staying updated and responsive to the dynamic and evolving landscape, and acting in the best interest of our stakeholders.

CUSTOMER SERVICE AND GRIEVANCE REDRESSAL

We have a well-defined framework to monitor key customer service metrics. The Customer Service Committee of the Board and the Standing Committee on Customer Service meet on a regular basis. These forums deliberate on issues faced by customers and the initiatives taken by the Bank to enhance customer service.

The Bank complies with the 'Customer Rights Policy' which enshrines the basic rights of our customers. These rights include Right to Fair Treatment; Right to Transparency, Fair and Honest Dealing; Right to Suitability; Right to Privacy; Right to Grievance Redress and Compensation.

We seek to treat our customers fairly and provide transparency in our product and service offerings. Continuous efforts are made to educate customers to enable them to make informed choices regarding banking products and services. The Bank also seeks to ensure that the products offered are based on an assessment of the customer's financial needs.

Our grievance redressal mechanism is well-defined and comprehensive, with clear turnaround times for providing resolution to customers. All complaints received by the Bank are recorded in a Customer Relationship Management (CRM) system and tracked for end-to-end resolution. The Bank also has an escalation matrix built in the CRM system to ensure that customer requirements are appropriately addressed within stipulated timelines. Further, as recommended by the Reserve Bank of India, we have appointed senior retired bankers as the Internal Ombudsmen of the Bank. The Customer Service Committee of the Board, the Standing Committee on Customer Service and the Branch Level Customer Service Committees monitor customer service at different levels.

For details on customer complaints, refer to page 235.

DATA PROTECTION AND PRIVACY

ICICI Bank is committed to protecting the privacy of individuals whose personal data it holds, and processing such personal data in a way that is consistent with applicable laws. It is important for employees and businesses to protect customer data and follow the applicable privacy laws in India and overseas locations to ensure safety and security of data. We believe that the data privacy framework should be in line with the evolving regulatory changes and digital transformation.

The Bank has a presence in several overseas jurisdictions including Hong Kong, Singapore, the United States, the United Kingdom, Canada, China, Dubai International Financial Centre and Bahrain. We are committed to ensuring compliance with applicable laws across these jurisdictions. We have an integrated and centralised strategy for achieving data privacy compliance across all jurisdictions. A set of principles have been defined with respect to handling customer data. There is a mechanism in place for reporting any form of personal data incident which is accessible to all employees in the Bank. The Personal Data Incident Handling Forum (PDIHF) comprises of the Data Protection Officer and senior members from the Information Security Group, Operational Risk Management Group, Fraud Management Group, Human Resources, Compliance and the Legal team. Any kind of personal data-related incidents reported through the service request undergoes a detailed investigation and report of same is presented to PDIHF on a monthly basis.

On account of the changes in data protection laws and regulations, in fiscal 2021 the Bank updated its Personal Data Protection Standard to cover the personal data protection regulatory requirements for the Bank and its overseas offices. The Personal Data Protection Standard of the Bank has been reviewed by an international law firm.

Privacy regulations require the personal data of customers to be protected throughout its entire lifecycle. Accordingly, we have undertaken several comprehensive measures such as categorising all personal data and sensitive personal data as 'Confidential Information', keeping record of all its processing activities, entering into non-disclosure and confidentiality agreements with employees and third parties who are privy to customers' personal data and providing customers the option to exercise various rights which they enjoy under applicable data protection regulations and incident handling procedures.

There are e-learning modules specifically on personal data and its protection to build awareness among our employees.

We have a dedicated Data Privacy team headed by a Data Protection Officer (DPO), which oversees all privacy related developments for the Bank as a data processor for international banking business and as a data controller for NRI and remittance businesses. Various data privacy awareness initiatives and periodic trainings are conducted by the Data Privacy team. A Privacy Steering Committee meets every quarter, and oversees various privacy-related initiatives. Further, the Bank's Code of Business Conduct and Ethics covers guidelines on customer privacy and confidentiality of data.

RISK GOVERNANCE FRAMEWORK

As a financial intermediary, we are exposed to various risks, primarily credit risk, market risk, liquidity risk, operational risk, technology risk, compliance risk, legal risk and reputation risk. Our active risk management energises our strategic approach of risk-calibrated growth in core operating profit.

The Board of Directors of the Bank has oversight of all risks in the Bank with specific Committees of the Board constituted to facilitate focussed oversight. There is adequate representation of independent directors on each of these Committees. The Board has framed the specific mandate for each of these Committees. The proceedings and the decision taken by these Committees are reported to the Board. The policies approved by the Board of Directors or Committees of the Board from time to time constitute the governing framework within which business activities are undertaken.

The roles of specific committees of the Board constituted to facilitate focussed oversight of various risks are:

- **Credit Committee:** Review of developments in key industrial sectors, major credit portfolios and approval of credit proposals as per the authorisation approved by the Board.

- **Audit Committee:** Provide direction to the audit function and monitor the quality of internal and statutory audits; responsibilities include examining the financial statements and auditors' report and overseeing the financial reporting process to ensure fairness, sufficiency and credibility of financial statements.

- **Information Technology Strategy Committee:** Approve strategy for IT and policy documents, ensure that the 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, oversee the activities of Digital Council, review technology from a future readiness perspective, oversee key projects' progress and critical IT systems' performance and the review of special IT initiatives.

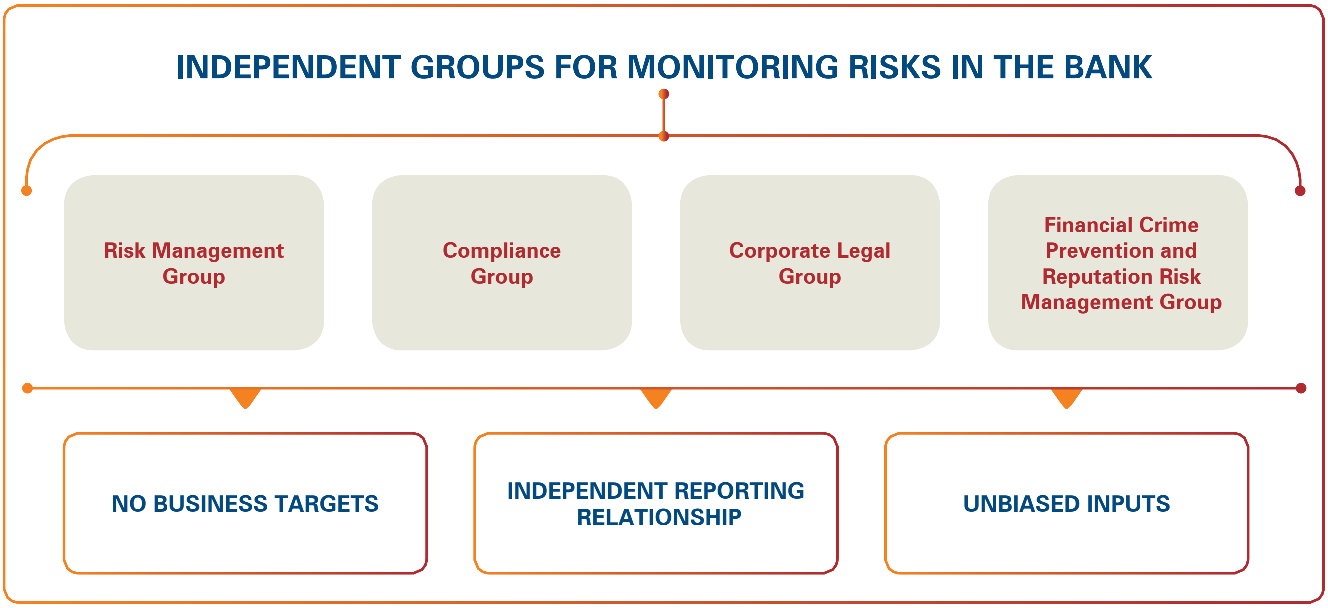
- **Risk Committee:** Review risk management policies pertaining to credit, market, liquidity, operational, outsourcing, reputation risks, business continuity plan and disaster recovery plan and approve Broker Empanelment Policy and any amendments thereto. The functions of the Committee also include setting limits on any industry or country, review of the Enterprise Risk Management framework, Risk Appetite Framework, stress testing framework, Internal Capital Adequacy Assessment Process and framework for capital allocation; review the status of Basel II and Basel III implementation, risk dashboard covering various risks, outsourcing activities and the activities of the Asset Liability Management Committee. The Committee has oversight on risks of subsidiaries covered under the Group Risk Management Framework. The Committee also carries out Cyber Security risk assessment.

The Financial Crime Prevention Group (FCPG) is responsible for overseeing/handling the fraud prevention, detection, investigation, monitoring, reporting and awareness creation functions.

The Bank has put in place an Enterprise Risk Management (ERM) and Risk Appetite Framework (RAF) that articulates the risk appetite and drills down the same into a limit framework for various risk categories under which various business lines operate. In addition to the ERM and RAF, portfolio reviews are carried out and presented to the Credit and Risk Committees as per the approved calendar of reviews. As a part of the reviews, the prevalent trends across various economic indicators and their impact on the Bank’s portfolio are presented to the Risk Committee. Industry analysis and reviews are also carried out and presented to the Credit Committee.

The Internal Capital Adequacy Assessment Process (ICAAP) encompasses capital planning for a four-year time horizon, assessment of material risks and the relationship between risk and capital. The capital management framework is complemented by the risk management framework, which covers the policies, processes, methodologies and frameworks established for the management of material risks. Stress testing, which is a key aspect of the ICAAP and the risk management framework, provides an insight on the impact of extreme but plausible scenarios on the Bank’s risk profile and capital position.

RISK GOVERNANCE FRAMEWORK



Several independent groups and sub-groups have been constituted to facilitate independent evaluation, monitoring and reporting of risks. These groups function independently of the business groups.

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 Internal Audit Group, being the third line of defence, provides independent assurance that the independent groups monitoring the risks in the Bank, are operating in line with policies, regulations and internal standards defined for management of the various risks in the Bank.

The Risk Management Group reports to the Risk Committee of the Board of Directors. The Compliance Group and the Internal Audit Group report to the Audit Committee of the Board of Directors. The Risk Management, Compliance and Internal Audit Groups have administrative reporting to the Executive Director - Corporate Centre.

KEY RISKS IMPACTING THE BANK'S BUSINESS

The Covid-19 pandemic has impacted most economies and banking systems globally, including India. The nation-wide lockdown in April-May 2020 substantially impacted economic activity. The easing of lockdown measures subsequently led to gradual improvement in economic activity and progress towards normalcy. For the banking sector, these developments resulted in lower demand for loans and fee-based services and regulatory measures like moratorium on payment of dues and standstill in asset classification to mitigate the economic consequences on borrowers. It also resulted in increase in provisioning reflecting higher actual and expected additions to non-performing loans following the cessation of moratorium and asset classification standstill. The second wave of Covid-19 pandemic since March 2021, where the number of new cases has increased significantly in India, has resulted in re-imposition of localised/regional lockdown measures in various parts of the country.

The impact of the Covid-19 pandemic on us is uncertain and will depend on the spread of Covid-19, the effectiveness of current and future steps taken by the governments and central bank to mitigate the economic impact, steps taken by the Bank and the time it takes for economic activities to return to pre-pandemic levels. Our capital and liquidity position is strong and would continue to be a focus area for the Bank during this period.

CRISIS AND CATASTROPHE RELATED RISKS

RISKS

Crises in the nature of economic events, financial risks, geo-political tensions, natural calamities, climate change and health epidemics could affect the Indian economy or the economy of countries where we operate. The global financial crisis in 2008 and the global outbreak of the Covid-19 pandemic are events that have significantly impacted the Indian economy and businesses and have created new challenges for banks. Further, this could lead to changes in laws, regulations and policies subsequently, which could affect our business in general, our operations, our products and services and could reduce profitability.

MITIGANTS

The Bank focusses on building capabilities on an ongoing basis to respond to such events, including natural calamities and epidemics. The response could be through various channels including strengthening our financial position by maintaining a strong balance sheet and ensuring adequate buffers in capital and liquidity, continuously enhancing risk management practices in credit and operations, business continuity planning, skilling employees, alternate infrastructure facilities and other such responses. In fiscal 2021, we made additional Covid-19 related provisions to mitigate any stress that could emerge due to the pandemic. We also raised equity capital of ₹150.00 billion and further strengthened our capital position with capital adequacy ratios significantly above regulatory requirements as of March 31, 2021.

KEY RISKS IMPACTING THE BANK'S BUSINESS

MACROECONOMIC UNCERTAINTIES

RISKS

Developments in the Indian economy could have a material impact on growth and value creation in the Bank's business. Our presence in international markets also exposes us to risks from global developments. Uncertainties exist due to India's high dependence on global crude oil, capital requirements, evolving policies and sustainable job creation. These risks are heightened in view of the coronavirus pandemic and the second wave where the number of new cases has increased significantly in India.

MITIGANTS

The Bank closely monitors developments in the global and Indian economy. We have a dedicated team for monitoring and evaluating the impact of macroeconomic trends. We have an established Country Risk Management Policy which addresses the identification, measurement, monitoring and reporting of country risk. The Risk Management Group continuously monitors all sectors as well as corporates within the sectors and country risks.

CREDIT RISK

RISKS

Our core business is lending which exposes us to various types of credit risks, especially failure in repayments and increase in non-performing loans. Our loan portfolio includes retail loans and corporate loans which are vulnerable to economic risks. These risks are heightened in view of the Covid-19 pandemic. Banks in India are subject to directed lending requirements that may create additional risks. Further, legal and regulatory changes and increasingly stringent requirements regarding non-performing loans and provisioning for such loans could also be a risk.

MITIGANTS

The credit-related aspects in the Bank are primarily governed by the Credit and Recovery Policy approved by the Board of Directors. The Bank measures, monitors and manages credit risks at an individual borrower level and at the portfolio level. In the last few years, we have refined and strengthened our framework for managing concentration risk, including limits/thresholds with respect to single borrower and group exposure. Limits have been set up for borrower group based on turnover and track record and on lower rated borrowers. Further, we have pursued a strategy of building a granular and diversified portfolio and lending to better-rated corporates. At March 31, 2021, around 73% of our total loan book was to borrowers internally rated A- and above, and there has been a meaningful change in the profile of exposures to top borrowers and groups. In view of the outbreak of the Covid-19 pandemic, we made the provisioning policy more conservative during fiscal 2021.

KEY RISKS IMPACTING THE BANK'S BUSINESS

MARKET AND LIQUIDITY RISK

RISKS

Movements in interest rates, foreign exchange rates, credit spreads and equity prices could impact our Net Interest Margin, the value of the trading portfolio, income from treasury operations and the quality of the loan portfolio. These risks are heightened in view of the coronavirus pandemic. Banks in India are subject to statutory liquidity ratio requirement, capital and liquidity requirements that structurally exposes them to interest rate risks and liquidity risks. Further, deposits are an important source of funding which are primarily short-term in nature and banks face the risk of asset-liability mismatches if not rolled over by depositors.

MITIGANTS

The Investment Policy, Asset Liability Management Policy and Derivatives Policy, approved by the Board of Directors, govern the treasury activities and the associated risks and contain the limits structure. The Asset Liability Management Committee which includes the MD & CEO, wholetime directors and senior executives periodically reviews the Bank's business profile and its impact on asset liability management. Periodic monitoring is done by the Market Risk Management Group which recommends changes in policies, processes and methodologies. Building a strong liability franchise is a core strategic focus for the Bank.

During fiscal 2021, we maintained strong capital and liquidity positions, which were significantly above regulatory requirements. Further, we participated in creating the financial infrastructure for the transition from LIBOR. We executed our first interbank money market transaction linked with Secured Overnight Funding Rate (SOFR). This was part of the Bank's Benchmark Transition Management plan to assess the preparedness towards a smooth transition to the new Alternative Reference Rate replacing the USD LIBOR.

OPERATIONAL RISK

RISKS

There is a risk of loss resulting from inadequate or failed internal processes, people or systems or from external events. This could include fraud or other misconduct by employees or outsiders, unauthorised transactions by employees and third parties, mis-reporting or non-reporting with respect to statutory, legal or regulatory reporting and disclosure obligations, operational errors including clerical and recordkeeping, and system failures.

In light of the Covid-19 pandemic, operational and business continuity risks could arise related to, among other things, the impact on employee health, maintaining the service levels for customers, work place management, the remote work environment and ensuring availability of critical functions and IT systems.

MITIGANTS

The Bank has put in place a comprehensive system of internal controls, systems and procedures to monitor transactions, key back-up procedures and undertaking regular contingency planning. The governance and framework for managing operational risks is defined in the Operational Risk Management Policy approved by the Board of Directors.

In response to the Covid-19 pandemic, various measures have been taken by the Bank to continue our service without interruption and to ensure safety of employees. Our IT and digital infrastructure was leveraged extensively.

KEY RISKS IMPACTING THE BANK'S BUSINESS

TECHNOLOGY RISK

RISKS

Rapid technological developments and the increasing dependence on technology, combined with the continuous digitisation in banking activities have exposed banks to a host of new risks like obsolescence of IT systems, IT resiliency and business continuity, technology vendor/third party risk, incorrect/inadequate data backups, inadequate change management practices, ineffective identity and access management leading to unauthorised access to IT systems, budget overruns in IT projects, regulatory non-compliance and other relevant matters. The growing customer dependence on digital transactions and increasing volumes of such transactions requires banks, including us, to focus on the availability and scalability of our systems. Misalignment between business and IT strategies is also a formidable risk.

MITIGANTS

The Bank's Information Technology Strategy Committee, which is a Board-level Committee, ensures that the information technology strategy is aligned with the business strategy. The Committee meets periodically to review ongoing IT projects and their schedules, major IT incidents, technology risk indicators and status of regulatory compliance. We have established policies and control frameworks on change management, logical access management, IT outsourcing and Data Centre processes to ensure that the risks are identified and appropriate mitigating controls are put in place. In addition to this, independent assessments of IT processes are carried out by the Internal Audit Group periodically to provide assurance on the effectiveness and efficiency of IT systems and processes. We have adopted an approach under the #2025 technology strategy to be able to respond to the changing dynamics in an agile and responsive manner.

CYBER RISK

RISKS

Increasing reliance on technology and digitisation increases the risks of cyberattacks including computer viruses, malicious or destructive code, phishing attacks, denial of service or information, ransomware, unauthorised data access, attacks on personal emails of employees, application vulnerability and other security breaches. This could negatively impact the confidentiality, integrity or availability of data pertaining to the Bank and its customers. Given the nature of the new digital economy, the Bank also has business and operational relationships with third parties and these could also be sources of information security risk.

MITIGANTS

The Board-level Information Technology (IT) Strategy Committee oversees the cyber security-related threat landscape and the Bank's preparedness to address these from a prevention, detection and response perspective. The Bank's Chief Information Security Officer (CISO) is responsible for tracking the risks. Confidentiality, Integrity and Availability (CIA) form part of a comprehensive information security framework that the Bank has put in place. The Bank also lays emphasis on customer and has invested in the areas of phishing protection, adaptive authentication, awareness initiatives and has also taken industry leading initiative in providing customers easy and immediate ability to configure their risks and limits.

KEY RISKS IMPACTING THE BANK'S BUSINESS

COMPLIANCE RISK

RISKS

The environment for financial institutions is seeing unprecedented changes in laws, regulations and regulatory policies. This could increase the risks of compliance and regulatory action in the form of fines, restrictions or other sanctions for instances of regulatory failures. The failure to comply with applicable regulations by employees, representatives, agents, third-party service providers either in or outside the course of their services, may result in inquiries or investigations by regulatory and enforcement authorities either against the Bank, or such employees, its representatives, agents and third-party service providers.

MITIGANTS

The Bank has a dedicated compliance team that continuously monitors new developments and updates the Bank's senior management on their implications. All relevant groups in the Bank build capabilities on an ongoing basis to be able to respond to regulatory changes in a time-bound manner. The Bank also actively participates in forums and advisory groups for the development of policies in the financial sector. The Bank seeks to have a strong compliance culture driven by the organisation's leadership. There are well-articulated policies with regard to code of conduct, whistleblower complaints, redressal mechanism for complaints and engagement with agents and third-party vendors. The Bank also benchmarks and seeks to adopt industry-best practices.

REPUTATION RISK

RISKS

Any negative publicity arising from actual or alleged conduct including lending practices and credit exposures, the level of non-performing loans, corporate governance, regulatory compliance, sharing or inadequate protection of customer information and actions taken by the government, regulatory bodies and investigative agencies could impact the Bank's reputation. It can also impact the Bank's ability to attract or retain customers and expose it to litigation and regulatory action.

MITIGANTS

The Bank has a Reputation Risk Management Group which identifies, assesses and monitors the risk in accordance with defined policies and procedures. Further, the Bank has well-articulated policies on various aspects including business conduct, employee conduct, compliance, IT and other relevant identified areas that could potentially create reputation risks for the Bank.

KEY RISKS IMPACTING THE BANK'S BUSINESS

EMPLOYEE RISK

RISKS

The ability to attract, motivate and retain talented professionals and the availability of skilled management is critical to successfully implement the Bank's strategy and compete effectively. The loss of key senior executives or qualified young professionals and failure to replace them in a time-bound manner could impact the business.

MITIGANTS

Our human resource function is aligned to the strategic objectives of the Bank. We have made a strategic shift in our way of working. One such initiative was removing the organisation's grade-based hierarchy for the Bank's senior management. We have moved away from centrally driven authority structures to empowering the frontline business heads to consider suitable structures, resourcing, product models and driving market-specific service innovations. Training is an integral part of building talent and ensuring that relevant skills are available in the Bank. We have a strong bench for all key positions and continuously measure the depth of succession for all critical leadership roles.

Ensuring safety and well-being of our employees during the Covid-19 pandemic was of utmost importance. We ensured all steps were taken to provide a safe and healthy work environment, and also extended emotional, medical and physical support to employees on a real-time basis. We tied up with healthcare providers to deliver specialised medical care and virtual consultations for our employees as well as institutional quarantine facilities. A programme to vaccinate our employees is underway.

INTERNATIONAL RISK

RISKS

The Bank has a presence in multiple overseas jurisdictions, through its branches and subsidiaries, which can expose it to a variety of regulatory, legal and business challenges and increase the complexity of risks. Enhanced regulations in these countries could lead to additional scrutiny. There could also be risks arising from political changes in these jurisdictions.

MITIGANTS

The Bank's strategy for international business is largely focussed on India-linked opportunities. There is a dedicated team overseeing the risks associated with its branches within the Risk Management Group. Further, specific teams have been set up at local jurisdictions to get a ground-level understanding of country-specific regulatory and business requirements. The Bank's Compliance Group oversees regulatory compliance at the overseas branches, IFSC and overseas banking units.

HUMAN CAPITAL

Fair to Customer

Fair to Bank

Care for Employees

PARTNERING BUSINESS STRATEGY

One of the shifts in our operating model in recent times has been the adoption of 'One Bank, One ROE', leading to 'One Bank, One Team' as a guiding factor. With our focus on maximising risk-calibrated core operating profit, based on the opportunities available in the market, this pillar provides a guiding path towards capturing market share and growing profitably within the guardrails of risk and compliance. With a focus on creating enablers for participating in opportunities and leveraging ecosystems, we moved away from centrally-driven authority structures to enabling the frontline business heads to consider suitable structures, resourcing, product models and market-specific service innovations. To ensure success in the market and capture the 360° banking needs of customers, every employee is encouraged to spot opportunities and generate business for the Bank.

A key shift in our functioning has been to remove the grade-based hierarchy for the Bank's senior management. This has created process efficiencies and a work culture that enables quicker response in the market place and bringing resolutions faster to the teams. Another step towards building a successful work culture has been the focus on collaboration and bringing together the expertise of cross-functional teams to provide solutions that meet the complete banking requirements of our customers. With the purpose of enhancing product synergies, diminishing department boundaries, and embedding the essence of 'One Bank, One ROE', we have identified customer ecosystems across businesses and segments, and a team structure that focusses on key account management, thus enabling employees to cater to the 360° needs of the customers.

Further, a strong technology team is imperative for the success of our digital initiatives and seamless delivery of services. The technology team was strengthened during the year through reorganisation and introduction of roles in line with the demands of #2025 Enterprise Architecture Framework.

OUR RESPONSE TO COVID-19

Banking being declared an essential service, the Covid–19 pandemic presented us with a situation where we had to ensure continuity in our services to customers while ensuring the safety and well-being of all our employees working in approximately 5,500 branches and offices at locations across the country. Ensuring Covid-19 related protocols of social distancing and sanitisation were followed across every location was critical. Providing a safe and healthy work environment, along with extending care and support to employees was of paramount importance. We put mechanisms in place to ensure that emotional, medical and physical support was provided to our employees on a real-time basis.

As part of safety measures, thorough contact tracing is done in case an employee tests positive. All employees who have been in physical proximity to the Covid-positive employee are strictly advised to

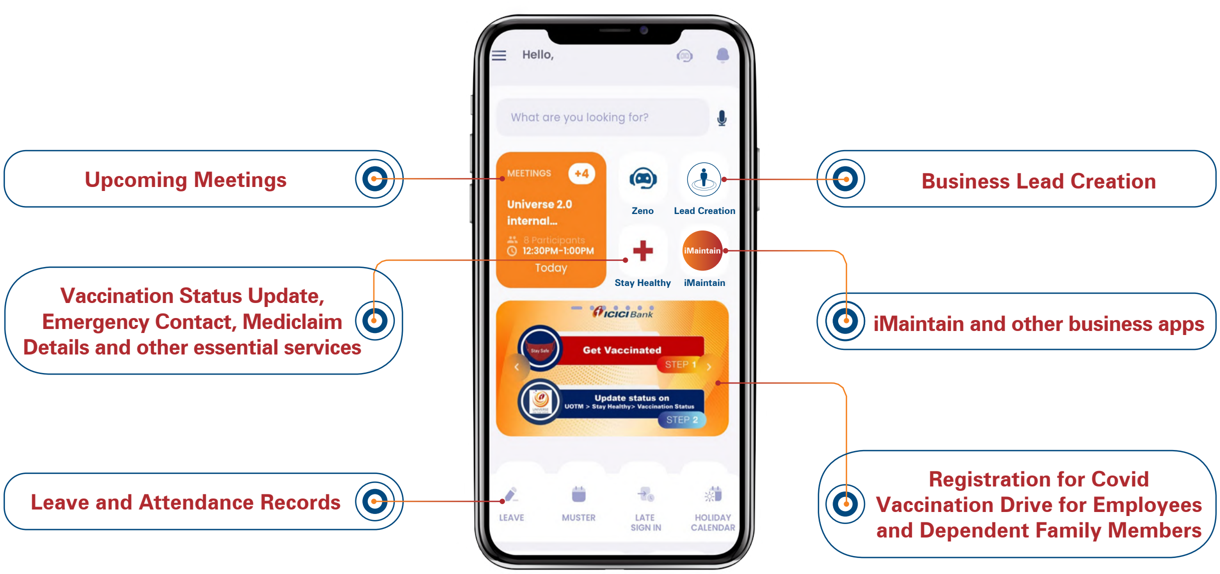
HUMAN CAPITAL

isolate themselves and self-quarantine for a period of at least 14 days. A digital contact tracing system has been developed to track and monitor the employees who came in contact with any Covid-positive employee. The system uses the data collected from the employees through Universe on the Move application, on the given day.

For employees and family members who are advised home quarantine, we have tied up with a healthcare provider to offer specialised medical care to monitor and provide virtual consultation services, thus facilitating timely medical help as well as taking care of the mental health of the affected employees and their families. Similarly, for employees and their family members needing closer monitoring by way of institutional quarantine, the Bank tied up with the healthcare provider for an institutional quarantine programme, which is available in eight major cities. These isolation centres are best-in-class facilities for employees in need of institutional quarantine. The employees are under the supervision of on–duty doctors on a daily basis and have assistance of nurses in the facility to cater to health requirements and monitoring.

Advisory and constant communication with employees by means of defining 'Norms of New Normal' was established and circulated to ensure that the advisory reaches every employee and gets reinforced in their behaviour. Office protocols were put in place quickly to ensure safety of employees. Masks, sanitisation, fumigation and social distancing were made mandatory across premises. Signage and posters were displayed in various places in the large offices. Maximum capacity for each of the offices and big branches were determined and zoning norms were established and implemented across office locations so that employees do not mingle with anyone outside their zones. In order to ensure a smooth commute, employees were provided with system verified and generated authorisation letters and vehicle passes, made available to them on the Bank’s internal app, UOTM - Universe on the Move. Further, the Bank reimburses the cost of vaccination of employees and their dependents.

UNIVERSE ON THE MOVE – THE EMPLOYEE APP



ICICI Bank UOTM app integrates several functions including engagement, learning and business applications.

HUMAN CAPITAL

HIRE FOR ATTITUDE AND TRAIN FOR SKILL

We believe in building talent by identifying individuals with potential and attitude for growth, and providing them with opportunities to acquire necessary knowledge and skills. This focus is across levels, from those beginning their journey with ICICI Bank to different levels up to the senior management.

To meet the demands for a skilled workforce, the Bank has adopted a strategy to backward integrate at the ecosystem level to create a pool of industry-ready workforce. Our industry-academia partnership has democratised the platform for hiring and pushed the boundaries that defined employee profiles as urban and English-speaking to encourage alignment with a workforce based on social skills and attitude of individuals. The industry-academia initiatives have thus cast their net wide to attract a diverse pool of applicants from various fields, and ensuring diversity in terms of gender, culture and social backgrounds. Through our industry-academia partnerships, we have successfully created a continuous pool of ready bankers, not just for the Bank but for the industry at large.

One of the key aspects of these programmes is the familiarity it builds with the banking and financial services sector, and with ICICI Bank. The thrust is to orient students to the culture of ICICI Bank and to impart functional knowledge in banking and related subjects. Participants are put through rigorous training with emphasis on application of knowledge and overall personality development. The tutoring is supplemented through structured internships and on-the-job training at various Bank branches, where students are assigned roles and live projects to give a real-time experience of banking.

Shaastraath - a digital thought leadership event facilitated by ICICI Bank was attended by more than 50,000 students from over 300 top business schools.

Considerable investments have been made in setting up the training infrastructure and designing programmes that have a bias for vocational pedagogy rather than the cognitive approach prevalent in educational institutions. The focus and rigour of the design of these academies has ensured that every student is acclimatised to ICICI Bank's culture and way of banking. This has helped ensure continuity of service across roles, and also the continued trust of our customers over the years of engagement and service. Today, the alumni of these academies have etched successes for themselves and have also made the institution proud of their achievements, and complimented our efforts of creating winners.

Shaastraarth – a congregation of thought leaders aimed at bringing corporates to the campus and serving as a partnership platform for industry and academia where practitioners put forward their varied views, rich knowledge and experience – was held over two days on October 7 and 14, 2020. More than 50,000 students from 300+ top business schools were the audience. The event had multiple panels with eminent leaders from various industries coming together from different geographies and time zones. In the eight panel discussions held over two days, leaders put forth their perspectives on themes pertinent to the workforce of tomorrow. The two-day event was livestreamed on the ICICI Bank YouTube channel, with 150,000 views and 800,000 impressions over all sessions. Our LinkedIn page hosted an elaborate campaign covering the whole event where we witnessed 650,000 impressions overall.

One of the ways to be future-ready is to invest in skills and capabilities which are essential to be relevant in the market over the long term. Our employees are our asset, and we invest in capability-building of our employees on an ongoing basis.

Culture, Ecosystem and ICICI STACK Sessions under Capability Building Programmes

Culture, Ecosystem and STACK sessions were incorporated in all capability building academies. The culture sessions enabled reiteration and

TECHNOLOGY BASED LEARNING

53 hours

Average online learning per employee

Learning delivered through digital courses, curated video modules and webinars among others

reinforcement of the ICICI Bank culture among the employees. The ecosystem approach and ICICI STACK were incorporated to enable employees to take the Bank to the customer and focus on the market opportunity. Engagements with the leadership team were scheduled to provide participants with perspectives on the Bank's cultural anchors.

Skilling on ICICI STACK

The skilling sessions on ICICI STACK covered employees across business groups, delivering 1.4 million learning hours. The sessions are also incorporated in all the functional academies to acquaint employees on the ICICI Bank way of selling and to handhold employees on the Bank’s digital product suite.

Courses on Data Science, Behavioural Finance and Model Thinking

A curated learning journey was designed for the leadership team with Coursera in the areas of data science, behavioural economics and model thinking. Certificate programmes by renowned universities like Johns Hopkins and Duke University were offered under this initiative.

Tech School

A series of curated video modules are offered on emerging technologies by leading technology organisations. The video modules are made available on the Bank’s Learning Matrix (LMS) to help participants understand various technologies like Blockchain, AI & ML, Public Cloud, Data Lakes, DevOps, Kubernetes, API Ecosystem, Microservices, IaaS, PaaS, Cloud Security, Edge Computing, Continuous Delivery and Cloud Computing.

Data Science will be one of the key differentiating skills in future, and in order to inculcate a culture of data in the Bank, we have partnered with open online course providers to offer data science courses by top universities to the leadership team. We are partnering with top organisations that are data leaders in the world to curate a series of videos and webinars on emerging technologies and data science. We are conducting training specifically for the employees working on data on a regular basis.

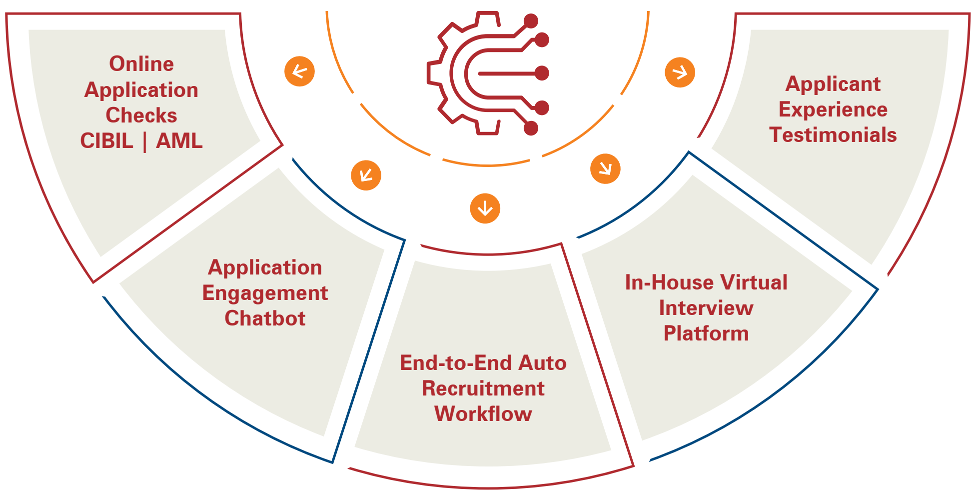
We believe that learning cannot be restricted to one’s own sector or area of work. We draw leadership insights from people from different walks of life, which provides a learning opportunity in one’s own domain too. One such initiative is our 12x12 Ignite Series, where leaders from different fields are invited to share their expertise, experiences and lessons in leadership. Similarly, we also launched 12x12 Dialogue series, where internal experts of the Bank share their views and know-how with a larger employee base.

For new employees, the full recruitment journey is available on a new age bot, a unique offering based on Natural Language Processing (NLP) with which applicants can engage to clarify their queries. It is available on four platforms: WhatsApp, Google Assistant, Amazon Alexa

The 12X12 Ignite Series facilitated leaders from various fields to share leadership insights with employees across ICICI Bank.

HUMAN CAPITAL

DIGITISATION OF TALENT ACQUISITION



and Web/Mobile browser. Our state-of-the-art platform, iStudio, enables virtual interviews and overcomes the challenges of distance and time. ICICI Bank has adopted an Artificial Intelligence (AI)-based testing and selection platform to evaluate cognitive abilities, language abilities, sentiments, personality insights and emotions. This in-house cognitive testing platform is configured to administer adaptive testing with advanced features such as image recognition, text analytics, language checks, emotion and tone analytics, and security check systems.

Our walk-in module over WhatsApp is a first of its kind NLP and ML based technology solution available which assists in managing bulk recruitments. It is built for scale, speed and convenience for all stakeholders. This has enabled complete migration of recruitment system to a paperless model.

Our long-term success is dependent on building future leaders. Developing core skills and capabilities of our leaders is required to align with the Bank's future business strategy.

We have a robust succession planning process which measures the depth of the leadership bench. The Bank has a strong bench for all key positions and continuously measures the depth of succession for all critical leadership roles.

ENGAGING WITH RESPONSIBILITY

The Bank expects all our employees to act in accordance with the highest professional and ethical standards upholding the principles of integrity and compliance at all times. In this regard, expectations around compliance are communicated to our employees through multiple channels. All new employees are also required to complete mandatory training modules pertaining to Code of Conduct, Information Security, Anti Money Laundering and other compliance-related areas that are critical and sensitive.

We are an equal opportunity employer and seek to ensure that the workplace is free of any kind of harassment or inappropriate behaviour. Comprehensive policies and procedures have been laid down to create an environment where there is respect and dignity in every engagement. Sexual harassment cases are handled as per the guidelines set under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. This is imbibed in the Bank's culture by creating awareness through mandatory e-learning on the subject at the time of induction and regular communication to employees regarding the mechanism for raising complaints and the need for right conduct by all employees. The Bank has a mechanism for dealing with complaints of harassment or discrimination. The policy ensures that all such complaints are handled promptly and effectively with utmost sensitivity and confidentiality, and are resolved within defined timelines.

For other workplace issues, we have a robust mechanism to resolve them. Call@I-Care provides employees with a platform to raise any issues or concerns that they may have.

ICICI Bank has always encouraged diversity in its workforce and this is deeply rooted in its culture and DNA. The Bank's philosophy of meritocracy and equal opportunity in its people decisions led to a large number of leadership positions being held by women over the last two decades.

Conscious of the life stage needs and safety of women employees, a range of benefits and policies has been curated. We have a liberal leave policy for women employees, which was established much ahead of its time. We provide fertility leave to employees seeking to undergo treatment. We also provide child care leave and adoption leave. The Bank is also associated with various day care facilities across the country. Managerial responsibilities at times require women employees to travel outside city limits, either for business reviews/engagements or for training. For women managers who are mothers with young children, travelling outside city limits disturbs their support ecosystem. We have taken an initiative to address this need for women managers with children up to 3 years of age. In order to support these employees, we have defined a policy to bear the cost of travel and accommodation for the child and a caregiver (family member or child caretaker). This will help the women managers to focus on their work without the emotional stress of staying away from their children.

INITIATIVES FOR WOMEN EMPLOYEES

Leave Policy

Child Care Leave
Adoption Leave
Fertility Leave

Travel Accompaniment

Bear Cost of Travel and Stay for the Child and Caregiver

SOCIAL AND RELATIONSHIP CAPITAL

Kanku Bai, a beneficiary of the ICICI RSETI Dairy Farming course in Jaipur, Rajasthan.

We are committed to act in the best interests of our stakeholders and with a sense of purpose.

Our involvement in socio-economic development has always been integral to our strategic objectives. We have participated in these activities either as part of our business or through our corporate social responsibility initiatives. In fiscal 2021, the Bank spent ₹2.00 billion towards corporate social responsibility projects. The aim is to identify critical areas of development that require investments and action, and which can help to realise India’s potential for growth and prosperity.

SOCIAL INITIATIVES OF ICICI BANK

With a purpose-driven approach, we play a role in creating meaningful social impact. The unprecedented challenges due to Covid-19 pandemic led to a difficult period where lockdown measures created significant difficulties particularly for low income groups, and led to migration of a large segment of the population to the rural areas. Extraordinary efforts were demanded from frontline staff like doctors, police, municipalities and others. The ICICI Group committed a sum of ₹1.00 billion towards meeting this challenge, as part of which the Bank contributed ₹500.0 million to the PM CARES Fund. Under our corporate social responsibility, the Bank and ICICI Foundation actively responded in the efforts on the ground, by supplying critical materials like sanitisers, masks and personal protective equipment. Ventilators and other critical equipment were supplied to hospitals. The efforts covered over 550 districts across the country and all 36 states and union territories.

ICICI Foundation for Inclusive Growth

ICICI Foundation was established in 2008 for strengthening the efforts of ICICI Group towards meeting its corporate social responsibility. ICICI Foundation's efforts are managed by an in-house team with direct project implementation capabilities. The focus on enabling sustainable livelihood through skill training gained momentum with the setting up of the ICICI Academy for Skills in October 2013.

During fiscal 2021, the efforts of ICICI Foundation were on multiple fronts from supporting the Covid-19 relief efforts on the ground, developing new models of delivering training online, enabling livelihood for migrants and undertaking projects meeting social and environmental goals.

ICICI Foundation for Inclusive Growth	Trained since inception till March 31, 2021*
ICICI Academy for Skills	160,000
Rural Livelihood Programme	307,000
Rural Self-Employment Training Institutes (RSETIs)	114,000
Total	**581,000**

** Numbers are rounded off to the closest thousand.*

SOCIAL AND RELATIONSHIP CAPITAL

Rural Livelihood Programme

Sustainable and distributed growth is a key driver of the Rural Livelihood programme, and ICICI Foundation has structured its efforts around four key areas:

- Addressing shortages in the village ecosystem which includes efforts to improve the yield and quality of local products;
- Addressing surplus in the local economy and developing value chains to improve market linkages for better realisation;
- Adopting an inclusive approach by providing low investment entrepreneurial opportunities to landless and other excluded communities; and
- Conserving and protecting the environment by addressing local environmental challenges and promoting sustainable practices.

ICICI Foundation continued to implement its strategy by identifying clusters of villages with such gaps for driving interventions. The model is based on Value Chain & Entrepreneurship Development. In identified clusters, different groups of trainees work in various segments of the value chain of an identified commodity, or as entrepreneurs in a for-profit arrangement or as its employees. The idea is to create supply chains and synergies that can enhance value and make the intervention sustainable. This has helped improve the income opportunity of trainees and effectively benefit communities rather than just individuals. This model has made significant impact on communities and the environment.

Despite the challenges of Covid-19, ICICI Foundation's efforts benefitted over 30,000 people across 346 villages during fiscal 2021. Of these, 64% were women. On a cumulative basis, the efforts in the rural areas have impacted lives of close to 307,000 people in 2,534 villages, with women's participation at 61%.

ICICI Academy for Skills

At March 31, 2021, ICICI Foundation was operating 28 skill training centres under the ICICI Academy for Skills in 21 states/union territory. These Academies are providing industry-relevant, job-oriented training on a pro-bono basis in 10 technical and three non-technical skills. With a comprehensive approach which ensures employment opportunities for all successful trainees, these academies are equipped with state-of-the-art practical labs to support and enhance learning. Skill training also includes modules on financial literacy, life skills and soft skills.

In fiscal 2021, due to Covid-19, new models of delivering training were implemented at the skill academies that

Trainees during a practical session of the 'Home Health Aide' course at ICICI Academy for Skills, Chennai.

SOCIAL AND RELATIONSHIP CAPITAL

combine digital learning as well as hands-on experience at the labs. These new models including the hub and spoke model are agnostic to the location of the academy. This has enabled ICICI Foundation to take the skilling initiative to new locations and offer technical programmes at academies that hitherto provided training only on office skills. To ensure practical training under these new models, ICICI Foundation has tied up with various service centres. Nine courses offered by skill academies have been converted to digital medium and the National Skill Development Corporation (NSDC) has accredited these courses.

In fiscal 2021, ICICI Academy for Skills trained over 14,238 youth across 21 states and union territories and helped them find suitable jobs. On a cumulative basis, the efforts in the skill academies impacted the lives of close to 159,652 people from 28 centres, with women's participation at 43%.

Rural Self Employment Training Institutes (RSETIs)

ICICI Foundation manages two RSETIs at Udaipur and Jodhpur with 16 satellite centres in Rajasthan. These centres provide skills based on the local market requirements. This has significantly improved livelihood opportunities for the trainees. The ICICI RSETIs have been recognised as the top performing RSETIs in India for seven consecutive years by the Ministry of Rural Development and the National Centre for Excellence of RSETIs.

The ICICI RSETIs were amongst the first to begin digital training during fiscal 2021. A unique initiative during the year was providing online training in mobile phone repairs and service. This online training covered 543 candidates from 271 villages across the two districts. The practical training was conducted for these trainees at the nearest block location. In fiscal 2021, the RSETIs also launched a new initiative of 'Suposhan Vatika' specially focussed on serving the poor, landless and malnourished families of tribal communities.

The cumulative number of people trained through these three initiatives crossed 580,000 individuals at March 31, 2021. ICICI Foundation also provides a platform for trainees from rural areas to exhibit their products in the marketplace.

Social and Environmental Projects

The majority of ICICI Foundation's efforts in rural areas are largely themed around improving agricultural productivity, promoting sustainable practices and strengthening the supply chain. Through these efforts,

Beneficiary of the Integrated Farming programme conducted by ICICI Foundation in Silsuan village, Kendujhar district in Odisha.

it was realised that water is an important factor for sustainable development in the rural areas. Accordingly, ICICI Foundation started undertaking a host of interventions for improving water conservation, creating awareness of sustainable use of water, crop substitution from water-guzzling crops, promoting different varieties/practices that do not require flood irrigation and similar other efforts.

Another learning from working at the grassroot level in the rural areas was the need for significant investment in education and healthcare infrastructure. This need has only been reinforced through the pandemic. While ICICI Foundation has always believed that ensuring sustainable livelihood creates a demand, followed by which market forces bridge the supply gap, it has been realised that there is a gestation period during which public investments are required to enable market forces to take over. Keeping this in mind, ICICI Foundation has been participating in education and healthcare sectors to supplement the investments being made by the central and state governments. It is also exploring extensive convergence with government schemes to identify opportunities that can provide significant benefits to the local community.

Human dependence on natural resources for livelihood has created significant human-wildlife conflict in various forest/periphery areas across the country. In many cases, it is the local tribal population that is trapped in such conflict situations. ICICI Foundation is taking a livelihood approach to address this conflict and is identifying and developing alternate livelihood for these sections of the society. Supplementing the livelihood initiatives are projects on afforestation and conservation including creating awareness amongst all sections of the society.

We believe that ICICI Foundation's approach of undertaking targeted efforts along with the continued enhancements on livelihood projects for urban and rural segments will lead to more inclusive growth in a distributed and sustainable way.

RURAL DEVELOPMENT

There are specific segments of the rural economy that require a more supportive and sensitive response to their financial requirements. There are initiatives by us to specifically address the needs of such segments. The Self Help Group (SHG) programme is an initiative that has contributed to entrepreneurship among women in the rural areas. We provide a comprehensive suite of banking products, including zero-balance savings account and term loans, to meet the business requirements of the

SHG beneficiaries with sanitisers manufactured by them at Bambavade village in Kolhapur district, Maharashtra.

SOCIAL AND RELATIONSHIP CAPITAL

Beneficiary in Bhatinda district, Punjab, completing biometric authentication to receive funds under PMJDY.

women of these SHGs. Services are offered at their doorstep, thus saving their time and money from visits to the branch. The Bank is also organising financial literacy camps and has set up dedicated service desks at select branches to guide SHGs on banking procedures. There has been a gradual rise in entrepreneurial ventures by women in the areas where the Bank has been providing services to SHGs. Due to the outbreak of the Covid-19 pandemic, access to credit had become difficult for SHGs. However, we continued our operations without any disruption in credit flow to the segment. In addition to direct efforts in reaching out to SHGs, the Bank has tied up with about 560 non-government organisations called Self-Help Promoting Institutions (SHPIs).

We have provided loans to over eight million women beneficiaries through over 600,000 SHGs till March 31, 2021. Of these, 3.6 million women were 'first time borrowers', who had not taken a loan from any formal financial institution. In addition to direct customers, the Bank reaches out to about 1.3 million customers through microfinance institutions.

We also provide lending to Joint Liability Groups (JLGs), which are semi-formal groups from the weaker sections of society. Compared to SHGs these groups are smaller. Lending to these groups is done through tie-ups with microfinance companies. The Bank also offers credit related services to microfinance companies that are providing financial services to the rural population.

Financial inclusion is another activity which we have actively pursued in the rural areas. At March 31, 2021, we had over 21.2 million Basic Savings Bank Deposit Accounts (BSBDA), of which around 4.7 million accounts were opened under the Pradhan Mantri Jan Dhan Yojana. We encourage and enable these account holders to transact digitally. We are also promoting government schemes like the Pradhan Mantri Jeevan Jyoti Bima Yojana for providing life insurance, Pradhan Mantri Suraksha Bima Yojana for providing accident insurance and Atal Pension Yojana for providing pension benefits. At March 31, 2021, a total of five million customers were enrolled under these three social security schemes, which was the highest among private sector banks.

ENGAGING WITH THE GOVERNMENT FOR DELIVERING VALUE

We believe that our continuous collaboration with government agencies and our integrated service solutions are contributing towards strengthening the government's engagement with citizens and its stakeholders. Our support to the government ranges from creating technology solutions for strengthening e-governance, enabling end-to-end digital payments for critical projects, participating in pilot projects as a financial service provider and supporting initiatives for promoting social development. The Bank participated in several such opportunities during fiscal 2021.

The Public Financial Management System (PFMS) platform of the Office of Controller General of Accounts (CGA) of the Department of Expenditure under the Ministry of Finance today facilitates sound public financial management for the Government of India. The system enables efficient flow of funds from the central government to implementing agencies at state, district, block and village levels, beside Direct Benefit Transfers (DBT). The Bank has been associated with PFMS since its inception and is one of the largest processor of payments through this platform. For providing ease and convenience to stakeholders, we have provided multiple channels for uninterrupted service delivery through Web portal, call centre and mobile app.

During fiscal 2021, we processed more than 170 million PFMS transactions amounting to ₹650.83 billion across all 28 states. As per the Key Performance Indicators (KPI) of Department of Expenditure, Ministry of Finance, the Bank has been recognised as one of the top banks consistently. As part of our endeavour to diligently and efficiently service our customers and create value, we have launched the InstaBIZ app for Government customers to access their banking accounts and PFMS transactions digitally, both on mobile and tablet devices.

Customised Payment Solutions, a white label digital platform has been developed for government departments. This platform provides a range of payment activities and workflow management. It facilitates hierarchical mode of disbursements, expenditure-head wise payment and tracking up to the end beneficiaries depending on various models. Beside payments, the platform capabilities include project management, budget management, limit assignment and control, dashboard, reports/analytics and online reconciliation of transactions.

During fiscal 2021, we integrated our Customised Payment Solution with the PFMS system in a manner where Bank's Customised Payment Solution becomes the front end and the PFMS system becomes the back end. This fulfills the general guidance of the central government to use PFMS for payment processing and also gives an integrated solution to the customer, thus providing complete end-to-end solutions for their payment needs.

The Smart Cities Mission was launched by the Government of India with a vision to drive economic growth and improve the quality of life of citizens. We have been closely associated with this initiative, offering a suite of digital solutions known as 'ICICI Bank Smart City Solutions Suite' catering to the day-to-day requirements of a Smart City. These include solutions for tax collection, bill payment of utilities, assistance in municipal bonds issuance, a comprehensive project and payment management solution for live project updates and just-in-time payments to vendors or contractors, funds monitoring on the PFMS platform, e-challan collections, smart toll collections on highways and smart parking spaces, besides other offerings like e-governance solutions, digital property tagging and many more smart solutions leveraging the Bank's digital capabilities and expertise. We have been working with various Smart Cities in this regard.

ICICI Bank is one of the leading banks in developing Common City Payments Solution (CCPS), a citizen-centric solution to promote a cashless economy by facilitating digital transit and retail payments. During fiscal 2021, we partnered with the Greater Chennai Corporation and Chennai Smart City Limited for the launch of 'Namma Chennai Smart Card', a Ru-Pay powered co-branded, contactless pre-paid card which will facilitate tax, utility, retail and e-commerce payments. Our efforts in some of the Smart Cities Mission are helping scale up digital transactions and fostering competitiveness and benchmarking across smart cities.

We have additionally continued to build upon our association with the Government eMarket (GeM) by way of introducing facilities for Caution Money Deposit for ensuring only serious sellers continue being a partner to the GeM portal. Government departments/ institutions are now also benefitting from our 'Bank Guarantee Repository Solution' which has created an online repository of bank guarantees issued in their favour, which can also be authenticated through the BGRS portal.

STAKEHOLDER ENGAGEMENT

An important factor in the Bank's value creation for its stakeholders is to have meaningful partnerships and be responsive to their perspectives. During the Covid-19 pandemic, the Bank recognised the opportunity to stay connected and respond to the needs of our stakeholders. We strived to further prove our trustworthiness in these challenging times, and create a positive impact for our employees, customers, shareholders and society. We ensured our products and services were accessible and easier to use. Our contribution also involved ground-level efforts to help the government and people navigate the challenges created by Covid-19.

The Bank holds regular interactions with investors, employees, customers, regulators and engages with communities and banking associations to remain informed.

SOCIAL AND RELATIONSHIP CAPITAL

ICICI Bank's Key Stakeholders

STAKEHOLDER	MODE OF ENGAGEMENT	AREAS OF IMPORTANCE	BANK'S RESPONSE
Customers	• Interactions with employees • Structured surveys for seeking feedback • Meets organised at branches • Communication through print, digital and social media • Multiple channels available for raising queries and grievances	• Convenience • Responsive, skilled and considerate staff • Availability of relevant products and services • Quick response to issues raised and grievance redressal	• Being 'Fair to Customer, Fair to Bank' is a core element of the Bank's approach • Ensure right-selling of products • Dedicated customer service teams focussed on improving process efficiency, reducing customer effort and leveraging technology to enhance customer experience and improve response time • Continuous upskilling and knowledge building of staff • Policy of zero tolerance to unethical conduct by employees
Shareholders/ Investors	• Annual General Meeting • Emails and periodic meetings • Conference calls • Investor conferences • Analyst Day	• Shareholder value creation • Medium and long-term strategy • Governance and ethical practices • Compliance • Transparency • Disclosure of non-financial metrics pertaining to sustainability	• Increased interaction with investors during the year and also held digital interactive sessions • Communicating on strategic objectives during the quarterly results call with investors and increased disclosures • Non-financial disclosures included in the Annual Report • Board-approved Environment, Social and Governance (ESG) Framework and release of the first ESG Report of the Bank
Employees	• Continuous engagement across employee segments and business • Periodic communication meetings anchored by senior leaders • iCare, an online portal for employees to raise queries	• Driving synergy as One Bank – One Team • Enabling work culture with opportunities for growth and learning • Culture of experimentation • Meritocracy • Employee alignment to common organisation goals • Reduction in hierarchy • Responsive grievance handling process	• Responsibilities given early in the career • Focussed leadership and career mobility programmes • Principle of 'One Bank, One ROE' across geographies, products and roles • Surveys to assess alignment to cultural anchors • Support to employees through other networks like Quick Response Team (QRT) in case of medical emergencies, i-Travel Safe for easy access to register an SOS distress signal • Care for employees through leave policies catering to their different needs including life-stage needs • Universe on the Move – a one stop digital platform for employees

SOCIAL AND RELATIONSHIP CAPITAL

STAKEHOLDER	MODE OF ENGAGEMENT	AREAS OF IMPORTANCE	BANK'S RESPONSE
Regulators	• Periodic meetings with regulatory bodies • Participation in policy forums • Other forms of communication like emails, letters, etc. • Supervisory meetings	• Compliance culture • Fair treatment of customers • Role in developing the financial system • Adherence to regulations/ directives including for KYC procedures/ anti-money laundering in a time-bound manner • Operational and cyber resilience • Participating with the regulator in providing necessary relief and impetus on account of the impact of the Covid-19 pandemic	• Compliance culture driven by organisational leadership • A dedicated team for communicating with regulators and responding in a time-bound manner • Well-defined processes and leveraging technology in responding to regulators • Continuous engagement with the regulator and providing inputs on various aspects in dealing with the impact of the Covid-19 pandemic and the evolving business requirement • Updating and seeking inputs from the regulator on emerging developments in technology and cybersecurity
Society	• ICICI Foundation for Inclusive Growth (ICICI Foundation) • Rural development initiatives • Supporting government initiatives	• Contributing to social development • Financial literacy and improving access to financial services especially in rural areas	• Met the CSR requirement under the Companies Act, 2013 • Continuous focus on livelihoods, social and environmental issues through the ICICI Foundation • Industry-academia partnerships for developing skills for the banking sector • Contributing to disaster relief through on-ground efforts

Note: The listing of areas of importance may not necessarily follow the order of importance to the stakeholder category.

NATURAL CAPITAL

ICICI Bank office at Gachibowli, Hyderabad, rated 'Gold' by IGBC in 'LEED India – Core & Shell' category (inset: IGBC Plaque).

We focus on environmental sustainability in our operations.

The Covid-19 pandemic has accelerated action around protecting society and the environment, and adopting the principles of Environmental, Social and Governance. At ICICI Bank, we have a long-standing commitment of contributing to socio-economic development in a way that is impactful and makes a difference to the lives of people. We have a Board-approved Environment, Social and Governance (ESG) Framework that articulates key principles and actions governing the Bank's efforts in adopting ESG. The Bank is committed to responsibly conduct its business with prudent use of resources. We follow responsible financing practices by promoting environment-friendly sectors and have laid emphasis on environmental and social risk management objectives as a part of financing.

SUSTAINABLE FINANCING

Project and corporate financing are governed by prudent risk management practices. All new project and corporate financing proposals are reviewed under a social and environmental management framework that integrates analysis of the environmental and social risk assessment into the overall credit appraisal process. The key elements of the assessment include an exclusion list, seeking a declaration from borrowers of compliance with applicable national environmental guidelines/approvals for qualifying proposals subject to threshold criteria defined in the framework, and due-diligence by a Lender's Independent Engineer (LIE) for large-ticket project loans identified as per the criteria defined in the framework.

Our lending to environment-friendly sectors is based on appropriate assessment of risks and returns. We have actively financed projects for capacity creation in environment-friendly sectors. This includes renewable energy sectors like solar, wind and hydro power and other sustainable sectors like waste processing and mass rapid transport. Our outstanding portfolio to the renewable energy sectors was about ₹31.50 billion at March 31, 2021.

Further, the Bank availed lines of credit from select multilateral agencies towards financing green/ sustainable assets. The assets financed under these lines include financing for wind, solar, biomass plants and energy efficiency projects. At March 31, 2021, the outstanding lending by us for such specific purposes was USD 70.8 million.

An internal team within the Bank is dedicated to providing financial assistance to initiatives that promote biodiversity, environmental sustainability and initiatives in education, health, sanitation and livelihoods. The team's mandate is to administer funding lines received from bilateral/ multilateral agencies/Government of India, specifically for such projects. Their efforts include identifying relevant projects, ensuring financial assistance through collaboration or directly and knowledge sharing. Total financial assistance provided by the group in fiscal 2021 was about ₹265.0 million. Some of the projects implemented in fiscal 2021 were:

- Assistance was provided for skilling in a tribal belt in Amaravati district in Andhra Pradesh. Adopting sustainable agriculture, sustainable livelihood and village level institutional empowerment are some of the focus areas which is expected to benefit the people in 20 villages.
- A watershed development project in Yavatmal district of Maharashtra has been given assistance that would lead to 200 hectares of land being brought under protective irrigation and treatment for soil/water erosion.
- In the area of promoting education, assistance has been provided for part of the cost for setting up a school in Bhandara district of Maharashtra, which is expected to provide educational facilities to students belonging to low-income groups at a nominal fee. Another project involved sponsoring the conversion of two schools into innovation hubs for education.
- Establishment of a geriatric care centre for older adults at Bhubaneswar that would provide outpatient, diagnostic and surgical services, a rehabilitation centre for the elderly, home care and tele medicine/internal medicine facilities. The centre will also focus on training eye care cadres in elderly care and research on various age-related eye conditions.
- Government departments, institutions and organisations were supported in their efforts to fight the Covid-19 pandemic. This involved supplying essential protection material, strengthening hospital infrastructure and extending support to health workers.

ENVIRONMENT SENSITIVITY IN THE BANK'S OPERATIONS

The Bank's commitment to energy efficiency and adopting environment-friendly practices in its operations remains a prime objective. Our consistent efforts over several years, and ongoing enhancements at our premises on various fronts, has led to efficiency gains. These efforts range from adopting green features at our premises, energy efficiency practices, water conservation measures and paper savings. Fiscal 2021 was a disruptive year as the Bank's large offices were partially closed and there was limited opportunity to undertake any new energy conservation initiatives, though certain ongoing projects continued.

Green Building Features

Since fiscal 2018, the Bank has been ensuring Indian Green Building Council (IGBC) green building features in all its new offices and branches at the time of set up. The total number of offices awarded the highest rating was 11 at March 31, 2021, covering a total area of 2.28 million square feet. The Bank has employees who are certified IGBC Accredited Professionals.

Roof-top solar panels at ICICI Bank Towers in Ambattur, Chennai.

A lithium ion battery storage system at an ICICI Bank branch in Delhi.

97.5 KWp

of new solar power capacity added at the Bank's premises, taking the total onsite renewable energy capacity to 2.9 MWp.

30%

of the energy requirement at the Bank's three large offices were met through renewable energy in fiscal 2021.

Efforts Towards Reducing Emissions

Reducing greenhouse gas emissions and securing the future of our planet requires an all-encompassing approach. We have actively pursued opportunities to adopt new technologies and energy-efficient practices in our operations to reduce our operational emissions. This is an ongoing effort at the Bank. Our efforts have included undertaking audit of our large offices and branches for identifying areas of focus for improving energy savings, investing in new technologies and experimenting with new ideas that are proven to be favourable for the environment. One such recent effort has been towards replacing diesel generating sets with lithium ion battery storage system at branches to enhance reliability and improve energy efficiency. Another effort undertaken during fiscal 2021 was replacing carbon dioxide based fire extinguishers with Clean Agent fire extinguishers at the Bank's branches that are less damaging to the environment.

Our efforts to reduce emissions also include promoting use of renewable energy sources wherever feasible at our premises. During fiscal 2021, 97.5 KWp (Kilo Watt peak) of new solar power capacity was added at the Bank's premises, taking the total onsite renewable energy capacity to 2.9 MWp (Mega Watt peak) at March 31, 2021. The total generation from these systems was 3 million kWh during the year, which was 66% higher on a year-on-year basis.

Under the open access mechanism for power sourcing, the Bank has signed power purchase agreements (PPA) for solar and wind energy purchase for three of our large offices. The total contracted capacity is 9 MWp. These offices have been using renewable energy since fiscal 2016, and during fiscal 2021, 30% of the energy requirement at these offices was met through renewable energy.

In fiscal 2021, the Bank engaged an external consultant to evaluate our Scope 1* and Scope 2** emissions for comprehensiveness and accuracy. The Bank's Scope 1 and Scope 2 greenhouse gas emissions in the last three years were as follows:

tCO_2e	Fiscal 2019	Fiscal 2020	Fiscal 2021
Scope 1 (Figures in thousands)	16	17	19
Scope 2 (Figures in thousands)	127	128	115
Total (Figures in thousands)	143	145	134
Emissions Intensity (per employee)	1.65	1.45	1.36
Emissions Intensity (per square feet)	0.01	0.01	0.01

Water Savings

The Bank has been ensuring that water consumption per day in its large offices is lower than the benchmark of 45 litres per person per day as per the Bureau of Indian Standards for large offices. The Bank has undertaken various initiatives to conserve water. The Bank recycles and reuses waste water at three large offices including the ICICI Service Centre (Corporate Office) at Bandra-Kurla Complex, Mumbai. All new offices and branches opened during the year were fitted with water-efficient plumbing fixtures. Rainwater harvesting is being undertaken at three large offices.

**Greenhouse Gas (GHG) Scope 1 - Direct GHG emissions that occur from sources owned or controlled by an organisation. For instance, fuel-led emissions from boilers, furnaces, vehicles, etc.*

***Greenhouse Gas (GHG) Scope 2 - Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. While these emissions may physically occur at the facility where they are generated, they are accounted for in an organisation's GHG inventory as they are generated for use by the organisation.*

Paper Consumption

Fiscal 2021 was an exceptional year for paper consumption, due to lockdown and containment measures and large-scale adoption of work-from-home. These factors and the growing use of digital channels led to a decline in paper consumption.

Extending the digital advantages to customers and in our processes are an ongoing effort. The Covid-19 pandemic accelerated the adoption of digital channels by customers for undertaking banking activities. This was augmented by a series of digital products launched by us during the year to enable our customers to continue accessing banking services without visiting a branch and with minimal disruptions. We believe that encouraging customers to adopt digital practices not only helps in improving efficiency and reducing servicing time, but also create a positive impact on the environment. ICICI STACK, WhatsApp banking, Video KYC for onboarding of customers and cardless cash withdrawal facility at ATMs were some of the digital initiatives launched during the year that enabled customers to transact in a safe and secure environment. During the year, a range of insta-lending products were offered to customers which are end-to-end digitally processed. There were significant efforts towards decongesting processes and reducing physical movement of documents. A significant portion of the Bank's operations today are paperless. Further, we procure environment-friendly copier paper which is manufactured from wheat straw, which is an agricultural residue. The Bank is continuously reviewing its systems and processes for optimising paper consumption.

Waste Management

The Bank focusses on waste reduction and its management in every aspect of its operations. The Bank undertakes recycling of organic waste using composting techniques at the Bank's large offices in Mumbai at Bandra-Kurla Complex and Chandivli, and at the Learning Centre in Khandala. E-waste is disposed by handing over to certified recyclers. The Bank also supports reuse of electronic devices. The Bank uses remanufactured toners in printers which get recycled at least 2-3 times. The Bank also recycles its IT assets which are then donated.

Certifications

The Bank has adopted corporate objectives for environment conservation activities in conformity with the ISO-14001 standard 'International Organisation for Standardisation' for environmental management systems. This enables the Bank in developing policies for addressing the objectives of environmental sustainability and assessment of impact of the Bank's activities, products and services on the environment. Health and safety systems at 13 large offices of the Bank have been OHSAS 18001:2007* certified. The environment management systems of the ICICI Service Centre at Bandra-Kurla Complex in Mumbai are both OHSAS 18001:2007 and ISO 14001:2004** certified.

The data centre was the country's first data centre to be awarded 'Platinum' by IGBC. The call centre at Thane in Mumbai was declared a Leader in energy efficiency at the National Level Energy Conservation & Management Awards by the Confederation of Indian Industry (CII). The Bank won 16 awards for energy efficiency/ environment management during fiscal 2021.

**OHSAS 18001:2007 is an international standard for environmental management, applicable to all companies in business. It is an international certification that shows an organisation's commitment to health and safety of employees.*

***ISO 14001:2004 is an international standard that specifies requirements for an effective environmental management system (EMS).*

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty-Seventh Annual Report of ICICI Bank Limited (ICICI Bank/the Bank) along with the audited financial statements for the year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

The financial performance for fiscal 2021 is summarised in the following table:

₹ in billion, except percentages	Fiscal 2020	Fiscal 2021	% change
Net interest income and non-interest income	484.23	**529.12**	9.3%
Operating expenses	216.15	**215.61**	(0.2%)
Core operating profit	268.08	**313.51**	16.9%
Treasury income	12.93	**50.46**	290.3%
Operating profit	281.01	**363.97**	29.5%
Provisions & contingencies (excluding tax)	140.53	**162.14**	15.4%
Profit before tax	140.48	**201.83**	43.7%
Profit after tax	79.31	**161.93**	104.2%

₹ in billion, except percentages	Fiscal 2020	Fiscal 2021	% change
Consolidated profit before tax and minority interest	185.89	**260.28**	40.0%
Consolidated profit after tax and minority interest	95.66	**183.84**	92.2%

APPROPRIATIONS

The profit after tax of the Bank for fiscal 2021 is ₹ 161.93 billion after provisions and contingencies of ₹ 202.04 billion (including provision for taxes of ₹ 39.90 billion). The accumulated profit is ₹ 375.20 billion, taking into account the balance of ₹ 213.27 billion brought forward from the previous year. Your Bank has a consistent dividend payment history. Your Bank's dividend policy is based on the profitability and key financial metrics, capital position and requirements and the regulations pertaining to the payment of dividend. The Reserve Bank of India (RBI) through its circular on 'Declaration of dividends by banks (Revised)' had directed that banks shall not make any dividend payouts on equity shares from the profits pertaining to fiscal 2020. Accordingly, the Board of Directors did not recommend any dividend for fiscal 2020. The Board of Directors has recommended a dividend of ₹ 2.00 per equity share for the year ended March 31, 2021 and has appropriated the disposable profit as follows:

₹ in billion	Fiscal 2020	Fiscal 2021
To Statutory Reserve, making in all ₹ 297.69 billion	19.83	**40.48**
To Special Reserve created and maintained in terms of Section 36(1) (viii) of the Income Tax Act, 1961, making in all ₹ 113.84	7.90	**10.90**
To Capital Reserve, making in all ₹ 133.80 billion	3.96	**1.30**
To Investment Fluctuation Reserve, making in all ₹ 16.89 billion[1]	6.69	**(2.49)**
To Revenue and other reserves, making in all ₹ 56.57 billion	-	**14.92**[2]
Dividend paid on equity shares[3]	6.45	**-**
Leaving balance to be carried forward to the next year	213.28	**310.09**

1 *Represents an amount transferred to Investment Fluctuation Reserve (IFR) from disposable profit. As per the RBI guidelines, an amount not less than the lower of net profit on sale of available-for-sale (AFS) and held-to-maturity (HFT) category investments during the year or net profit for the year less mandatory appropriations is required to be transferred to IFR, until the amount of IFR is at least 2% of the HFT and AFS portfolio. The Bank can draw down balance available in IFR in excess of 2% of its AFS and HFT portfolio. Accordingly, during fiscal 2021, the Bank has transferred an amount of ₹ 2.49 billion from IFR to Balance in Profit & Loss Account.*

2 *Includes transfer of accumulated balance amounting to ₹ 0.08 billion maintained in Reserve Fund under Sri Lankan Banking Act No. 30 of 1988 to balance in Profit & Loss account due to closure of the Branch.*

3 *Represent dividend declared for previous financial year and paid in current financial year. RBI through its circular on 'Declaration of dividends by banks (Revised)' had directed that banks shall not make any dividend payment on equity shares from the profits pertaining to the financial year ended March 31, 2020. Accordingly, the Bank did not declare any dividend for fiscal 2020.*

DIRECTORS' REPORT

The Bank prepares its financial statements in accordance with the applicable accounting standards, 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 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.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019, 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 10% of the reported net profits before provisions and contingencies 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 condition mentioned in RBI circular, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for fiscal 2020.

SHARE CAPITAL

During the year under review, the Bank allotted 24,232,771 equity shares of ₹ 2.00 each pursuant to exercise of stock options under the Employee Stock Option Scheme.

On August 15, 2020, allotment of 418,994,413 equity shares of face value ₹ 2.00 each was made to eligible qualified institutional buyers at the issue price of ₹ 358.00 per equity share, i.e., at a premium of ₹ 356.00 per equity share.

For details refer to Schedule 1 of the financial statements.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Companies Act, 2013, the provisions of Section 186 of the 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 the Banking Regulation Act, 1949.

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

There is no change in the subsidiaries and associates of the Bank during fiscal 2021. The Bank does not have any joint venture company. As at March 31, 2021, your Bank had following subsidiaries (16) and associate (8) Companies:

Name of the Subsidiary Company	% of shares held
ICICI Bank UK PLC	100
ICICI Bank Canada	100
ICICI Securities Limited	75.00
ICICI Securities Holding Inc.[1]	100
ICICI Securities Inc.[2]	100
ICICI Securities Primary Dealership Limited	100
ICICI Venture Funds Management Company Limited	100
ICICI Home Finance Company Limited	100
ICICI Trusteeship Services Limited	100
ICICI Investment Management Company Limited	100
ICICI International Limited	100
ICICI Prudential Pension Funds Management Company Limited[3]	100
ICICI Prudential Life Insurance Company Limited	51.37
ICICI Lombard General Insurance Company Limited	51.88
ICICI Prudential Asset Management Company Limited	51.00
ICICI Prudential Trust Limited	50.80

1 *ICICI Securities Holding Inc. is a wholly owned subsidiary of ICICI Securities Limited.*

2 *ICICI Securities Inc. is a wholly owned subsidiary of ICICI Securities Holding Inc.*

3 *ICICI Prudential Pension Funds Management Company Limited is a wholly owned subsidiary of ICICI Prudential Life Insurance Company Limited.*

DIRECTORS' REPORT

Name of the Associate Company	% of shares held
I-Process Services (India) Private Limited	19.00
NIIT Institute of Finance Banking and Insurance Training Limited	18.79
ICICI Merchant Services Private Limited	19.01
India Infradebt Limited	42.33
Arteria Technologies Private Limited	19.98
Rajasthan Asset Management Company Private Limited#	24.30
OTC Exchange of India Limited#	20.00
Falcon Tyres Limited#	26.39

 # These companies are not considered as associates in the financial statements, in accordance with the provisions of AS 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements'.

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, 2021 is given in "Consolidated Financial Statements of ICICI Bank Limited - Schedule 18 - Note 12 - Additional information to consolidated accounts" of this Annual Report. A summary of key financials of the Bank's subsidiaries is also given in "Statement Pursuant to Section 129 of Companies Act, 2013" of 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 will be available on the Bank's website at https://www.icicibank.com/aboutus/annual.html and will also be available for inspection by any Member or trustee of the holder of any debentures of the Bank. 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.

UPDATE ON COVID-19

The Covid-19 pandemic has impacted most economies and banking systems globally, including India. The nation-wide lockdown in April-May 2020 substantially impacted economic activity. The easing of lockdown measures subsequently led to gradual improvement in economic activity and progress towards normalcy. For the banking sector, these developments resulted in lower demand for loans and fee-based services and regulatory measures like moratorium on payment of dues and standstill in asset classification to mitigate the economic consequences on borrowers. It also resulted in increase in provisioning reflecting higher actual and expected additions to non-performing loans following the cessation of moratorium and asset classification standstill. Pursuant to the second wave of Covid-19 pandemic since March 2021, the number of new cases has increased significantly across India in both urban and rural areas and it has resulted in re-imposition of localised/regional lock-down measures in various parts of the country.

In these challenging times, the Bank's employees have shown strong resilience and the ability to adapt to changing circumstances. The health and well-being of employees and customers and business continuity is of utmost importance to the Bank. The Bank formed a quick response team to take steps to protect the health of the employees and provide essential services to the customers. About 97% of the branches were functional with reduced working hours during the national lockdown in fiscal 2021. The branches were staffed based on the customer footfalls and employees were rostered. Excluding the employees working at the branches and some of the team members from Operations and IT, the majority of the employees continue to work from home. The Bank continues to do a thorough risk assessment for augmenting IT security controls and curb any gaps and potential threats in the current working arrangement.

The Bank continues to see opportunities to grow and strengthen its franchise and it is using these opportunities to further accelerate the digital journey of the Bank

DIRECTORS' REPORT

and its customers. In March 2020, the Bank launched a comprehensive digital banking platform called ICICI STACK which offers nearly 500 services to ensure uninterrupted banking experience to retail, business banking, SME and corporate customers. Other major digital initiatives include WhatsApp banking, Video KYC for digital onboarding of customers, cardless cash withdrawal at ATMs and a mobile banking app, iMobile Pay, that extends the mobile banking facility to non-ICICI Bank customers. We have launched digital products like InstaBIZ and supply chain financing solutions for our small business customers including APIs from the API Banking Portal to integrate various payment and product solutions. Our digital offerings for large corporates and their ecosystems include digital platforms for domestic and international trade and industry specific solutions across the value chain. The Bank is seeing increased utilisation of its digital channels and platforms by its customers and has ensured that the IT infrastructure is able to handle any unexpected surge in digital transactions. The Bank continues to monitor the situation in the country and would take necessary steps to ensure safety of its people and continuity of its business operations. In its effort to support the nation in its fight against the Covid-19 outbreak, the ICICI Group has committed a sum of ₹ 1.00 billion, including ₹ 800.0 million to the PM Cares Fund. ICICI Bank and ICICI Foundation have worked actively to assist various agencies including hospitals, the police, paramilitary forces, municipalities and government bodies in their tireless efforts to safeguard the citizens of the country.

Going forward, economic activity will depend on the trajectory of the Covid-19 pandemic, the progress of the vaccination programme and the restrictions on activity and the period for which they continue. A prolonged period of economic weakness caused by the second wave of the pandemic and uncertainty regarding normalisation could continue to impact banking sector loan growth, revenues, margins, asset quality and credit costs in fiscal 2022. In view of the continuing uncertainties and rising risks in the operating environment, the Bank would continue to focus on ensuring a resilient balance sheet and maintaining strong capital levels. The Bank's capital and liquidity position is strong and would continue to be a focus area for the Bank during this period.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE BANK

There are no material changes and commitments affecting the financial position of the Bank which have occurred between the end of the financial year of the Bank to which the financial statements relate and the date of this Report. For the impact of Covid-19 on the performance of the Bank and the Group, refer "note no. 59 of schedule 18 – Notes forming part of the accounts" of financial statements of the Bank and "note no. 19 of schedule 18 – Notes forming part of the accounts" of consolidated financial statements of the Bank.

DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

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

The Members at the last Annual General Meeting (AGM) held on August 14, 2020 approved the re-appointment of Vishakha Mulye as a wholetime Director (designated as Executive Director) for a period of five years effective from January 19, 2021, subject to the approval of Reserve Bank of India (RBI). RBI through its letter dated January 8, 2021 approved the re-appointment of Vishakha Mulye as Executive Director of the Bank for a period of three years effective from January 19, 2021.

Further, the Members at the last AGM approved the re-appointment of Girish Chandra Chaturvedi as an Independent Director of the Bank for a period of three years effective from July 1, 2021. The Members also approved the re-appointment of Girish Chandra Chaturvedi as Non-Executive (part-time) Chairman of the Bank for a period of three years effective from July 1, 2021, subject to the approval of RBI. RBI through its letter dated June 8, 2021 approved the re-appointment of Girish Chandra Chaturvedi as Non-Executive (part-time) Chairman of the Bank for a period of three years with effect from July 1, 2021.

RBI through its letter dated December 22, 2020 communicated its approval for the appointment of Sandeep Batra as Executive Director of the Bank for a period of three years from the date of his taking charge as Executive Director. The Board of Directors through a circular resolution dated December 23, 2020 recorded December 23, 2020 as the effective date of appointment and taking charge by Sandeep Batra as Executive Director of the Bank.

The Board of Directors on April 24, 2021 based on the recommendation of the Board Governance, Remuneration & Nomination Committee approved the re-appointment of Anup Bagchi as a wholetime Director (designated as Executive Director) for a period of five years or date of retirement, whichever is earlier, effective from February 1, 2022, subject to the approval of Members and RBI. The re-appointment is being proposed in the Notice of the forthcoming AGM through item no.10.

DIRECTORS' REPORT

In terms of Section 203(1) of the Companies Act, 2013, Sandeep Bakhshi, Managing Director & CEO, Anup Bagchi, Executive Director, Sandeep Batra, Executive Director, Vishakha Mulye, Executive Director, Rakesh Jha, Chief Financial Officer and Ranganath Athreya, Company Secretary are the Key Managerial Personnel 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 as amended (the Act) and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) which have been relied on by the Bank and were placed at the Board Meeting held on April 24, 2021. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Act and the SEBI Listing Regulations and are independent of the Management.

Retirement by rotation

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

AUDITORS

Statutory Auditors

M/s Walker Chandiok & Co LLP Chartered Accountants were re-appointed as auditors by the Members at their Twenty-Sixth Annual General Meeting (AGM) held on August 14, 2020 to hold office till conclusion of the Twenty-Seventh AGM. M/s Walker Chandiok & Co LLP, Chartered Accountants, have been auditors of the Company for three consecutive years, which is the maximum term for statutory auditors of banking companies as per the circular issued by Reserve Bank of India (RBI) on 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)', dated April 27, 2021. Hence they would be retiring at the conclusion of the forthcoming AGM. The Audit Committee and the Board of Directors have placed on record their appreciation of the professional services rendered by M/s Walker Chandiok & Co LLP during their association with the Company as its auditors.

As per the above-mentioned RBI guideline, the statutory audit needs to be conducted under joint audit of a minimum of two audit firms with effect from FY2022. Accordingly, as recommended by the Audit Committee, the Board has proposed the appointment of M/s MSKA & Associates, Chartered Accountants and M/s Khimji Kunverji & Co LLP, Chartered Accountants as Joint Statutory Auditors for the year ending March 31, 2022 (fiscal 2022). Their appointment has been approved by RBI on July 8, 2021. The appointment of the auditors is being proposed to the Members in the Notice of the forthcoming AGM through item nos. 4 and 5.

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

Secretarial Auditors

The Board appointed M/s. Parikh Parekh & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Bank for fiscal 2021. The Secretarial Audit Report is annexed herewith as Annexure A. 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 Annual Secretarial Compliance Report for fiscal 2021 is available on the website of the Bank at www.icicibank.com and on the websites of the stock exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com.

Maintenance of Cost Records

Being a Banking Company, the Bank is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

Reporting of Frauds by Auditors

During the year under review, there were no instances of fraud reported by the statutory auditors, branch auditors and secretarial auditor under Section 143(12) of the Companies Act, 2013 to the Audit Committee or the Board of Directors.

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 financial statements are being sent to the Members excluding the aforesaid Annexure. The Annexure is available for inspection and any Member interested in obtaining a copy of the Annexure may write to the Company Secretary of the Bank.

DIRECTORS' REPORT

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 2021.

RELATED PARTY TRANSACTIONS

The Bank has a Board-approved Group Arm's Length Policy which requires transactions with the group companies to be at arm's length. All the related party transactions between the Bank and its related parties, entered during the year ended March 31, 2021, were on arm's length basis and were in the ordinary course of business. There were no related party transactions to be reported under section 188(1) of the Companies Act 2013, in Form No. AOC-2, pursuant to Rule 8(2) of the Companies (Accounts) Rules, 2014.

All related party transactions as required under Accounting Standard AS-18 are reported in note no. 50 of schedule 18 - Notes to Accounts of standalone financial statements and note no. 2 of schedule 18 - Notes to Accounts of consolidated financial statements of the Bank.

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/aboutus/other-policies.page?#toptitle).

ANNUAL RETURN

The Annual Return in Form No. MGT-7 will be hosted on the website of the Bank at (https://www.icicibank.com/aboutus/annual.html).

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 will be hosted on the Bank's website at (https://www.icicibank.com/aboutus/annual.html). Any Member interested in obtaining a copy of the Report may write to the Company Secretary of the Bank.

The Bank has been releasing the Environmental, Social and Governance Report since fiscal 2020. The report for fiscal 2021 will be hosted on the Bank's website at (https://www.icicibank.com/aboutus/annual.html).

INTEGRATED REPORTING

The Bank has adopted the principles of the International Integrated Reporting Framework as developed by the International Integrated Reporting Council (IIRC) in its Annual Report since fiscal 2019. For accessing the Report for fiscal 2021, please refer to the Integrated Report section of the Annual Report 2020-21.

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 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 inter alia 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 and non-banking subsidiaries. The Committee reviews setting up of limits on any industry or country, migration to the advanced approaches under Basel II and implementation of Basel III 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, reputation, technology, information security, compliance, group 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

DIRECTORS' REPORT

developments in key industrial sectors (along with exposure to these sectors), the Bank's exposure to large borrower accounts and borrower groups. The Credit Committee also reviews major credit portfolios, non-performing loans, accounts under watch, overdues, incremental sanctions etc.

- The Audit Committee of the Board provides direction to and monitors the quality of the internal audit function, oversees the financial reporting process 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 subgroups have been constituted across the Bank to facilitate independent evaluation, monitoring and reporting of various risks. These groups function independently of the business groups/subgroups.

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 Credit Risk Management Group, Market Risk Management Group, Operational Risk Management Group and Information Security Group. The Chief Risk Officer (CRO) reports to the Risk Committee constituted by the Board which reviews risk management policies of the Bank. The CRO for administrative purposes reports to an Executive Director in the Bank. 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 Group acts as an independent entity and is responsible to evaluate and provide objective assurance on the effectiveness of internal controls, risk management and governance processes within the Bank and suggest improvements. The Internal Audit Group maintains appropriately qualified personnel to fulfill its responsibilities. The Internal Audit and Compliance groups are responsible to the Audit Committee of the Board.

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

The Bank has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. The said policy is in line with the requirements of 'The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013'. The Bank has complied with provisions relating to the constitution of Internal Complaints Committee under the said Act.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details pertaining to number of complaints during the year has been provided below:

a. number of complaints filed during the financial year: 33

b. number of complaints disposed of during the financial year: 33

c. number of complaints pending[1] at end of the financial year: Nil

1 All complaints received during fiscal 2021 have been closed within the applicable turnaround time (90 days).

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, 2021, 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

At ICICI Bank, we are committed to maintain the highest standards of governance in the conduct of our business and continuously strive to create lasting value for all our stakeholders. We focus on maintaining comprehensive compliance with the laws, rules and regulations that govern our business and promote a culture of accountability, transparency and ethical conduct across the Bank.

DIRECTORS' REPORT

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 at (https://www.icicibank.com/managed-assets/docs/personal/general-links/code_of_business_conduct_ethics.pdf). Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a confirmation from the Managing Director & CEO regarding compliance with the Code by all the Directors and senior management forms part of the Annual Report.

Code of Conduct as prescribed under the 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, the Bank has adopted the Code on Prohibition of Insider Trading.

Material Subsidiaries

In accordance with the requirements of the 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 at (https://www.icicibank.com/aboutus/other-policies.page). ICICI Prudential Life Insurance Company Limited is a material listed subsidiary of the Bank in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Bank does not have any unlisted material subsidiary.

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 at (https://www.icicibank.com/aboutus/bod-1.page?).

Dividend Distribution Policy

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy is hosted on the website of the Bank and can be viewed at (https://www.icicibank.com/aboutus/other-policies.page?#toptitle).

Whistle-Blower Policy

The Bank has formulated a Whistle-Blower Policy, which is periodically reviewed. The policy comprehensively provides an opportunity for any employee or 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. Issues raised under the Whistle-Blower Policy or to senior management are investigated for appropriate action, including an assessment of the impact on financial statements, if any. The Whistle-Blower Policy complies with the requirements of Vigil mechanism as stipulated under Section 177 of the Companies Act, 2013 and other applicable laws, rules and regulations. The details of establishment of the Whistle-Blower Policy/Vigil mechanism have been disclosed on the website of the Bank (www.icicibank.com).

CEO/CFO Certification

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certification by the Managing Director & CEO and Chief Financial Officer on the financial statements and internal controls relating to financial reporting has been obtained.

Details of utilisation of funds

During the year under review, the Bank raised ₹ 150.00 billion through a Qualified Institutions Placement (QIP or the 'Issue'). The net proceeds, after deducting fees, commissions and expenses of the Issue aggregated to approximately ₹149.26 billion.

As mentioned in the Placement Document dated August 10, 2020, the net proceeds were raised to enhance the capital adequacy ratio of the Bank, improving the Bank's competitive positioning and for general corporate purposes, in accordance with

DIRECTORS' REPORT

applicable law and as approved by the Board of Directors of the Bank or its duly constituted committee.

As required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of the Bank at its meeting held on October 31, 2020 has reviewed and confirmed that the Bank has utilised the said funds for the above mentioned purposes and there is no deviation in utilisation of the said funds.

During the year under review, the Bank has not raised any funds through preferential allotment as specified under Regulation 32(7A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Fees to statutory auditor

The details of fees pertaining to services provided by the statutory auditor and entities in the network firm/network entity of which the statutory auditor is a part, to ICICI Bank Limited and its subsidiaries during the year ended March 31, 2021 are given in the following table:

Nature of service	Amount in ₹[1]
Audit	89,773,417
Certification and other audit related services[2]	23,110,000
Total	**112,883,417**

1 Excludes taxes and out of pocket expenses.

2 Certification and other audit related services includes fees related to QIP.

Recommendations of mandatory committees

All the recommendations made by the committees of the Board mandatorily required to be constituted by the Bank under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were accepted by the Board.

Skills/expertise/competence of the Board of Directors

The Bank has identified the core skills/expertise/competence of the Board of Directors as required under Section 10A(2)(a) of the Banking Regulation Act, 1949 in the context of its business(s) and the sectors(s) for it to function effectively and has been in compliance with the same.

The details of the core skills/expertise/competence possessed by the existing directors of the Bank is detailed as under:

Name of Director	Areas of expertise
Girish Chandra Chaturvedi	Agriculture and rural economy, Banking, Economics, Business Management and Risk Management
Hari L. Mundra	Banking, Finance, Corporate Law, Business Strategy, Economist, General Management, Legal, Management and Taxation
Lalit Kumar Chandel	Banking, Insurance, Capital Markets, External Assistance, Agriculture and Rural Development, Power, Irrigation and Health
S. Madhavan	Accountancy, Economics, Finance, Law, Information Technology, Human Resources, Risk Management and Business Management
Neelam Dhawan	Information Technology and Business Management
Radhakrishnan Nair	Accountancy, Agriculture and Rural Economy, Banking, Insurance, Securities, Law, Co-operation, Risk Management, Business Management Economics and Finance
Rama Bijapurkar	Business Management and Marketing
B. Sriram	Banking and Finance
Uday Chitale	Accounts, Finance and Alternate Dispute Resolution (ADR)
Sandeep Bakhshi	Finance, Banking and Insurance
Anup Bagchi	Retail & Rural and Inclusive Banking, Finance & Accountancy, Strategy and Corporate Planning, Securities, Economics, Business Strategy, Retail Broking, Information Technology, Corporate Banking, Investment Banking, Treasury control and services, Financial Services and Business Management
Sandeep Batra	Accountancy, Banking, Finance, Risk Management, Business Management, Insurance, Securities, Law and Governance
Vishakha Mulye	Banking, Investments and Finance

DIRECTORS' REPORT

Credit Rating as on March 31, 2021

Foreign currency denominated instruments issued by the Bank

Instrument type	Moody's	S&P	JCRA
Senior unsecured medium term notes	Baa3	BBB-	-
Senior unsecured medium term notes issued under Tokyo pro-bond	-	-	BBB+
Certificate of Deposits	P-3	-	-

Rupee denominated instruments issued by the Bank

Instrument type	CARE	ICRA	CRISIL
Tier II bonds (Basel III)	CARE AAA	[ICRA]AAA	-
Additional Tier 1 bonds (Basel III)	CARE AA+	[ICRA]AA+	CRISIL AA+
Unsecured redeemable bonds	CARE AAA	[ICRA]AAA	-
Long term bonds issued by erstwhile ICICI Limited	CARE AAA	[ICRA]AAA	CRISIL AAA
Certificate of Deposits	CARE A1+	[ICRA]A1+	-
Fixed deposits	CARE AAA	MAAA	-

Moody's: Moody's Investors Services
S&P: S&P Global Ratings
JCRA: Japan Credit Rating Agency, Limited
CARE: CARE Ratings Limited, India
ICRA: ICRA Limited, India
CRISIL: CRISIL Ratings Limited, India

During the year under review, there were no revisions in the credit ratings obtained by the Bank.

Certificate from a Company Secretary in practice

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank has obtained a Certificate from a Company Secretary in practice that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. The Certificate of Company Secretary in practice is annexed herewith as Annexure B.

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 the 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 of the Bank at March 31, 2021 consisted of thirteen Directors, out of which eight were Independent Directors, one was a Government Nominee Director and four were Executive Directors.

There were twelve meetings of the Board during the year – May 9, June 18, June 21, July 8, July 25, August 26, September 16, October 31 and December 8 in 2020 and January 30, February 19 and March 25 in 2021.

There were no inter-se relationships between any of the Directors.

DIRECTORS' REPORT

The names of the Directors, their attendance at Board Meetings during the year, attendance at the last AGM and details of other directorships and board committee memberships held by them at March 31, 2021 are set out in the following table:

Name of Director	Board Meetings attended during the year	Attendance at last AGM (August 14, 2020)	Number of directorships of other Indian public limited companies	Number of directorships of other Indian companies	Names of the other listed entity where a person is a director and category of directorship	Number of other committee memberships[1]
Independent Directors						
Girish Chandra Chaturvedi, *Chairman* (DIN: 00110996)	12/12	Present	4	-	1) Infrastructure Leasing and Financial Services Limited[2] (NED) 2) IL&FS Energy Development Company Limited[2] (Chairman, NED) 3) IL&FS Transportation Networks Limited[3] (Nominee Director)	4(3)
Hari L. Mundra (DIN: 00287029)	12/12	Present	1	-	-	1(1)
Neelam Dhawan (DIN: 00871445)	12/12	Present	-	-	-	-
Radhakrishnan Nair (DIN: 07225354)	12/12	Present	7	2	1) ICICI Prudential Life Insurance Company Limited (ID) 2) Geojit Financial Services Limited (ID) 3) ICICI Securities Primary Dealership Limited (ID) 4) Inditrade Capital Limited (ID)	5(1)
Rama Bijapurkar (DIN: 00001835)	12/12	Present	5	1	1) Nestle India Limited (ID) 2) Mahindra & Mahindra Financial Services Limited (ID) 3) Emami Limited (ID) 4) VST Industries Limited (ID) 5) Cummins India Limited (ID)	6(3)
B. Sriram (DIN: 02993708)	12/12	Present	4	1	1) Unitech Limited[4] (Government Nominee Director) 2) Nippon Life India Asset Management Limited (ID)	4(1)
S. Madhavan (DIN:06451889)	12/12	Present	5	5	1) UFO Moviez India Limited (ID) 2) Transport Corporation of India Limited (ID) 3) HCL Technologies Limited (ID) 4) Sterlite Technologies Limited (ID)	5(3)

DIRECTORS' REPORT

Name of Director	Board Meetings attended during the year	Attendance at last AGM (August 14, 2020)	Number of directorships		Names of the other listed entity where a person is a director and category of directorship	Number of other committee memberships[1]
			of other Indian public limited companies	of other Indian companies		
Uday Chitale (DIN: 00043268)	12/12	Present	3	1	1) ICICI Lombard General Insurance Company Limited (ID) 2) India Infradebt Limited (ID)	3(1)
Government Nominee Director						
Lalit Kumar Chandel (DIN: 00182667)	4/12	Present	1	-	1) India Infrastructure Finance Company Limited (Nominee Director)	2(0)
Executive Directors						
Sandeep Bakhshi Managing Director & CEO (DIN: 00109206)	12/12	Present	-	-	-	-
Anup Bagchi (DIN: 00105962)	12/12	Present	5	-	1) ICICI Prudential Life Insurance Company Limited (NED) 2) ICICI Securities Limited (NED) 3) ICICI Home Finance Company Limited (Chairman, NED)	-
Sandeep Batra *(w.e.f. December 23, 2020)* (DIN: 03620913)	3/3	N.A.	4	1	1) ICICI Prudential Life Insurance Company Limited (NED) 2) ICICI Lombard General Insurance Company Limited (NED)	3(1)
Vishakha Mulye (DIN: 00203578)	11/12	Present	1	-	1) ICICI Lombard General Insurance Company Limited (NED)	-

Independent Director (ID)
Non-Executive Director (NED)

1 *Includes only chairmanship/membership of Audit Committee and Stakeholders' Relationship Committee of other Indian public limited companies. Figures in parentheses indicate committee chairpersonships.*

2 *Pursuant to the orders of the National Company Law Tribunal dated October 1, 2018 and October 3, 2018, the respective Boards of Infrastructure Leasing and Financial Services Limited and IL&FS Energy Development Company Limited appointed Girish Chandra Chaturvedi as the Director and as Chairman of Infrastructure Leasing and Financial Services Limited and IL&FS Energy Development Company Limited.*

3 *Nominee of Infrastructure Leasing and Financial Services Limited.*

4 *Pursuant to the order dated January 22, 2020 issued by the Government of India and order dated January 20, 2020 issued by the Supreme Court of India, B. Sriram was appointed as Nominee Director of Government of India on the Board of Unitech Limited with effect from January 22, 2020.*

The profiles of the Directors can be viewed on the website of the Bank at (https://www.icicibank.com/aboutus/bod-1.page?#toptitle).

DIRECTORS' REPORT

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.

The quorum of the Board Committees was increased from at least two members to at least three members with effect from June 30, 2019, to transact business at any Board Committee meeting and in case where the Committee comprises of two members only or where two members are participating, then any Independent Director may attend the meeting to fulfil the requirement of three members.

The terms of reference of the Board Committees as mentioned above, their composition and attendance of the respective Members at the various Committee Meetings held during fiscal 2021 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, review of management's discussion & analysis, 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 and utilisation of loans and/or advances from/investment by the Bank in its subsidiaries. The Audit Committee also reviews the functioning of the Whistle-Blower Policy, adequacy of internal control systems and the internal audit function, compliance with inspection and audit reports and reports of statutory auditors, findings of internal investigations, management letters/letters on internal control weaknesses issued by statutory auditors. The Audit Committee responsibilities also include 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

There were ten Meetings of the Committee during the year – April 23, May 8, July 23, July 24, October 29, October 30 and December 11 in 2020 and January 28, January 29 and March 5 in 2021. The details of the composition of the Committee and attendance at its Meetings held during the year are set out in the following table:

Name of Member	Number of meetings attended
Uday Chitale, *Chairman*	10/10
S. Madhavan	10/10
Radhakrishnan Nair	10/10

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 and senior management personnel. The functions also include 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

There were six Meetings of the Committee during the year – April 10, May 9, July 25, September 16 and October 30 in 2020 and January 30 in 2021. The details of the composition of the Committee and attendance at its Meetings held during the year are set out in the following table:

Name of Member	Number of meetings attended
Neelam Dhawan, *Chairperson*	6/6
Girish Chandra Chaturvedi	6/6
Rama Bijapurkar	6/6
B. Sriram	6/6

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 evaluates the composition of the Board and vacancies arising in the Board from time to time. The Committee while recommending candidature of a Director considers the special knowledge or expertise possessed by the candidate as required under the Banking Regulation Act, 1949. The Committee assesses 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 is guided by the guidelines issued by RBI in this regard.

The Committee also evaluates the prospective candidate for the position of a Director from the perspective of the criteria for independence prescribed under the Companies Act, 2013 as well as the SEBI 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 reviews the same and determine the independence of a Director.

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

Remuneration policy

The Compensation Policy of the Bank is in line with the RBI circulars and 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 Policy is available at (https://www.icicibank.com/aboutus/other-policies.page?#toptitle). Further details with respect to the Compensation Policy are provided under the section titled "Compensation Policy and Practices".

DIRECTORS' REPORT

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 these are 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 Director) would be sitting fee for attending each Meeting of the Committee/Board as approved by the Board. The Members at their Meeting held on July 11, 2016 approved the payment of profit related commission upto ₹ 1,000,000 per annum to each non-executive Director of the Bank (other than part-time Chairman and the Government Nominee Director). The Board at its Meeting held on July 15, 2021, approved payment of fixed remuneration of ₹ 2,000,000 per annum with effect from April 1, 2021 to each non-executive Director of the Bank (other than part-time Chairman and the Government Nominee Director), subject to the approval of Members. The said payment of fixed remuneration is being proposed in the Notice of the forthcoming AGM through item no. 11.

For the non-executive Chairman, the remuneration, in addition to sitting fee includes such fixed payments as may be recommended by the Board and approved by the Members and RBI, 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 allowance for attending to duties as Chairman of the Bank and any other modes of remuneration as may be permitted by RBI 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 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. The Bank has taken effective steps with regards to the action points arising out of performance evaluation process for fiscal 2020. The overall performance evaluation process for fiscal 2021 was completed to the satisfaction of the Board. The Board of Directors also identified specific action points arising out of the overall evaluation which would be executed as directed by the Board.

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

Details of Remuneration paid to Executive 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.

DIRECTORS' REPORT

The following table sets out the details of remuneration (including perquisites and retiral benefits) paid to wholetime Directors in fiscal 2021:

Details of Remuneration (₹)

	Sandeep Bakhshi	Vishakha Mulye	Anup Bagchi	Sandeep Batra[1]
	2020-21	2020-21	2020-21	2020-21
Basic	0	22,224,250	22,224,250	22,224,250
Performance bonus paid in fiscal 2021[2]	0	7,323,366	7,323,366	7,323,366
Allowances and perquisites[3]	3,838,784	22,341,425	20,657,736	19,567,774
Contribution to provident fund	0	2,666,914	2,666,914	2,666,914
Contribution to superannuation fund	0	0	0	0
Contribution to gratuity fund	0	1,851,280	1,851,280	1,851,280
Stock options[4] (Number)				
Fiscal 2020	610,500	610,500	610,500	610,500

1 Sandeep Batra was appointed as Executive Director effective December 23, 2020. The above is his full year salary.

2 Represents amounts paid during the year as per RBI approvals. An amount of ₹ 720,331/- was paid to Vijay Chandok during the year, for the period spent in the Bank in fiscal 2020.

3 Allowances and perquisites exclude perquisites of previous years stock options exercised during fiscal 2021.

4 Represents options granted during the year as per RBI approvals pertaining to Fiscal 2020.

5 Amongst various measures to deal with the unprecedented challenge posed by Covid-19:

(a) Managing Director & CEO voluntarily relinquished his fixed compensation of basic, supplementary allowances and retirals for fiscal 2021 and was paid honorarium fee of ₹ 1/- for fiscal 2021.

(b) Material Risk Takers of the Bank including Executive Directors, Group Chief Financial Officer and Company Secretary voluntarily opted for a 10% salary reduction effective May 1, 2020 in the basic salary, retirals and supplementary allowances for fiscal 2021.

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, are 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 fulfill prescribed eligibility criteria to avail loans for purchase of residential property, the wholetime Directors are also eligible for housing loans. The stock options 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. The options so vested are to be exercised within 5 years from the date of vesting.

The Bank does not pay any severance fees to its Managing Director & CEO or to its wholetime Directors. The tenure of the office of Managing Director & CEO and the wholetime Directors of the Bank is five years, subject to approval of RBI and the Members. The notice period for each of them, as specified in their respective terms of appointments is two months in addition to gardening leave.

During fiscal 2021, Sandeep Bakhshi and Sandeep Batra received gross amount of ₹ 6,360,229 and ₹ 4,100,976 respectively as performance bonus from ICICI Prudential Life Insurance Company Limited, subsidiary of the Bank being the deferred variable pay for fiscal 2017 and fiscal 2018.

Details of Remuneration paid to Non-Executive Directors

The Board of Directors has approved the payment of ₹ 100,000 as sitting fee for each Meeting of the Board, Audit Committee, Credit Committee and Risk Committee and ₹ 50,000 as sitting fee for each Meeting of the Committee attended other than the Audit Committee, Credit Committee and Risk Committee.

Information on the total sitting fees and commission paid to each Non-Executive Director during fiscal 2021 is set out in the following table:

Amount (₹)

Name of Director	Sitting Fees	Commission[1]
Girish Chandra Chaturvedi	2,400,000	-
Uday Chitale	3,000,000	1,000,000
Neelam Dhawan	1,900,000	1,000,000
Rama Bijapurkar	1,850,000	1,000,000
B. Sriram	4,500,000	1,000,000
S. Madhavan[2]	3,300,000	964,481
Radhakrishnan Nair	2,700,000	1,000,000
Hari L. Mundra	4,400,000	1,000,000

1 Commission pertaining to fiscal 2020 paid in fiscal 2021

2 Director with effect from April 14, 2019

DIRECTORS' REPORT

As per the RBI approval, a gross amount of ₹ 3,500,000 was paid as remuneration for fiscal 2021 to Girish Chandra Chaturvedi.

Government Nominee Director is only entitled to reimbursement of expenses for attending Board/ Committee Meetings.

Details of shares/convertible instruments held by Non-Executive Directors

As on March 31, 2021, Rama Bijapurkar; Lalit Kumar Chandel and S. Madhavan held 2,600; 10 and 4,000 equity shares of ₹ 2.00 each respectively.

Remuneration disclosures as required under RBI guidelines

The RBI circular 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) Bodies that oversee remuneration.

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

  The Board Governance, Remuneration and 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 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 whole time/ 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, Material Risk takers (MRTs) and other employees, recommending to the Board the remuneration (including performance bonus, share-linked instruments and perquisites) to wholetime Directors (WTDs) and senior management, commission and fee payable to non-executive Directors subject to applicable regulations, approving the policy for and quantum of variable pay payable to members of the staff including senior management, key managerial personnel, material risk takers 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***

  During the year ended March 31, 2021, the Bank employed the services of a reputed consulting firm for market benchmarking in the area of compensation, including executive compensation.

- ***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 by the BGRNC and the Board at their meetings held on April 10, 2020 and May 9, 2020 respectively, 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, 2021 was 97,488.

b) 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

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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.

o 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 variable pay based on the financial and strategic plan approved by the Board. The KPIs include both quantitative and qualitative aspects defined with sub parameters. The BGRNC assesses organisational performance and based on its assessment, it makes recommendations to the Board regarding compensation for WTDs, senior management and equivalent positions and variable pay for employees, including senior management, key management personnel.

o 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. The Bank's employee stock option scheme aims at aligning compensation to long-term performance through stock option grants that vest over a period of time. Compensation of staff in audit, compliance and risk control functions is independent of the business areas they oversee and depends on their performance assessment.

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

  During the year ended March 31, 2021, the Bank's Compensation Policy was amended by the BGRNC and the Board at their meetings held on April 10, 2020 and May 9, 2020 respectively with the objective to align the policy to the RBI circular on 'Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff' dated November 4, 2019.

- ***Process followed by the Bank to ensure that the risk and compliance employees are remunerated independently of the businesses they oversee***

  The compensation of staff engaged in control functions like Audit, Risk and Compliance depends on their performance, which is based on achievement of the key goals of their respective functions. Their goal sheets do not include any business targets.

c) *Ways in which current and future risks are taken into account in the remuneration processes.*

- ***Key risks that the Bank takes into account when implementing remuneration measures***

  The Board approves the Enterprise Risk Management framework for the Bank. 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, thresholds/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 indicator in areas such as risk calibrated core operating profit (profit before provisions and tax excluding treasury income), performance indicators include aspects such as 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.

- ***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 and provisioning, risk management framework, stakeholder relationships and leadership development.

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- ***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 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 risk calibrated core operating profit, performance indicators include aspects such as 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.

- ***The nature and type of these measures that 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) Ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration

- ***Main performance metrics for Bank, top level business lines and individuals***

  The main performance metrics includes risk calibrated core operating profit (profit before provisions and tax, excluding treasury income) asset quality metrics (such as additions to non-performing loans and recoveries and upgrades), regulatory compliance, risk management processes and stakeholder relationships. The specific metrics and weightages for various metrics vary with the role and level of the individual.

- ***Methodology followed whereby individual remuneration is 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 their achievements, which incorporates various aspects described earlier.

- ***The measures that 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/clawback on none, part or all of the relevant variable compensation

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

- ***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 variable compensation is in the form of share-linked instruments (including stock options) or cash or a mix of cash and share-linked instruments (including stock options). The quantum of variable pay for an employee does not exceed a certain percentage (as stipulated in the compensation policy) of the total fixed pay in a year. The proportion of variable pay to total compensation is higher at senior levels and lower at junior levels. Atleast 50% of the compensation is variable for WTDs, CEO and MRTs as a design. However, they can earn lesser variable pay based on various performance criteria. For WTDs, CEO and MRTs, a minimum of 60% of the total variable pay is under deferral arrangement (deferment). Additionally, atleast 50% of the cash component of the variable pay is under deferment. If the cash component is under ₹ 2.5 million, the deferment is not applicable.

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- ***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 pertaining to the assessment year or previous year/s (as defined in the policy) is subject to malus, under which the Bank prevents vesting of all or part or none of the unvested variable pay in the event of the assessed divergence in the Bank's provisioning for NPAs or in the event of a reasonable evidence of deterioration in financial performance or in the event of gross misconduct and/or other acts as mentioned in the policy. In such cases (other than assessed divergence), variable pay already paid out may also be subjected to clawback arrangements, as applicable.

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

- ***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 variable compensation is in the form of employee stock options or cash or a mix of cash and stock options. The Bank pays performance linked retention pay (PLRP) to its front-line staff and junior 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 pays performance bonus and stock options to relevant employees in its middle and senior management. The variable pay payout schedules is sensitive to the time horizon of risks as defined in the policy.

  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 WTDs (including MD & CEO) and other Material Risk Takers.

₹ in million, except numbers

Particulars	Year ended March 31, 2021
Number of meetings held by the BGRNC during the financial year	**6**
Remuneration paid to BGRNC members during the financial year (sitting fees)	**1.2**
Number of employees who received a variable remuneration award during the financial year[1]	**49**
Number and total amount of sign-on/joining bonus made during the financial year	**-**
Details of severance pay, in addition to accrued benefits, if any	**-**
Breakdown of amount of remuneration awards for the financial year	
Fixed[2]	**1,041.0**
Variable[3]	**165.3**
- Deferred	**-**
- Non-deferred	**165.3**
Share-linked instruments[3] (nos.)	**9,127,500.0**
- Deferred (nos.)	**9,127,500.0**
- Non-deferred (nos.)	**-**
Total amount of deferred remuneration paid out during the year	
- Bonus	**-**
- Share-linked instruments[4] (nos.)	**9,370,230**
Total amount of outstanding deferred remuneration	
Cash	**N.A.**
Shares (nos)	**-**
Shares-linked instruments[5] (nos.)	**19,889,730**
Other	**-**
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments	
- Bonus	**-**
- Share-linked instruments (nos.)	**9,127,500**

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₹ in million, except numbers

Particulars	Year ended March 31, 2021
Total amount of reductions during the year due to ex-post explicit adjustments[6]	**N.A.**
Total amount of reductions during the year due to ex-post implicit adjustments	**N.A.**
Number of MRTs identified	**47**
Number of cases where malus has been exercised	**-**
Number of cases where clawback has been exercised[6]	**-**
Number of cases where malus and clawback have been exercised[6]	**-**
The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay	
Mean pay of the bank[7]	**704,035**
Deviation - MD & CEO	**3,455,855**
Deviation - WTD1	**50,085,768**
Deviation - WTD2	**47,547,650**
Deviation - WTD3	**46,536,300**

1 For the year ended March 31, 2021 includes MD & CEO/ WTDs/and other MRTs based on the revised criteria given by RBI in its guideline dated November 4, 2019. Also includes WTDs transferred to group companies. For the year ended on March 31, 2021 variable remuneration includes cash bonus and stock options based on the revised criteria given by RBI in its guideline dated November 4, 2019 that are paid/ granted/ vested during the year.

2 Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisite is calculated as cost to the Bank.

3 Variable and share-linked instruments represent amounts/ options awarded for the year ended March 31, 2020 as per RBI approvals wherever applicable.

4 Includes options vested during the year including for WTDs who were transferred to group companies.

5 Includes outstanding options unvested including for WTDs who were transferred to group companies.

6 Excludes ₹ 74.1 million variable pay to the former MD & CEO for past years which has been directed for claw-back in respect of which the Bank has filed a recovery suit against the former MD & CEO.

7 Mean pay is computed on annualised fixed pay that includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisite is calculated as cost to the Bank.

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

₹ in million, except numbers

Particulars	Year ended March 31, 2020
Number of meetings held by the BGRNC	5
Remuneration paid to BGRNC members during the financial year (sitting fees)	1
Number of employees who received a variable remuneration award[1]	5
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	
Fixed[2]	214.8
Variable[3]	57.3
- Deferred	-
- Non-deferred	57.3
Share-linked instruments[3] (nos.)	5,475,500
Total amount of deferred remuneration paid out during the year	-
Total amount of outstanding deferred remuneration	
Cash	N.A.
Shares (nos)	-
Shares-linked instruments	4,690,430
Other forms	-
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments	-
Total amount of reductions during the year due to ex-post explicit adjustments[4]	-
Total amount of reductions during the year due to ex-post implicit adjustments	-

1 Includes WTDs transferred to group companies and who were paid bonus during the year.

2 Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund and gratuity fund by the Bank. The amounts mentioned in the above table correspond to the period of employment of WTDs in the Bank during fiscal 2020.

3 The variable (performance bonus) and share-linked instruments represent amounts paid/options awarded during the year, as per RBI approvals. Out of total options, 2,584,000 options pertain to fiscal 2018 and 2,891,500 options pertain to fiscal 2019.

4 Excludes ₹ 74.1 million variable pay to the former MD & CEO for past years which has been directed for claw-back in respect of which the Bank has filed a recovery suit against the former MD & CEO.

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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;***

Sandeep Bakhshi, Managing Director & CEO	NA [Refer Note 1(a)]
Vishakha Mulye, Executive Director	96:1 [Refer Note 1(b)]
Anup Bagchi, Executive Director	
Sandeep Batra, Executive Director *(Appointed as Executive Director w.e.f. December 23, 2020)*	

(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;***

There was nil percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2021.

Sandeep Bakhshi, Managing Director & CEO	[Refer Note 1(a)]
Vishakha Mulye, Executive Director	[Refer Note 1(b)]
Anup Bagchi, Executive Director	
Sandeep Batra, Executive Director	
Rakesh Jha, Group Chief Financial Officer	
Ranganath Athreya, Company Secretary	

(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 5%.

(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 98,750. Out of this, the employees on permanent rolls of the Company is 97,488 including employees in overseas locations.

(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 employees in junior management for fiscal 2021 was around 5%. The average increase in the remuneration of middle and senior management including Key Managerial Personnel was 0%.

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

Yes

Notes:

1 Amongst various measures to deal with the unprecedented challenge posed by Covid-19:

(a) Managing Director & CEO voluntarily relinquished his fixed compensation of basic, supplementary allowances and retirals for fiscal 2021 and was paid honorarium fee of ₹1/- for fiscal 2021.

(b) Material Risk Takers of the Bank including Executive Directors, Group Chief Financial Officer and Company Secretary voluntarily opted for a 10% salary reduction effective May 1, 2020 in the basic salary, retirals and supplementary allowances for fiscal 2021.

2 The Independent Directors of the Bank, other than Chairman receive remuneration in the form of sitting fees and profit related commission. The Chairman receives sitting fees and remuneration as approved by the Members and RBI.

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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. At the Board Meeting held on April 24, 2021, the terms of reference of the CSR Committee were revised to reflect the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

Composition

There were three Meetings of the Committee during the year – April 15, 2020, August 19, 2020 and January 13, 2021. The details of the composition of the Committee and attendance at its Meetings held during the year are set out in the following table:

Name of Member	Number of meetings attended
Radhakrishnan Nair, *Chairman*	3/3
Anup Bagchi	3/3
Rama Bijapurkar	3/3
Uday Chitale	3/3

Details about the policy developed and implemented by the Company on corporate social responsibility (CSR) initiatives taken during the year

ICICI Bank has a long-standing commitment towards socio-economic development. The Bank's CSR activities are focused in the areas of skill development for sustainable livelihoods, rural development and related activities including financial inclusion and financial literacy, and other activities as may be required towards fulfilling the CSR objectives. The activities are largely implemented either directly or through the ICICI Foundation for Inclusive Growth.

The CSR policy was revised in April 2021 and the revisions in the CSR Policy were largely to reflect the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, and included changes to the operating framework, disclosure requirements and principles for selection of CSR projects.

The web-link to the Bank's CSR policy: https://www.icicibank.com/managed-assets/docs/about-us/ICICI-Bank-CSR-Policy.pdf

The Annual Report on the Bank's CSR activities is annexed herewith as Annexure C.

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

There were twenty-eight Meetings of the Committee during the year – April 6, April 16, May 13, June 10, June 18, June 30, July 14, July 16, July 27, August 12, August 25, September 5, September 11, September 21, September 24, September 28, October 16, November 20, November 27, December 11 and December 22 in 2020 and January 12, January 22, February 18, March 8, March 12, March 26 and March 31 in 2021. The details of the composition of the Committee and attendance at its Meetings held during the year are set out in the following table:

Name of Member	Number of meetings attended
Sandeep Bakhshi, *Chairman*	28/28
Hari L. Mundra	28/28
Vishakha Mulye	28/28
B. Sriram	28/28

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VI. Customer Service Committee

Terms of Reference

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

Composition

There were four Meetings of the Committee during the year – May 13, 2020, August 18, 2020, November 20, 2020 and February 17, 2021. The details of the composition of the Committee and attendance at its Meetings held during the year are set out in the following table:

Name of Member	Number of meetings attended
Rama Bijapurkar, *Chairperson*	4/4
Hari L Mundra	4/4
Sandeep Bakhshi	4/4
Anup Bagchi	4/4

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.

Composition

There were four Meetings of the Committee during the year – April 24, 2020, July 15, 2020, October 29, 2020 and January 15, 2021. The details of the composition of the Committee and attendance at its Meetings held during the year are set out in the following table:

Name of Member	Number of meetings attended
S. Madhavan, *Chairman*	4/4
Neelam Dhawan	4/4
Radhakrishnan Nair	4/4
Anup Bagchi	4/4
Sandeep Bakhshi	4/4

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, oversee the activities of Digital Council, review technology from a future readiness perspective, overseeing key projects progress & critical IT systems performance and the review of special IT initiatives.

Composition

There were four Meetings of the Committee during the year – May 19, 2020, August 13, 2020, November 6, 2020 and January 20, 2021. The details of the composition of the Committee and attendance at its Meetings held during the year are set out in the following table:

Name of Member	Number of meetings attended
B. Sriram, *Chairman*	4/4
Neelam Dhawan	4/4
Sandeep Bakhshi *(upto January 30, 2021)*	4/4
Anup Bagchi	4/4
Sandeep Batra *(w.e.f. January 31, 2021)*	-

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 and approve Broker Empanelment Policy and any amendments thereto. The functions of the

DIRECTORS' REPORT

Committee also include setting limits on any industry or country, 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 dashboard covering various risks, outsourcing activities and the activities of the Asset Liability Management Committee. The Committee has oversight on risks of subsidiaries covered under the Group Risk Management Framework. The Committee also carries out Cyber Security risk assessment.

Composition

There were nine Meetings of the Committee during the year – May 8, 2020, July 9, 2020, July 24, 2020, September 23, 2020, October 30, 2020, December 23, 2020, January 29, 2021, February 17, 2021 and March 24, 2021. The details of the composition of the Committee and attendance at its Meetings held during the year are set out in the following table:

Name of Member	Number of meetings attended
Girish Chandra Chaturvedi, *Chairman*	9/9
S. Madhavan	9/9
Sandeep Batra *(w.e.f. December 23, 2020)*	4/4

The quorum of the Board Committees was increased from at least two members to at least three members with effect from June 30, 2019, to transact business at any Board Committee meeting and in case where the Committee comprises of two members only or where two members are participating, then any Independent Director may attend the meeting to fulfil the requirement of three members. Accordingly, Uday Chitale attended the Committee meetings on May 8, 2020, July 9, 2020, September 23, 2020, and October 30, 2020 and Radhakrishnan Nair attended the Committee meeting on July 24, 2020 to fulfil the requirement of quorum.

X. Stakeholders Relationship Committee

Terms of Reference

The functions of the Committee include approval and rejection of transfer or transmission of shares, bonds, debentures, issue of duplicate certificates, allotment of securities from time to time, redressal and resolution of grievances of security holders, delegation of authority for opening and operation of bank accounts for payment of interest/dividend.

Composition

There were four Meetings of the Committee during the year – April 14, 2020, July 21, 2020, October 29, 2020 and January 21, 2021. The details of the composition of the Committee and attendance at its Meetings held during the year are set out in the following table:

Name of Member	Number of meetings attended
Hari L. Mundra, *Chairman*	4/4
Uday Chitale	4/4
Anup Bagchi	4/4

Ranganath Athreya, 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. 45 investor complaints were received in fiscal 2021. As at March 31, 2021, one complaint was pending which has been subsequently addressed.

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 Chairman of this Committee and any two independent Directors comprise the remaining members. One meeting of the Committee was held during the year. The Committee Meeting held on February 16, 2021 was attended by Sandeep Bakhshi, Uday Chitale and Radhakrishnan Nair.

XII. Separate Meeting of Independent Directors

During the year, the Independent Directors met on May 9, 2020 inter alia to review the matters statutorily prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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XIII. Other Committees

The Board at its meeting held on July 8, 2020 constituted and authorized 'Issuance Committee' comprising of Sandeep Bakhshi, Vishakha Mulye and Anup Bagchi to, inter alia, decide the terms and conditions of the fund raising proposal. The Issuance Committee Meetings were held on August 7, 2020, August 10, 2020, August 14, 2020 and August 15, 2020. The members attended all the meetings except Vishakha Mulye who attended 3 out of 4 meetings.

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, 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-Sixth Annual General Meeting	Friday, August 14, 2020	3:30 p.m	Meeting held through Video Conferencing/Other Audio Visual Means
Twenty-Fifth Annual General Meeting	Friday, August 9, 2019	11:45 a.m.	Professor Chandravadan Mehta Auditorium, General Education Centre, Opposite D. N. Hall Ground, The Maharaja Sayajirao University, Pratapgunj, Vadodara 390 002
Twenty-Fourth Annual General Meeting	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

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	Resolutions
Annual General Meeting	Friday, August 14, 2020	• Re-appointment of Girish Chandra Chaturvedi (DIN: 00110996) as an Independent Director of the Bank • Shifting the Registered Office of the Bank from the State of Gujarat to the State of Maharashtra and consequent amendment to the Memorandum of Association of the Bank
Annual General Meeting	Friday, August 9, 2019	• Alterations to Memorandum of Association • Adoption of revised Articles of Association
Annual General Meeting	Wednesday, September 12, 2018	• Amendment to Capital Clause of the Memorandum of Association • Amendment to Article 5(a) of the Articles of Association • Amendment to the definition of Exercise Period under Employees Stock Option Scheme-2000 • Private placement of securities under Section 42 of the Companies Act, 2013

DIRECTORS' REPORT

Postal Ballot

Special Resolution for authorizing capital raising through issuance of equity shares and/or equity linked securities was passed through postal ballot during fiscal 2021 vide Postal Ballot Notice dated July 8, 2020 pursuant to the provisions of Section 110 and other applicable provisions of the Companies Act, 2013.

In accordance with the General Circulars issued by the Ministry of Corporate Affairs, Government of India in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", the approval of the Members of the Bank was obtained through Postal Ballot only through the remote e-voting process.

The Board of Directors of the Company, appointed Mr. Alwyn D'souza of Alwyn D'souza & Co., Practicing Company Secretaries, as the Scrutinizer for conducting the Postal Ballot e-voting process in a fair and transparent manner. The scrutinizer submitted his report dated August 9, 2020. The results were declared on August 9, 2020 and communicated to the stock exchanges and displayed on the Bank's website at www.icicibank.com. The details of the voting pattern are given below:

Special Resolution	Number of votes polled	% of votes Polled on outstanding shares	Number of votes cast in favour of the Resolution	Number of votes cast against the Resolution	% of votes in favour on votes polled	% of votes against on votes polled
Authorize capital raising through issuance of of equity shares and/or equity linked securities	4,904,338,742	75.73	4,894,439,751	9,898,991	99.80	0.20

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:

   i. SEBI issued an Adjudication Order on September 12, 2019, imposing a penalty of ₹ 500,000 each (totalling to ₹ 1.0 million) under Section 15HB of the Securities and Exchange Board of India Act, 1992 and Section 23E of the Securities Contracts (Regulation) Act, 1956 on the Bank for delayed disclosure of an agreement made on May 18, 2010 relating to merger of erstwhile Bank of Rajasthan with the Bank. The Bank has filed an appeal against SEBI's Order with the Securities Appellate Tribunal (SAT) on October 24, 2019. SAT vide its order dated July 08, 2020 converted the monetary penalty imposed on the Bank to warning. SEBI had filed an appeal with the Supreme Court of India ("Supreme Court") against the aforementioned SAT order on September 24, 2020 pertaining to the Bank. The matter was heard with Supreme Court on January 6, 2021 wherein the Supreme Court directed an interim stay on the operation of the SAT orders until further orders from them. The Bank filed counter affidavit before the Supreme Court on February 2, 2021. To bring closure to the matter, the Bank filed the settlement application on January 6, 2021, under SEBI (Settlement Proceedings) Regulations, 2018 pursuant to which the Bank has paid the settlement amount to SEBI and the Order is awaited.

   ii. The RBI, in exercise of powers conferred under section 47(A)(1)(c) read with Section 46(4)(i) of the Banking Regulation Act,

DIRECTORS' REPORT

1949, levied an aggregate penalty of ₹ 10.0 million vide its order dated February 25, 2019. The penalty was levied for delay in compliance to RBI's directives on "Time-bound implementation & strengthening of SWIFT related controls".

3. In terms of the Whistle-Blower Policy of the Bank, no employee of the Bank has been denied access to the Audit Committee.
4. There is no application or proceeding pending against the Bank under the Insolvency and Bankruptcy Code, 2016 during the year under review.
5. There was no instance of one-time settlement with any other Bank or financial institution during the year under review.

XVI. Means of Communication

It is ICICI Bank's belief that all stakeholders should have access to 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are filed electronically with NSE/BSE through NSE's Electronic Application Processing System (NEAPS) and through BSE Listing Centre and are also available on their respective websites in addition to the Bank's website.

ICICI Bank's quarterly financial results are published in Business Standard or Financial Express and Vadodara Samachar or The Indian Express (Vadodara edition). 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
Twenty-Seventh Annual General Meeting through Video Conferencing/ Other Audio Visual Means	Friday, August 20, 2021	3:00 p.m.

Financial Year : April 1, 2020 to March 31, 2021

Record Date: July 30, 2021

Dividend Payment Date: Will be paid/despatched on or after August 21, 2021

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 *FII segment of BSE.*

2 *Each ADS of ICICI Bank represents two underlying equity shares.*

The bonds issued in domestic market comprised 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.

DIRECTORS' REPORT

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 2021 on BSE and NSE are set out in the following table:

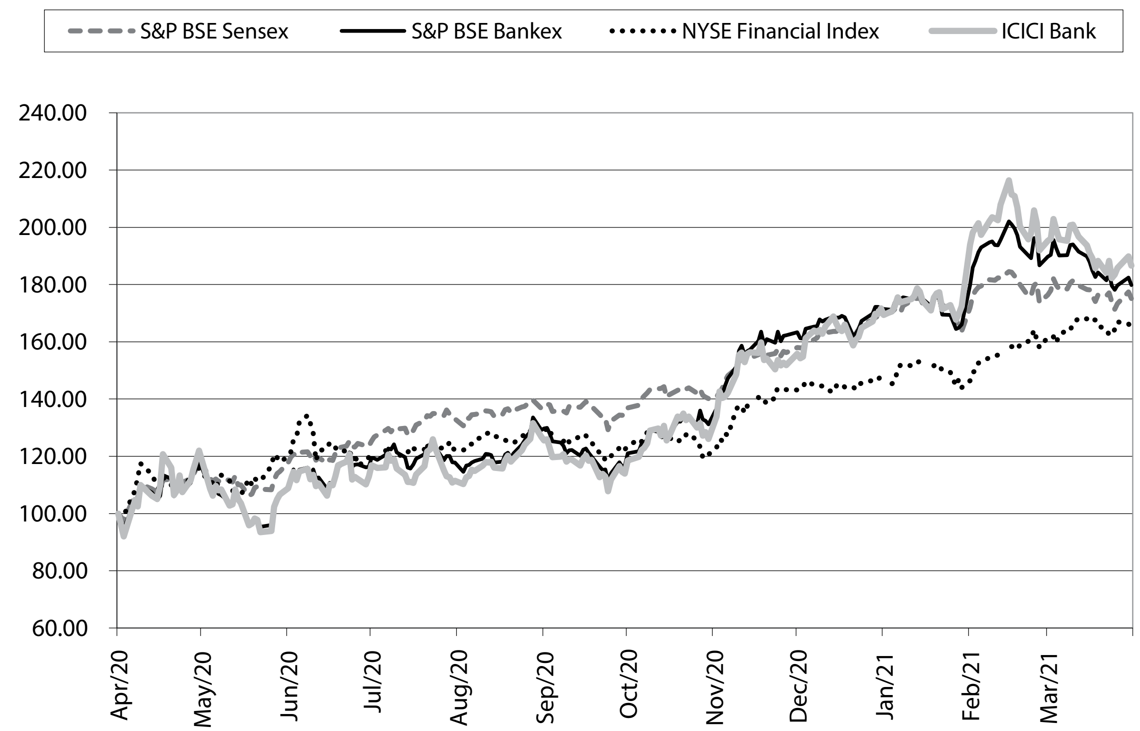
Month	BSE			NSE			Total Volume on BSE and NSE
	High ₹	Low ₹	Volume	High ₹	Low ₹	Volume	
April-20	379.90	286.50	38,475,089	380.15	286.65	876,636,050	915,111,139
May-20	341.40	291.20	36,284,940	341.40	291.05	1,051,267,675	1,087,552,615
June-20	376.05	330.90	40,052,156	376.15	331.10	1,009,616,812	1,049,668,968
July-20	392.30	344.75	39,089,386	392.25	344.65	1,011,039,398	1,050,128,784
August-20	409.75	343.40	48,574,406	409.70	343.25	831,061,395	879,635,801
September-20	392.25	335.80	22,528,566	392.40	335.70	613,532,823	636,061,389
October-20	420.35	369.15	21,890,828	420.30	369.20	589,915,296	611,806,124
November-20	497.45	417.10	30,570,946	497.65	417.45	740,748,991	771,319,937
December-20	534.80	480.45	24,696,353	535.05	480.45	531,995,383	556,691,736
January-21	556.40	522.30	14,585,900	556.50	522.35	426,883,599	441,469,499
February-21	674.00	597.60	27,943,347	673.95	597.75	595,364,253	623,307,600
March-21	631.85	567.45	23,403,821	632.10	567.50	484,734,111	508,137,932
Fiscal 2021	**674.00**	**286.50**	**368,095,738**	**673.95**	**286.65**	**8,762,795,786**	**9,130,891,524**

The reported high and low closing prices and volume of ADRs of ICICI Bank traded during fiscal 2021 on the NYSE are given below:

Month	High (USD)	Low (USD)	Number of ADS traded
April-20	10.14	7.23	223,581,500
May-20	9.36	7.76	165,974,700
June-20	9.86	8.67	187,301,800
July-20	10.60	9.26	134,091,300
August-20	11.24	9.30	196,745,100
September-20	10.88	9.30	145,560,500
October-20	11.47	10.24	130,701,600
November-20	13.45	11.56	187,912,900
December-20	14.86	13.16	176,419,500
January-21	15.32	14.32	177,932,100
February-21	18.12	16.61	200,729,100
March-21	17.44	15.64	145,416,700
Fiscal 2021	**18.12**	**7.23**	**2,072,366,800**

DIRECTORS' REPORT

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, 2020 to March 31, 2021 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.

As per the SEBI mandate, securities of listed companies can be transferred/traded only in dematerialised form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

During the year, 626,208 equity shares of face value ₹ 2.00 each involving 2,521 certificates were dematerialised. At March 31, 2021, 99.75% of paid-up equity share capital (including equity shares represented by ADS constituting 21.35% of the paid-up equity share capital) are held in dematerialised form.

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. Certificates issued in this regard are filed with BSE and NSE, where the equity shares of ICICI Bank are listed.

DIRECTORS' REPORT

In terms of Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular D&CC/FITTC/CIR-16/2002 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.

Registrar and Transfer Agents

The Registrar and Transfer Agent of ICICI Bank is 3i Infotech Limited. Investor services related queries/requests/grievances may be directed to Ms. R. C. D'souza/Mr. S. R. Ramesh 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

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 the 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
The Ruby, 2nd Floor, SW 29
Senapati Bapat Marg
Dadar West, Mumbai 400 028
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
itsupport@idbitrustee.com

The details are available on the website of the Bank at (https://www.icicibank.com/Personal-Banking/investments/icici-bank-bonds/index.page).

Information on Shareholding

Shareholding pattern of ICICI Bank at March 31, 2021

Shareholder Category	No. of Shares	% holding
Deutsche Bank Trust Company Americas (Depositary for ADS holders)	1,476,534,595	21.35
FIIs/FPIs	2,598,752,468	37.58
Insurance Companies	698,750,812	10.10
Bodies Corporate (includes Government Companies and Clearing Members)	100,063,999	1.45
Banks & Financial Institutions	2,766,286	0.04
Mutual Funds/UTI	1,418,269,966	20.51
Individuals, HUF and Trusts	425,879,217	6.15
NBFCs Registered with RBI	14,631,901	0.21
Provident Fund/Pension Fund	115,450,061	1.67
Alternative Investment Fund	33,619,265	0.49
IEPF	6,934,176	0.10
Others (includes NRIs, Foreign Banks, Foreign Companies, Foreign Nationals etc.)	24,339,641	0.35
Total	**6,915,992,387**	**100.00**

DIRECTORS' REPORT

Shareholders of ICICI Bank with more than one percent holding at March 31, 2021

Name of the Shareholder	No. of Shares	% holding
Deutsche Bank Trust Company Americas*	1,476,534,595	21.35
Life Insurance Corporation of India	447,577,924	6.47
SBI Mutual Fund	243,824,865	3.53
ICICI Prudential Mutual Fund	183,811,991	2.66
Dodge & Cox International Stock Fund	176,867,176	2.56
HDFC Mutual Fund	162,257,655	2.35
Government of Singapore	145,378,451	2.10
NPS Trust	115,450,061	1.67
Kotak Mahindra Mutual Fund	106,606,489	1.54
Nippon India Mutual Fund	103,972,201	1.50
Aditya Birla Sun Life Mutual Fund	95,925,796	1.39
UTI Mutual Fund	86,775,354	1.25
Europacific Growth Fund	78,749,478	1.14
Mirae Asset Mutual Fund	75,065,238	1.09

** Deutsche Bank Trust Company Americas holds equity shares of ICICI Bank as depositary for ADS holders.*

Distribution of shareholding of ICICI Bank at March 31, 2021

Range – Shares	No. of Folios	%	No. of Shares	%
Upto 1,000	1,376,770	95.20	175,105,154	2.53
1,001 – 5,000	58,780	4.06	109,832,808	1.59
5,001 – 10,000	4,965	0.34	34,351,613	0.50
10,001 – 50,000	3,453	0.24	70,908,502	1.02
50,001 & above	2,258	0.16	6,525,794,310	94.36
Total	**1,446,226**	**100.00**	**6,915,992,387**	**100.00**

Disclosure with respect to shares lying in suspense account

The Bank had 94,647 equity shares held by 470 shareholders lying in suspense account at the beginning of the fiscal 2021. 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 processed request received from a shareholder holding 269 shares and accordingly the said shares were transferred from the suspense account. As on March 31, 2021, 94,378 shares held by 469 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 Sections 124 and 125 of the Companies Act, 2013, during fiscal 2021, dividend amount of ₹ 44.3 million remaining unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Accounts of the Company has been transferred to the IEPF.

Pursuant to Section 124(6) of the Companies Act, 2013 read with the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016, during fiscal 2021, 486,711 equity shares in respect of which the dividend has not been claimed for seven consecutive years have been transferred to the designated demat account of the IEPF Authority.

The unclaimed dividend and the equity shares transferred to IEPF can be claimed by making an application in the prescribed form available on the website of IEPF at (www.iepf.gov.in).

Members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 2015 and/or subsequent years are requested to submit their claims to the Registrar and Transfer Agent of the Company without any delay.

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The details of Nodal Officer and Deputy Nodal Officers appointed under the provisions of IEPF are available on the website of the Bank at (https://nli.icicibank.com/NewRetailWeb/showUnclaimedForm.htm).

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

ICICI Bank has 738.27 million ADS (equivalent to 1,476.53 million equity shares) outstanding, which constituted 21.35% of ICICI Bank's total equity capital at March 31, 2021. There are no other convertible instruments outstanding as on March 31, 2021.

Commodity price risk or foreign exchange risk and hedging activities

The foreign exchange risk position including bullion is managed within the net overnight open position (NOOP) limit approved by the Board of Directors. The foreign currency assets of the Bank are primarily floating rate linked assets. Wholesale liability raising for foreign currencies takes place in USD or other currencies through 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 long-term wholesale fund raising in USD, the interest rate risk is generally hedged through interest rate swaps wherein the Bank effectively moves the interest payments 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 through foreign exchange swaps or currency interest rate swaps.

The extant RBI guidelines do not allow AD Category I Banks to take any market positions in commodity related activities. However, the extant guidelines allows Bank to import gold and silver in line with the RBI license and selling of imported gold/silver on outright basis to domestic clients or providing gold metal loan to jewellery manufacturers and take gold deposits under the Gold Monetisation scheme. ICICI Bank provides pricing and hedging of Gold Metal Loan to jewellery customers and such exposures are covered on a back-to-back basis with gold suppliers.

In view of the above, the disclosure pursuant to the SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is not required to be given.

Plant Locations – Not applicable

Address for Correspondence

Ranganath Athreya
Company Secretary
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

The required details as per the RBI circular no. CEPD.CO.PRD.Cir.No.01/13.01.013/2020-21 dated January 27, 2021 are disclosed in Schedule 18 of the financial statements.

COMPLIANCE CERTIFICATE OF THE AUDITORS

ICICI Bank has annexed to this Report, a certificate obtained from the statutory auditors, M/s Walker Chandiok & Co LLP, Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in the 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 wholetime 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

DIRECTORS' REPORT

to foster a culture of long-term sustainable value creation. The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the SEBI Regulations). Pursuant to the SEBI Regulations, 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 amended from time to time.

The Bank has upto March 31, 2021 granted 566.66 million stock options from time to time aggregating to 8.19% of the issued equity capital of the Bank at March 31, 2021. 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 691.60 million shares of face value ₹ 2.00 each at March 31, 2021).

Particulars of options granted by ICICI Bank as on March 31, 2021 are given below:

Number of options outstanding at the beginning of the year	237,906,773[1]
Number of options granted during the year	33,417,700
Number of options forfeited/lapsed during the year	880,530
Number of options vested during the year	31,430,750
Number of options exercised during the year	24,232,771
Number of shares arising as a result of exercise of options	24,232,771
Money realised by exercise of options during the year (₹)	5,302,452,541
Number of options outstanding at the end of the year	246,211,172[1]
Number of options exercisable at the end of the year	177,023,002

1 Excludes options pertaining to wholetime Directors of subsidiary company pending for regulatory approval.

The Bank follows the intrinsic value method to account for its stock-based employee compensation plans. The diluted earnings per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard 20 (AS-20) was ₹ 23.67 in fiscal 2021 compared to basic EPS of ₹ 24.01.

Based on intrinsic value of options, no compensation cost was recognised during the year ended March 31, 2021 (year ended March 31, 2020: Nil). If the Bank had used the fair value of options based on binomial tree model, compensation cost in the year ended March 31, 2021 would have been higher by ₹ 3,949.7 million (year ended March 31, 2020: ₹ 3,826.2 million) and proforma profit after tax would have been ₹ 157,977.1 million (year ended March 31, 2020: ₹ 75,481.9 million). On a proforma basis, the Bank's basic and diluted earnings per share would have been ₹ 23.43 (year ended March 31, 2020: ₹ 11.68) and ₹ 23.09 (year ended March 31, 2020: ₹ 11.49) respectively for the year ended March 31, 2021.

The following table sets forth, for the periods indicated, the key assumptions used to estimate the fair value of options granted.

Particulars	Year ended March 31, 2020	Year ended March 31, 2021
Risk-free interest rate	6.18% to 7.62%	**4.83% to 5.74%**
Expected life	3.46 to 5.46 years	**3.45 to 5.45 years**
Expected volatility	29.06% to 31.17%	**35.19% to 37.31%**
Expected dividend yield	0.19% to 0.37%	**0.26% to 0.30%**

The weighted average fair value of options granted during the year ended March 31, 2021 was ₹ 125.44 (year ended March 31, 2020: ₹ 149.62) and the weighted average exercise price of options granted during the year ended March 31, 2021 was ₹ 337.73 (year ended March 31, 2020: ₹ 402.16).

Risk free interest rates over the expected term of the option are based on the government securities yield in effect at the time of the grant. The expected term of an option is estimated based on the vesting term as well as expected exercise behavior of the employees who receive the option. Expected exercise behavior is estimated based on the historical stock option exercise pattern of the Bank. Expected volatility during the estimated expected term of the option is based on historical volatility determined based on observed market prices of the Bank's publicly traded equity shares. Expected dividends during the estimated expected term of the option are based on recent dividend activity.

The detailed disclosures as stipulated under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 will be hosted on the website of the Bank at (https://www.icicibank.com/aboutus/other-policies.page).

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

The Bank has undertaken various initiatives for energy conservation at its premises. A detailed write up is given in the Environmental, Social and Governance Report of fiscal 2021 which will be available on the website of the Bank at (https://www.icicibank.com/aboutus/annual.html) and in the Natural Capital chapter in the Integrated Report section of the Annual Report for fiscal 2021. The Bank has used information technology extensively in its operations; for details refer to the chapter Our Business Strategy in the Integrated Report section of the Annual Report for fiscal 2021.

SECRETARIAL STANDARDS

Your Bank is in compliance with the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) for the financial year ended March 31, 2021.

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 have 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 15, 2021 DIN: 00110996

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, 2021.

Sandeep Bakhshi
Managing Director & CEO
July 15, 2021 DIN: 00109206

DIRECTORS' REPORT

ANNEXURE A

FORM No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ICICI Bank Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ICICI Bank Limited (hereinafter called the Company/the Bank). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

  (d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period);

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period);

DIRECTORS' REPORT

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period);

(i) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;

(j) The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994;

(k) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993;

(l) The Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996;

(m) The Securities and Exchange Board of India (Investment Advisers) Regulations, 2013;

(n) The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;

(o) The Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and

(p) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

(vi) Other laws applicable specifically to the Company namely:

(a) Banking Regulation Act, 1949, Master Circulars, Notifications and Guidelines issued by the RBI from time to time

(b) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

(c) Recovery of Debts Due to Banks and Financial Institutions Act, 1993

(d) The Shops and Establishments Act, 1953

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We report that

1. The Bank in its capacity as Designated Depository Participant ("DDP") has received a show-cause notice (SCN) dated December 28, 2020 from SEBI, for alleged violation of SEBI (Foreign Portfolio Investors) Regulations, 2019/2014 and other related Guidelines stating that the Bank (as DDP) did not report to SEBI the delay in intimation of change in grouping information of two FPIs. The SCN was also addressed to both FPIs. The Bank has submitted an interim response to SEBI.

2. SEBI issued an Adjudication order on September 12, 2019 imposing a penalty of ₹ 5 lakh each under Section 15 HB of SEBI Act and Section 23E of SCRA on the Bank and ₹ 2 lakh under Section 15HB of SEBI act on the ex-compliance officer (eCO) on alleged delayed disclosure of an agreement relating to merger of ICICI Bank Limited with erstwhile Bank of Rajasthan. The eCO and the Bank has filed an appeal against SEBI's Order with Securities Appellate Tribunal (SAT) and SAT has converted the monetary penalty to warning. SEBI had filed an appeal with the Supreme Court of India ("Supreme Court") against the SAT orders and separately, the Bank had also filed an appeal with Supreme Court against the SAT order. These matters were heard with Supreme Court wherein the Supreme Court directed an interim stay on the operation of the SAT orders. The Bank and eCO have subsequently filed counter affidavits before the Supreme Court. To bring closure to the matter, the eCO and the Bank has filed the settlement application with SEBI.

3. SEBI issued a SCN dated January 30, 2020 wherein they have alleged that the Bank has violated the provisions of Regulation 22(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations,

DIRECTORS' REPORT

2015 with respect to one whistle blower complaint. The Bank submitted its reply to the SCN. To bring closure to the matter, the Bank submitted a settlement application with SEBI and currently the said matter is disposed of and an amount of ₹ 28,40,625/- was paid as settlement charges.

4. ICICI Bank Limited & it's former, MD & CEO had received a SCN from SEBI on May 24, 2018 requiring responses on matters relating to alleged non-compliance with certain provisions of the erstwhile Listing Agreement and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Bank has submitted its reply to SEBI. On November 19, 2020, SEBI issued a modified show cause notice (MSCN) to the Bank in relation to the above wherein it included Clause 2 of Uniform Listing Agreement and Section 21 of SCRA in addition to the existing cited provisions. The Bank has submitted its final response on the MSCN to SEBI.

5. The Bank received a show cause notice dated December 16, 2020 from RBI under Sections 35, 35A, 46 and 47A of Banking Regulation Act, 1949 relating to violations of RBI directions - Inter-category shifting of investments from HTM to AFS during FY 2017-18 and continued operations in InstaSave salary accounts opened using OTP based e-KYC in non face-to-face mode. The Bank submitted its response to the show cause notice on January 11, 2021. Subsequently, a personal hearing was held on February 3, 2021, post which the Bank provided necessary submissions. The final order is awaited from RBI.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

In respect of meetings held at short notice or meetings for which the agenda notes (other than those relating to Unpublished Price Sensitive Information (UPSI)) were sent at a notice of less than 7 days, the unanimous consent of the Board/Committee was taken for discussion of the said agenda items and the same has been recorded in the minutes.

Decisions at the Meetings of the Board of Directors and of the Committees thereof were taken with requisite majority.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the following events occurred during the audit period which have a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards etc. referred to above.

1. Pursuant to the approval of the Board of Directors of the Bank on June 18, 2020, the Bank divested 18,000,000 equity shares of face value of ₹ 10 each of ICICI Lombard General Insurance Company Limited (Company), representing 3.96% of the equity share capital of the Company at March 31, 2020.

2. Pursuant to the approval of the Board of Directors of the Bank on June 21, 2020, the Bank divested 21,500,000 equity shares of face value of ₹ 10 each of ICICI Prudential Life Insurance Company Limited (Company), representing 1.50% of the equity share capital of the Company at March 31, 2020.

3. The Issuance Committee of the Board of Directors of the Bank at its meeting held on August 15, 2020, approved allotment of 418,994,413 Equity Shares of face value ₹ 2 each to eligible qualified institutional buyers at the issue price of ₹ 358.00 per Equity Share, i.e., at a premium of ₹ 356.00 per Equity Share, aggregating to ₹ 149,999,999,854, pursuant to the Issue.

4. Pursuant to the approval of the Board of Directors of the Bank on August 26, 2020, the Bank divested 6,442,000 equity shares of face value of ₹ 5 each of ICICI Securities Limited (Company), representing 2.00% of the equity share capital of the Company at

DIRECTORS' REPORT

June 30, 2020 through an open market sale towards compliance with the requirement of minimum public float of the Company.

5. Pursuant to the approval of the Board of Directors of the Bank on December 8, 2020, the Bank divested 7,121,403 equity shares of face value ₹ 5 each of ICICI Securities Limited (Company), representing 2.21% of the issued and paid-up equity share capital of the Company through an offer for sale through stock exchange mechanism towards compliance with the requirement of minimum public float of the Company.

6. During the financial year ended March 31, 2021, the Bank has redeemed various series of debentures in the nature of Public issue bonds, Private placement bonds and Pension bonds aggregating to ₹ 46,992,599,276 and has complied with the applicable laws.

7. During the financial year ended March 31, 2021, the Bank has allotted 24,232,771 equity share of face value of ₹ 2 each under the Employee Stock Option Scheme.

For Parikh Parekh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327C000170772

Place: Mumbai
Date : 24.04.2021

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

DIRECTORS' REPORT

ANNEXURE A'

To,
The Members
ICICI Bank Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh Parekh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
UDIN: F000327C000170772

Place: Mumbai
Date : 24.04.2021

DIRECTORS' REPORT

ANNEXURE B

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Para C (10)(i) of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
ICICI Bank Limited
ICICI Bank Tower,
Near Chakli Circle,
Old Padra Road,
Vadodara - 390007

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ICICI Bank Limited having CIN L65190GJ1994PLC021012 and having registered office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara - 390007 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause 10(i) of Para C of Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such other statutory authority.

Sl. No.	Name of the Director as on March 31, 2021	DIN	Category of Directorship	Date of Appointment
1.	Mr. Girish Chandra Chaturvedi*	00110996	Non-Executive - Independent Director	July 01, 2018
2.	Ms. Rama Bijapurkar	00001835	Non-Executive - Independent Director	January 14, 2019
3.	Mr. Uday Chitale	00043268	Non-Executive - Independent Director	January 17, 2018
4.	Ms. Neelam Dhawan	00871445	Non-Executive - Independent Director	January 12, 2018
5.	Mr. S. Madhavan	06451889	Non-Executive - Independent Director	April 14, 2019
6.	Mr. Hari L. Mundra	00287029	Non-Executive - Independent Director	October 26, 2018
7.	Mr. Radhakrishnan Nair	07225354	Non-Executive - Independent Director	May 02, 2018
8.	Mr. B. Sriram#	02993708	Non-Executive - Independent Director	January 14, 2019
9.	Mr. Lalit Kumar Chandel	00182667	Non-Executive - Nominee Director	December 04, 2018
10.	Mr. Sandeep Bakhshi	00109206	Managing Director & Chief Executive Officer	October 15, 2018
11.	Ms. Vishakha Mulye	00203578	Wholetime Director	January 19, 2016
12.	Mr. Anup Bagchi	00105962	Wholetime Director	February 01, 2017
13.	Mr. Sandeep Batra	03620913	Wholetime Director	December 23, 2020

* Pursuant to the order of the Hon'ble National Company Law Tribunal ('NCLT'), Mumbai Bench dated October 1, 2018 Mr. G. C. Chaturvedi (DIN: 00110996) was appointed as nominee director of the Central Government in Infrastructure Leasing and Financial Services Limited and IL&FS Energy Development Company Limited on October 1, 2018 and November 01, 2018 respectively. Further, NCLT vide its Order dated October 5, 2018, provided immunity against disability or disqualification as per Section 164 and 167 of the Companies Act, 2013 to such newly appointed Directors. As per the information available in public domain, we could find no further order to the contrary till the date of furnishing this certificate.

\# Mr. B. Sriram (DIN: 02993708) was appointed as a Director on the Board of Unitech Limited on January 22, 2020, pursuant to Order of the Hon'ble Supreme Court ('SC') dated January 20, 2020 vide Ministry of Corporate Affairs ('MCA') Order No. Legal-10/01/2020. There had been a default in repayment of deposits in Unitech Limited as on March 31, 2017 and the failure continues till date. Given the nature of appointment pursuant to SC order and MCA order, the director is a nominee director of the Central Government and accordingly, we assume that the immunity from disqualification is available to the said director on the date of furnishing this certificate.

DIRECTORS' REPORT

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s Vinod Kothari & Company
Practicing Company Secretaries
Unique Code: P1996WB042300

Vinita Nair
Senior Partner
Membership No.: F10559
C P No.: 11902
UDIN: F010559C000162469

Place: Mumbai
Date: April 23, 2021

DIRECTORS' REPORT

ANNEXURE C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. Brief outline on CSR Policy of the Company

Corporate Social Responsibility (CSR) has been a long-standing commitment at ICICI Bank and the ICICI Group and forms an integral part of our activities. The Bank's contribution to social sector development includes several pioneering interventions, and is implemented through the involvement of stakeholders within the Bank, the Group and the broader community. The Bank established the ICICI Foundation for Inclusive Growth (ICICI Foundation) in 2008 with a view to significantly expand the ICICI Group's activities in the area of CSR. Over the last few years ICICI Foundation has developed significant projects in specific areas, and has built capabilities for direct project implementation as opposed to extending financial support to other organisations.

ICICI Bank's objective is to proactively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India's economic progress. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society. ICICI Bank aims to identify critical areas of development that require investments and intervention, and which can help to realize India's potential for growth and prosperity.

The CSR Policy of the Bank sets the framework guiding the Bank's CSR activities. It outlines the governance structure, operating framework, monitoring mechanism and guiding principles for selecting CSR projects/ activities to be undertaken. The Bank's CSR activities are largely focused in the areas of education, health, skill development and sustainable livelihoods, environment, rural development and other activities like disaster relief or other activities under Schedule VII of the Companies Act, 2013 ("the Act").

2. Composition of CSR Committee

Sr. no.	Name of Director	Designation/nature of directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Radhakrishnan Nair	Independent Director/ Chairman of CSR Committee	3	3
2.	Ms. Rama Bijapurkar	Independent Director	3	3
3.	Mr. Uday Chitale	Independent Director	3	3
4.	Mr. Anup Bagchi	Executive Director	3	3

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

Link to the Bank's corporate social responsibility page is:

https://www.icicibank.com/aboutus/corporate-social-responsibility.page?

4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

The Bank conducted impact assessment for three major CSR activities. These are the skill development initiative under the ICICI Academy for Skills conducted through the ICICI Foundation, and the rural development activities and social awareness programme, implemented directly by the Bank. A summary of the findings of the impact assessment studies is provided in Annexure 1 of the Annual Report on CSR, along with a link to the impact assessment reports on the Bank's website.

DIRECTORS' REPORT

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

   This is not applicable since the amended position allowing set-off has come into effect on January 22, 2021 and is not retrospectively applicable for previous financial years.

6. **Average net profit of the Company as per section 135(5)**

   ₹ 92.26 billion

7. ***(a) Two percent of average net profit of the company as per section 135(5)***

   ₹ 1,845.3 million

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years

   This is not applicable since the amended position relating to surplus has come into effect on January 22, 2021 and is not retrospectively applicable for previous financial years.

   (c) Amount required to be set off for the financial year, if any

   Nil (Refer 5 above)

   (d) Total CSR obligation for the financial year [7(a) + 7(b) - 7(c)]

   ₹ 1,845.3 million

8. ***(a) CSR amount spent or unspent for the financial year.***

Total amount spent in FY2021 (in ₹ million)	Amount unspent (in ₹)				
	Total amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2,005.0	Nil	-	-	Nil	-

   (b) Details of CSR amount spent against ongoing projects for the financial year.

   Not applicable

   (c) Details of CSR amount spent against other than ongoing projects for the financial year

Sr. no.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the project (in ₹ million)	Mode of implementation Direct (Yes/No)	Mode of implementation – through implementing agency	
				State[1]	Districts			Name	CSR Registration Number[2]
1.	Covid-19 relief activities	Contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund	No	Pan India	-	500.0	Yes	PM CARES Fund	-
2.	Covid-19 relief (No. of projects: 38)	Disaster management	No	Pan India	551	184.3	No	ICICI Foundation for Inclusive Growth	CSR 00001979
3.	Covid-19 relief efforts (No. of projects: 16)	Preventive healthcare; Disaster management	No	Delhi, Gujarat, Haryana, J&K, Kerala, Ladakh, Maharashtra, MP, Punjab, TN, UP	-	26.0	Yes	-	-
4.	Skill development through ICICI Academy for Skills	Promoting education, employment, enhancing vocational skills	No	AP, Assam, Bihar, Chhattisgarh, Delhi, Gujarat, Haryana, J&K, Jharkhand, Karnataka, Kerala, MP, Maharashtra, Odisha, Punjab, Rajasthan, TN, Telangana, UP, Uttarakhand, WB	28	267.0	No	ICICI Foundation for Inclusive Growth	CSR 00001979

DIRECTORS' REPORT

Sr. no.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Amount spent for the project (in ₹ million)	Mode of impleme-ntation Direct (Yes/No)	Mode of implementation – through implementing agency	
				State[1]	Districts			Name	CSR Registration Number[2]
5.	Rural Livelihood projects (No. of projects: 34)	Livelihood enhancement projects	No	AP, Assam, Bihar, Chhattisgarh, Delhi, Goa, Gujarat, Haryana, HP, J&K, Jharkhand, Karnataka, Kerala, Ladakh, MP, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Punjab, Rajasthan, TN, Telangana, Tripura, UP, Uttarakhand, WB	162	175.0	No	ICICI Foundation for Inclusive Growth	CSR 00001979
6.	Social & environmental projects (No. of projects: 30)	Promoting education healthcare, empowering women, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, disaster relief, maintaining quality of soil, air and water, making available safe drinking water	No	AP, Assam, Bihar, Chhattisgarh, Gujarat, HP, J&K, Jharkhand, Karnataka, Ladakh, MP, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Punjab, Rajasthan, Sikkim, TN, Telangana, UP, Uttarakhand, WB	~100	172.0	No	ICICI Foundation for Inclusive Growth	CSR 00001979
7.	Rural development and related activities	Rural development	No	Pan India	450	482.1	Yes	-	
8.	Education	Promoting education	No	TN	1	50.0	No	Institute for Financial Management and Research	-
9.	Social Awareness	Promoting education	No	AP, Maharashtra, Punjab	5	49.4	Yes	-	-
10.	Relief in areas impacted by Amphan cyclone	Disaster management	No	WB	-	30.0	No	West Bengal State Disaster Management Authority	-
11.	Relief in areas impacted by Amphan cyclone	Disaster management	No	WB	5	9.5	Yes	-	-
12.	Waste management projects (No. of projects: 15)	Hygiene	No	HP, Karnataka, Punjab, TN, Telangana	14	13.6	Yes		
13.	Education	Promoting education	No	Bihar, Gujarat, HP, Rajasthan, UP	10	15.6	Yes	-	-
14.	Facility for providing skill training in tribal area	Reducing inequalities	No	Assam	1	15.0	Yes	-	-
15.	Environment	Ensuring environmental sustainability	No	TN, Telangana	2	2.8	Yes	-	-
16.	Heritage	Protection of national heritage, art and culture	No	Gujarat	1	1.7	Yes	-	-
17.	Drinking water facilities	Making available safe drinking water	No	Gujarat, Haryana, HP, Maharashtra, Punjab, UP	10	1.6	Yes	-	-
18.	Sanitation	Hygiene	No	HP, Karnataka, UP	3	1.6	Yes		
19.	Financial Literacy and Counselling	Promoting education	No	Pan India	-	1.7	No	Disha Trust	-
20.	Livelihoods	Livelihood enhancement	No	HP	1	0.1	Yes	-	-
21.	Healthcare	Promoting healthcare	No	Maharashtra	1	2.5	No	Vidhi Legal Centre for Policy	-
22.	Covid-19 relief	Promoting healthcare	No	Maharashtra	1	2.0	No	GiveIndia	-
23.	Covid-19 relief	Promoting healthcare	No	Maharashtra	1	1.5	No	Pune Municipal Corporation	-
	Total					**2,005.0**			

[1] Includes Union Territories

[2] CSR registration number is mandatory from fiscal 2022

AP: Andhra Pradesh, HP: Himachal Pradesh, J&K: Jammu and Kashmir, MP: Madhya Pradesh, TN: Tamil Nadu, UP: Uttar Pradesh, WB: West Bengal

DIRECTORS' REPORT

(d) Amount spent in Administrative Overheads

Not included in CSR expense.

(e) Amount spent on Impact Assessment, if applicable

Not included in CSR expense.

(f) Total amount spent for the financial year: [8(b) + 8(c) + 8(d) + 8(e)]

₹ 2,005.0 million

(g) Excess amount for set-off, if any

Sr. no.	Particular	Amount (in ₹ million)
(i)	2% of average net profit of the company as per section 135(5)	1,845.3
(ii)	Total amount spent for the Financial Year	2,005.0
(iii)	Excess amount spent for the financial year [(ii)-(i)]	159.7
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	159.7

9. ***(a) Details of Unspent CSR amount for the preceding three financial years***

This is not applicable since the amended requirement to transfer unspent CSR amounts has come into effect on January 22, 2021 and is not retrospectively applicable for previous financial years

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

This is not applicable since the concept of "Ongoing Project" has come into effect on January 22, 2021 and is not retrospectively applicable for previous financial years

10. In case of creation or acquisition of capital assets, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

Sr. no.	Details of capital asset	Date of creation or acquisition	Amount spent (₹ mn)	Details of entity or public authority or beneficiary under whose name the capital asset is registered
1.	Ventilators	April-May 2020	19.5	Various hospitals including municipal and state government hospitals in the states of Maharashtra, Haryana, Delhi, Jharkhand, Bihar, Telangana, Ladakh, Jammu and Kashmir
2.	Equipment for facilitating organ donations	March 31, 2021	10.1	Municipal hospitals at Hyderabad, Warangal and Nizamabad in Telangana
3.	Equipment for subsidized cancer care	March 30, 2021	8.0	Tata Memorial Hospital, Mumbai, Maharashtra
4.	Oxygen generation plant	March 31, 2021	7.6	Sasoon Hospital, Pune Maharashtra
5.	Dialysis machines	March 31, 2021	42.0	Various hospitals in the states of Rajasthan, Maharashtra, Uttarakhand, Gujarat, Madhya Pradesh, Mizoram, Manipur, Nagaland, Meghalaya, Jammu & Kashmir, Assam, Sikkim, Odisha, Chhattisgarh,

DIRECTORS' REPORT

Sr. no.	Details of capital asset	Date of creation or acquisition	Amount spent (₹ mn)	Details of entity or public authority or beneficiary under whose name the capital asset is registered
6.	Sanitiser basins	May 19, 2020	3.4	Multiple locations of Punjab State Agricultural Marketing Board
7.	Hospital beds	March 31, 2021	3.2	Municipal Hospital at BYTCO Point, Nasik, Maharashtra
8.	Structures for accessing potable water	March 24, 2021	3.0	Divisional Forest Office, Central Forest Division, Manipur Government
9.	Battery operated garbage vans	October 25, 2020	3.0	Commissioner, Salem Corporation, Main Office, Fort Main Road, Salem, Tamil Nadu
10.	Battery operated garbage vans	October 26, 2020	3.0	Commissioner, Tirrupur City Municipal Corporation, Mangalam Road, Tirrupur
11.	Sanitising machines	Multiple timelines	2.7	Various locations in Rajasthan, Odisha, Chhattisgarh and Bihar
12.	Battery operated garbage vans	March 9, 2021	2.3	City Engineer, Tirunelveli Corporation, Tirunelveli City Municipal Corporation, S.N. High Road, Tirunelveli
13.	Covid-19 war room	April 21, 2020	1.8	Madhya Pradesh Government
14.	Ambulance	March 12, 2021	1.4	Trivandrum Government Medical College Hospital, Tiruvananthapuram, Kerala
15.	Tricycle garbage vans	March 31, 2021	1.0	City Engineer, Madurai Corporation, Aringar Anna Maligai, Outpost, Thallakulam, Madurai, Tamil Nadu
16.	Food processing unit	February 16, 2021 February 25, 2021	0.9	Collective of tribal women beneficiaries, Udaipur, Rajasthan
17.	Chillers for Women Dairy Cooperatives	March 20, 2021	0.5	Sundarban Cooperative Milk & Livestock Producers' Union Ltd, West Bengal
18.	Trommelling machine	June 12, 2020	0.5	Additional Deputy Commissioner, Bhiwani, ADC Office, Mini Secretariat, Bhiwani, Haryana

11. Specify the reason(s), if the company has failed to spend 2.0% of the average net profit as per section 135(5).

Not applicable

Anup Bagchi
Executive Director
DIN: 00105962

Radhakrishnan Nair
Chairman, CSR Committee
DIN: 07225354

July 15, 2021

DIRECTORS' REPORT

ANNEXURE 1: SUMMARY OF IMPACT ASSESSMENT STUDY

1. ICICI Foundation's skill development project under ICICI Academy for Skills

The impact assessment was undertaken for the skill development project carried out by ICICI Foundation under the ICICI Academy for Skills in fiscal 2020. The objective of the project was to provide an opportunity to lesser privileged youth to improve employability and enable them to earn a sustainable livelihood. The impact of the project has been analysed in four key areas: inclusiveness, relevance, impact created and service delivery. Key findings were:

- The project has a high social return on investment (SROI). Every rupee spent generated a social value of ₹ 8.69 (in a Covid-19 impacted scenario) and ₹ 10.67 (in a business as usual scenario)
- The overall profile of the respondents reflected inclusiveness of the project. The gender ratio in the FY2020 batches were 1:1. Two-thirds of the trainees in non-technical courses were females and two-thirds of the candidates came from tier 2 and tier 3 cities/towns. The Academy gets trainees from diverse educational backgrounds and is able to cater to varying levels of educational qualifications.
- The training provided at the centres was found to be highly relevant by trainees as well as employers. As per the assessment, 85% employers found the skill training and technical know-how sound and industry-relevant; 84% of employers found the candidates to have the right attitude and adapt to the workplace culture; 70% of the candidates had clarity on career prospects and 98% students mentioned that they would refer their friends/relatives to join the Academy.
- In terms of impact created, the project had a high placement ratio with 97% of the candidates receiving placement offer letters; 74% of the candidates believe the Academy has substantially contributed to improving their livelihood; 84% of the candidates are part of the active workforce and 16% are pursuing advanced courses.
- The quality of service delivery across the training centres of ICICI Academy for Skills was found to be consistent on various rating parameters.
- The project was considered to be a step higher than other domain peers and industry trends. The study found that the scale and intensity of the project had led to higher impact for beneficiaries. The project had a higher placement success rate and higher average monthly salary being offered to candidates. than similar level projects in the industry.

2. Financial inclusion project as part of rural development

The objective of the project is to leverage technology to ensure rural people have access to formal banking system in order to avail various direct benefit transfers (DBT) from flagship government schemes. The assessment involved undertaking stakeholder interactions across various states to understand the benefits of financial inclusion interventions and the outcomes realized such as access to formal banking, access to direct benefit transfers into the bank accounts and increased saving. Key findings were:

- 100% of the respondents were found to have improved access to formal banking at the village level.
- More than 95% respondents have improved access to direct benefit transfers linked to various government schemes.
- More than 90% respondents have increased savings due to access to formal banking.

The study showed that the program benefited the target audience in a number of direct and indirect ways. Availability of banking services at the doorstep improved access to banking and reduced turnaround time for providing benefits from government schemes. The study observed that the beneficiaries preferred direct benefit transfers for government schemes through bank accounts. Improved financial literacy and easy steps to banking led to increased confidence among the previously unbanked people. Respondents also stated that the formal banking process enabled them to plan their expenditures due to an increase in savings.

3. Social Awareness

A pan-India Social Awareness project was undertaken in fiscal 2020. The project involved installation of

DIRECTORS' REPORT

signages that can provide important information and create awareness. This effort was in tie-up with local government bodies to ensure local contextualization and relevance of the messages. The objective of this project was to create public awareness around themes of environmental sustainability, health, education, gender equality, and traffic safety across various cities in India. Key findings were:

- A number of these project sites with awareness messages were still active, catalyzing a behavioural change in the general public.
- The project created a strong visual engagement and created a nudge for awareness within the community. Broad estimates indicated that the project created visibility for 5.5 crore commuters and 653 crore visibility impressions per year.
- The project has an even geographic spread that has touched more than 23 states and 183 cities across India by installing more than 8,200 signages which include signage boards, barricades, road safety boards, and tree guards.
- The hybrid model of beautification along with social awareness helped to establish a connection with the community in addition to instilling a sense of responsibility.
- The themes covered through the awareness project were aligned to 14 UN Sustainable Development Goals (SDGs).

Overall, the Social Awareness Project has been aligned to achieve the objective of bringing about a positive transformation in the cultural and social fabric of our society at large.

Link to the impact assessment reports on the Bank's website:
https://www.icicibank.com/aboutus/corporate-social-responsibility.page?#toptitle

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of ICICI Bank Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 14 September 2020.

2. We have examined the compliance of conditions of corporate governance by **ICICI Bank Limited** ('the Bank') for the year ended on **31 March 2021**, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Bank has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Bank for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

5. We have examined the relevant records of the Bank in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Bank has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2021.

   We state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid Listing Regulations and should not be used, referred to or distributed for any other purpose or to any other party, without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this certificate is shown or into whose hands it may come, without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No: 105782

UDIN: 21105782AAAADX2538

Place: Mumbai
Date: 01 June 2021

MANAGEMENT'S DISCUSSION & ANALYSIS

OPERATING ENVIRONMENT

In fiscal 2021, the Covid-19 pandemic impacted most economies and banking systems globally, including India. The nation-wide lockdown in April-May 2020 substantially impacted economic activity. The easing of lockdown measures subsequently led to gradual improvement in economic activity and progress towards normalcy. For the banking sector, these developments resulted in lower demand for loans and fee-based services and regulatory measures like moratorium on payment of dues and standstill in asset classification to mitigate the economic consequences on borrowers. It also resulted in increase in provisioning reflecting higher actual and expected additions to non-performing loans following the cessation of moratorium and asset classification standstill. In March-April 2021, the second wave of the Covid-19 pandemic, where the number of new cases has increased significantly across India in both urban and rural areas, has resulted in re-imposition of localised/ regional lock-down measures in various parts of the country.

Growth

As a result of the sharp reduction in economic activity during April-May 2020, and gradual revival later in the year, India's Gross Domestic Product (GDP) contracted by 10.4% during the nine months ended December 31, 2020, compared to a growth of 4.4% in the corresponding nine months ended December 31, 2019. Investments as measured by gross fixed capital formation declined by 17.6% during the nine months ended December 31, 2020 compared to a growth of 6.5% during the nine months ended December 31, 2019 and private final consumption expenditure declined by 13.1% in the nine months ended December 31, 2020 compared to a growth of 6.8% in the nine months ended December 31, 2019. On a gross value added basis, the agriculture sector grew by 3.5% during the nine months ended December 31, 2020 compared to a growth of 3.4% during the nine months ended December 31, 2019, reflecting the relative resilience of the rural economy in the pandemic. The industrial sector declined by 12.4% during the nine months ended December 31, 2020 compared to a decline of 0.9% during the nine months ended December 31, 2019 and the services sector declined by 11.5% during the nine months ended December 31, 2020 compared to a growth of 7.5% during the nine months ended December 31, 2019. The Government of India and Reserve Bank of India (RBI) announced several measures during the year including moratorium on loan repayments, credit guarantee schemes, support to economically weaker sections of the population, and liquidity and interest rate measures to maintain financial stability and support economic recovery.

According to government estimates, India's GDP is expected to decline by 8.0% during fiscal 2021 compared to a growth of 4.0% in fiscal 2020.

Inflation

Inflation, as measured by the Consumer Price Index (CPI), remained high during the early part of fiscal 2021. The CPI inflation increased from 5.8% in March 2020 to 7.6% in October 2020. However, inflation subsequently eased during the latter part of the year to a low of 4.1% in January 2021 before rising to end the year at 5.5% in March 2021. The movement in inflation was largely determined by food and fuel prices.

Interest rates

RBI reduced the repo rate by an aggregate 115 basis points with a 75 basis points reduction to 4.40% in March 2020 and further 40 basis points to 4.00% in May 2020, as a measure to combat the impact of the Covid-19 pandemic. The policy rate was kept unchanged for the rest of the year. The Monetary Policy Committee maintained an accommodative stance through the year with a view to sustain growth and mitigate the impact of Covid-19 on the economy. During the year, Indian banks reduced the interest rate on savings deposits and term deposits, given the excess systemic liquidity. Lending rates of banks also moderated with the median one-year marginal cost of fund-based lending rate of scheduled commercial banks declining by about 90 basis points during the year.

Financial markets

During fiscal 2021, the Rupee appreciated by 3.2% from ₹ 75.54 per US dollar at March 31, 2020 to ₹ 73.11 per US dollar at March 31, 2021. Yields on the benchmark 10-year government securities remained moderate in the range of 5.0%-6.0% for most part of the year, supported by comfortable systemic liquidity maintained by RBI through the year. Bond yields, however, increased towards the end of the year following higher government borrowing estimates in the Union Budget for fiscal 2022. The benchmark 10-year government yields were at 6.17% at March 31, 2021 compared to 6.14% at end-March 2020.

Banking sector trends

Non-food credit growth of the banking system remained muted in the range of 5.0-7.0% through the year following the slowdown in economic activity due to the Covid-19 pandemic. Non-food credit growth was 5.5% year-on-year

MANAGEMENT'S DISCUSSION & ANALYSIS

at March 26, 2021. As per data on sector-wise deployment of credit as of February 26, 2021 released by RBI, retail loans grew by 9.6%, credit to the services sector by 9.3% and credit to the agriculture sector by 10.2% while credit to industry declined by 0.2%. Deposit growth was higher compared to credit growth during fiscal 2021. Growth in total deposits remained above 10.0% throughout fiscal 2021, with year-on-year growth of 11.4% at March 26, 2021.

According to RBI's Financial Stability Report of December 2020, non-performing assets (NPA) of scheduled commercial banks declined during the first six months of fiscal 2021, with gross NPA ratio at 7.5% and net NPA ratio at 2.1% at September 30, 2020 compared to a gross NPA ratio of 8.5% and net NPA ratio of 3.0% at March 31, 2020. However, the level of NPAs at September 2020 did not reflect the actual stress in the banking sector due to the moratorium and standstill in asset classification permitted by RBI as part of measures related to the Covid-19 pandemic. Lending institutions were allowed to extend a moratorium on term loan instalments and interest on working capital facilities for six months from March 1, 2020 to August 31, 2020 in case of qualifying borrowers, along with a standstill in asset classification as standard. According to RBI, as on August 31, 2020, customers accounting for 40.0% of outstanding bank loans had availed the benefit of the moratorium. Further, the Supreme Court through an interim order had directed that accounts which were not classified as non-performing till August 31, 2020 should not be declared non-performing after August 31, 2020 till further orders. This interim order was in force till the pronouncement of the final judgement by the Supreme Court in March 2021, following which accounts were classified as per applicable RBI guidelines.

Several private sector banks, including us, strengthened their capital position by raising equity capital during the year. Banks also generally maintained additional liquidity buffers and made additional provisions to address actual and expected increases in non-performing loans as a result of the pandemic and consequent economic disruption.

Measures announced by RBI during the year in response to the Covid-19 pandemic were:

Monetary measures

- The repo rate was reduced by 115 basis points with the last reduction of 40 basis points to 4.0% in May 2020; policy rate kept unchanged for the rest of the year.
- The cash reserve ratio (CRR) requirement of banks was reduced by 100 basis points from 4.00% of net demand and time liabilities (NDTL) to 3.0% of NDTL. This was effective from March 28, 2020 for a period of one year up to March 26, 2021. This would be gradually restored to the earlier 4.0% in a phased manner with banks required to maintain the CRR at 3.50% of their NDTL effective from the fortnight beginning March 27, 2021 and at 4.00% of their NDTL effective from fortnight beginning May 22, 2021.
- The minimum daily CRR balance requirement was reduced from 90.0% to 80.0% effective from the fortnight beginning March 28, 2020. This was allowed up to September 25, 2020.
- The limit for borrowing overnight under the marginal standing facility (MSF) by dipping into the Statutory Liquidity Ratio (SLR) was raised to 3.0% of NDTL from the earlier 2.0%, up to June 30, 2020. This dispensation was subsequently extended till March 31, 2021. Following the onset of the second wave of Covid-19, RBI extended it further till September 30, 2021.

Regulatory measures

- Banks and other lending institutions were allowed to provide a moratorium on all term loans (including agriculture term loans, retail and crop loans). Initially the moratorium was permitted for three months on payment of instalments falling due between March 1, 2020 to May 31, 2020, which was subsequently extended by another three months to August 31, 2020. Interest would continue to accrue on the outstanding portion of the term loan during the moratorium period. Instalments include principal and/or interest component, bullet repayments, equated monthly instalments and credit card dues.
- A stand-still in asset classification for accounts where the borrower availed of the moratorium on payments for term loans was available from March 1, 2020 to August 31, 2020. For all accounts classified as standard as of February 29, 2020, even if overdue, the moratorium period, if applicable, was required to be excluded by the lending institutions from the number of days past-due for the purpose of asset classification. Similarly, in respect of working capital loans, if deferment was granted, all facilities classified as standard, including special mention accounts, as of February 29, 2020, were required to be excluded for the determination of out of order status. Banks were required to make general provisions of not less

MANAGEMENT’S DISCUSSION & ANALYSIS

than 10.0% of the total outstanding amount of such accounts. This provision could be made over the two quarters ending at March 31, 2020 and June 30, 2020, at a minimum 5.0% per quarter. This provision was not permitted to be deducted from gross non-performing assets while calculating the net non-performing assets.

- Banks and other lending institutions were allowed to defer the recovery of interest on working capital facilities during the period March 1, 2020 to August 31, 2020.
- Banks were permitted to convert the accumulated interest for the deferment period, from March 1, 2020 to August 31, 2020, on working capital facilities into a funded interest term loan, which would be repayable by March 31, 2021.
- Banks were required to disclose details pertaining to special mention accounts and overdue accounts where moratorium or deferment had been granted, amounts where asset classification benefits were extended and provisions for losses in the financial statements for fiscal 2020, the six months ending September 30, 2020 and fiscal 2021.
- For stressed assets, where a resolution plan was underway under extant RBI guidelines and that were within the review period as of March 1, 2020, the period from March 1, 2020 to August 31, 2020 could be excluded from the calculation of the 180-day review period for resolution.
- As a one-time measure to facilitate flow of financing to corporate entities, the level of permissible exposure of a bank to a group of connected counterparties was increased from 25.0% to 30.0% of the capital base of the bank. This is applicable until June 30, 2021.
- In August 2020, RBI permitted banks and other lenders to implement a resolution plan in respect of loans to corporates and individuals, along with the assets being classified as standard subject to specific conditions. Lenders had to ensure that the resolution facility was provided only to borrowers impacted by Covid-19. The resolution facility was applicable for accounts that were classified as standard and not in default for more than 30 days at March 1, 2020, and continued to remain standard till the invocation of the resolution plan. The resolution plan had to be finalised and invoked by December 31, 2020, and implemented within 90 days from the date of invocation in case of personal loans and 180 days for corporate loans.
- Banks were restricted from making dividend payouts from the profits pertaining to fiscal 2020.
- Implementation of the last tranche of 0.625% of the Capital Conservation Buffer was deferred from March 31, 2020 to October 1, 2020 and then to April 1, 2021, and has been further deferred to October 1, 2021.
- The implementation of the net stable funding ratio has been deferred to October 1, 2021.
- The liquidity coverage ratio to be maintained by banks was lowered from 100% to 80.0% until September 30, 2020, thereafter increasing to 90.0% from October 1, 2020, and further to 100.0% from April 21, 2021.
- Banks were granted a special dispensation of enhanced held-to-maturity (HTM) limit of 22.0% of NDTL, from the earlier 19.5%, for SLR securities acquired between September 1, 2020 and March 31, 2021, until March 31, 2022. The enhanced limit was required to be restored in a phased manner over three quarters beginning with the quarter ending June 30, 2022. This dispensation was extended to March 31, 2023 for SLR securities acquired between April 1, 2021 to March 31, 2022. With this, banks could exceed the HTM limit from 19.5% to up to 22.0% till March 31, 2023, provided the excess is on account of SLR securities acquired between September 1, 2020 to March 31, 2022.

In September 2020, the Supreme Court, in a writ petition seeking waiver of interest on loans during the moratorium, directed that accounts which were not declared as non-performing till August 31, 2020 should not be declared as NPA till further orders. This interim order was in force till the pronouncement of the final judgement by the Supreme Court in March 2021, following which accounts were classified as per applicable RBI guidelines. In October 2020, the Government of India announced a “Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts”. As per the scheme, lending institutions would credit the difference between the compound interest and simple interest to the account of eligible borrowers reckoned for a period of six months between March 1, 2020 and August 31, 2020. Banks and other lending institutions could subsequently claim reimbursement of the amount

MANAGEMENT'S DISCUSSION & ANALYSIS

credited to borrowers from the central government. The scheme was applicable for borrowers having aggregate sanctioned limit and outstanding amount not exceeding ₹ 20.0 million from lending institutions as on February 29, 2020. In March 2021, the Supreme Court in its judgement ordered a waiver of the interest on interest charged to borrowers during the moratorium period from March 1, 2020 to August 31, 2020. The methodology for calculation of the amount to be refunded/adjusted for different facilities was finalised by the Indian Banks' Association (IBA) in consultation with industry participants/bodies. The banks have made provision for the estimated refund amounts in their financial statements for fiscal 2021 and are in the process of refunding the applicable amounts to borrowers.

The Government of India announced certain measures to ease the impact of the pandemic. At the beginning of the year, the Government announced the Emergency Credit Line Guarantee Scheme (ECLGS) for collateral-free loans with an aggregate value of up to ₹ 3.0 trillion to small and medium enterprises (MSMEs). Subsequently, the coverage of the ECLGS scheme was expanded from MSMEs to include entities in 26 stressed sectors identified by the Expert Committee set up by RBI for resolution of stressed assets, and the healthcare sector. The ECLGS was extended till March 31, 2021. Other measures included an employment scheme to incentivise job creation, a production-linked incentive scheme for promoting the domestic manufacturing sector, income tax relief for developers and home buyers and support to the agriculture sector.

Other major announcements by RBI pertaining to the banking sector were:

- In November 2020, RBI released the report of the Internal Working Group to review the extant ownership and corporate structure guidelines for Indian private sector banks and sought feedback on the recommendations by January 15, 2021. The recommendations for licensing of private banks include allowing large corporate houses as promoters of banks subject to necessary amendments to the Banking Regulations Act, 1949 to deal with connected lending and strengthening of the supervisory mechanism. Other recommendations include an increase in minimum initial capital requirement for licensing new banks from ₹ 5.00 billion to ₹ 10.00 billion, requirement of Non-Operative Holding Company Structure (NOFHC) for of all new licenses and banks licensed before 2013 could move to an NOFHC structure at their discretion, on attaining a tax-neutral status but within five years from announcement of tax-neutrality.
- The RBI announced rules for opening of current accounts by banks. Banks are not permitted to open current account for customers availing only cash credit or overdraft facilities from the banking system. For borrowers who have credit facilities from the banking system and have not availed cash credit or overdraft facilities, non-lending banks are not permitted to open a current account. Further, rules have been given for lenders eligible for opening a current account subject to the exposure of the banking system to the borrower. Banks will have to monitor all current accounts and cash credit/overdraft facilities at least on a quarterly basis.
- To improve credit flow to certain sectors, RBI announced two measures in October 2020. The limit on aggregate retail exposure to a single counterparty was enhanced from ₹ 50.0 million to ₹ 75.0 million. Further, the risk weights on individual housing loans were rationalised. All new housing loans sanctioned on or after October 16, 2020 and up to March 31, 2022, a loan-to-value (LTV) ratio of less than or equal to 80% would attract a risk weight of 35% and for LTV between 80%-90%, the risk weight would be 50%. This is irrespective of the loan amount. A standard asset provision of 0.25% on these loans would continue.

During the year, the merger of 10 public sector banks into four big banks, announced by the government in fiscal 2020, became effective from April 1, 2020. In November 2020, RBI announced the amalgamation of a private sector bank, that was under prompt corrective action, with a foreign bank. Further, in the Union Budget for fiscal 2022, the Finance Minister indicated that the government would divest its stake in two public sector banks.

Outlook

Estimates of India's GDP for fiscal 2022, by various agencies and analysts, indicate a strong growth in GDP. However, in March-April 2021, the second wave of the Covid-19 pandemic, where the number of new cases has increased significantly in India, has resulted in re-imposition of localised/regional lock-down measures in various parts of the country. Going forward, economic activity will depend on the trajectory of the second wave of Covid-19, the progress of the vaccination programme

MANAGEMENT'S DISCUSSION & ANALYSIS

and the restrictions on activity and the period for which they continue.

A prolonged period of economic weakness caused by the second wave of the pandemic and uncertainty regarding normalisation could continue to impact banking sector loan growth, revenues, margins, asset quality and credit costs in fiscal 2022.

STRATEGY

During fiscal 2021, the Bank continued to focused on its strategic objective of risk calibrated profitable growth. The core operating profit of the Bank grew by 16.9% during fiscal 2021. The profit after tax increased from ₹ 79.31 billion in fiscal 2020 to ₹ 161.93 billion in fiscal 2021. The profit after tax in fiscal 2021 includes the impact of net Covid-19 related provision amounting to ₹ 47.50 billion. The Bank maintained a healthy provisioning coverage ratio on NPAs, Covid-19 related provision of ₹ 74.75 billion at March 31, 2021 and a strong capital position with capital adequacy ratios significantly above regulatory requirements.

The Bank focuses on creating holistic value propositions for its customers by having a 360-degree customer-centric approach and capturing opportunities across customer ecosystems, leveraging internal synergies, building partnerships and decongesting processes. Cross-functional teams have been created to tap into key customer and market segments, enabling 360-degree coverage of customers and increasing wallet share. The Bank has also delayered its organisation structure and empowered teams at the local level to create flexibility and agility in capturing business opportunities. This improves the ability of the Bank to connect with customers and respond to their needs.

Technology is core to the Bank's business strategy. Using ICICI STACK, the Bank creates digital journeys and aims to offer personalised and customised solutions to customers to suit their life-stage and business needs. The Bank partners with technology companies and platforms to leverage opportunities for growth and enhancing service delivery and customer experience. The Bank leverages technology and analytics for deeper insights into customer needs and behaviour. The Bank continues to invest in technology to enhance its offerings to customers as well as the scalability, flexibility and resilience of its technology architecture.

The Bank aims to be the trusted financial services provider of choice for its customers and deliver products and services that create value. The twin principles of "One Bank, One RoE" emphasising the need to maximize the Bank's share of the target opportunity across all products and services, and "Fair to Bank, Fair to Customer" emphasising the need to deliver fair value to customers while creating value for shareholders, guide the Bank's operations. The Bank seeks to sell products and offer services which meet societal needs and are in the interest of our customers.

In view of the continuing uncertainties and risks in the operating environment, the Bank continues to focus on ensuring a resilient balance sheet and maintaining strong capital levels. The Bank will focus on maintaining and further enhancing its deposit franchise, closely monitoring credit trends and growing its business in identified areas in a risk-calibrated manner. The Bank's long-term strategic approach of maximizing its core operating profit within the guardrails of compliance and risks will continue. The Bank will focus on creating sustainable value for all its stakeholders.

STANDALONE FINANCIALS AS PER INDIAN GAAP

Summary

Core operating profit increased by 16.9% from ₹ 268.08 billion in fiscal 2020 to ₹ 313.51 billion in fiscal 2021 primarily due to an increase in net interest income by ₹ 57.22 billion, offset, in part, by a decrease in fee income by ₹ 10.52 billion. Income from treasury-related activities increased from ₹ 12.93 billion in fiscal 2020 to ₹ 50.46 billion in fiscal 2021. Operating expenses decreased from ₹ 216.15 billion in fiscal 2020 to ₹ 215.61 billion in fiscal 2021 and provisions and contingencies (excluding provision for tax) increased by 15.4% from ₹ 140.53 billion in fiscal 2020 to ₹ 162.14 billion in fiscal 2021. Profit after tax increased from ₹ 79.31 billion in fiscal 2020 to ₹ 161.93 billion in fiscal 2021.

Net interest income increased by 17.2% from ₹ 332.67 billion in fiscal 2020 to ₹ 389.89 billion in fiscal 2021 reflecting an increase of 18.3% in the average volume of interest-earning assets, offset, in part, by a decrease in the net interest margin by 4 basis points from 3.73% in fiscal 2020 to 3.69% in fiscal 2021.

Fee income decreased by 7.7% from ₹ 137.11 billion in fiscal 2020 to ₹ 126.59 billion in fiscal 2021. Fee income for fiscal 2021 was impacted due to lower borrowing and investment activity by customers and lower consumer spends caused by the nation-wide lockdown for the first two months of fiscal 2021. The easing of lockdown

MANAGEMENT'S DISCUSSION & ANALYSIS

measures subsequently led to gradual improvement in economic activity and progress towards normalcy. Dividend from subsidiaries decreased by 3.1% from ₹ 12.73 billion in fiscal 2020 to ₹ 12.34 billion in fiscal 2021.

Income from treasury-related activities increased from ₹ 12.93 billion in fiscal 2020 to ₹ 50.62 billion in fiscal 2021. During fiscal 2021, the Bank had sold 3.96% equity shareholding in ICICI Lombard General Insurance Company Limited (ICICI General), 1.50% equity shareholding in ICICI Prudential Life Insurance Company Limited (ICICI Life) and 4.21% equity shareholding in ICICI Securities Limited (ICICI Securities) and made a net gain of ₹ 36.70 billion.

Provisions and contingencies (excluding provision for tax) increased by 15.4% from ₹ 140.53 billion in fiscal 2020 to ₹ 162.14 billion in fiscal 2021 primarily due to an increase in provision on non-performing and other assets and Covid-19 related provision, offset, in part, by decrease in provision on investments. Provision on non-performing and other assets increased from ₹ 88.15 billion in fiscal 2020 to ₹ 107.49 billion in fiscal 2021 primarily due to change in provisioning policy on non-performing assets to make it more conservative and higher additions to NPAs in retail loans, offset, in part, by lower ageing provision on loans classified as NPAs in earlier years.

The provision coverage ratio increased on NPAs from 75.7% at March 31, 2020 to 77.7% at March 31, 2021.

In addition to Covid-19 related provision of ₹ 27.25 billion made in fiscal 2020, during the first quarter of fiscal 2021, the Bank made Covid-19 related provision of ₹ 55.50 billion. In the third quarter of fiscal 2021, the Bank utilised ₹ 18.00 billion of Covid-19 related provisions made in the earlier periods.

Further, in fourth quarter of fiscal 2021, in view of the second wave of the Covid-19 pandemic across India, the Bank made additional Covid-19 related provision amounting to ₹ 10.00 billion on a prudent basis. Accordingly, at March 31, 2021, the Bank held aggregate Covid-19 related provision of ₹ 74.75 billion.

The income tax expense decreased from ₹ 61.17 billion in fiscal 2020 to ₹ 39.90 billion in fiscal 2021. The effective tax rate decreased from 43.5% in fiscal 2020 to 19.8% in fiscal 2021. In fiscal 2020, there was a one-time additional charge due to re-measurement of accumulated deferred tax asset due to change in income-tax rate.

Net worth increased from ₹ 1,165.04 billion at March 31, 2020 to ₹ 1,475.02 billion at March 31, 2021 primarily due to capital of ₹ 150.00 billion raised in August 2020 through Qualified Institutions Placement (QIP) and retained earnings.

Total assets increased by 12.0% from ₹ 10,983.65 billion at March 31, 2020 to ₹ 12,304.33 billion at March 31, 2021. Cash and cash equivalents increased by 11.7% from ₹ 1,191.56 billion at March 31, 2020 to ₹ 1,331.28 billion at March 31, 2021. Total investments increased by 12.7% from ₹ 2,495.31 billion at March 31, 2020 to ₹ 2,812.87 billion at March 31, 2021. Total advances increased by 13.7% from ₹ 6,452.90 billion at March 31, 2020 to ₹ 7,337.29 billion at March 31, 2021 primarily due to an increase in domestic advances by 17.7%, offset, in part, by a decrease in overseas advances by 30.3%.

The average high-quality liquid assets, after haircut, maintained during the three months ended March 31, 2021 was ₹ 2,767.44 billion (three months ended March 31, 2020: ₹ 1,827.38 billion). The average liquidity coverage ratio was 138.13% for the three months ended March 31, 2021 as against the requirement of 90.0%.

Total deposits increased by 21.0% from ₹ 7,709.69 billion at March 31, 2020 to ₹ 9,325.22 billion at March 31, 2021. Term deposits increased by 18.4% from ₹ 4,231.51 billion at March 31, 2020 to ₹ 5,008.99 billion at March 31, 2021. Current and savings account (CASA) deposits increased by 24.1% from ₹ 3,478.19 billion at March 31, 2020 to ₹ 4,316.23 billion at March 31, 2021. Average CASA deposits increased by 18.9% from ₹ 2,814.37 billion at fiscal 2020 to ₹ 3,346.32 billion at fiscal 2021. Borrowings decreased by 43.7% from ₹ 1,628.97 billion at March 31, 2020 to ₹ 916.31 billion at March 31, 2021.

The Bank had a branch network of 5,266 branches and an ATM network of 14,136 ATMs at March 31, 2021.

The Bank is subject to Basel III capital adequacy guidelines stipulated by RBI. The total capital adequacy ratio of the Bank at March 31, 2021 (after deducting proposed dividend for fiscal 2021 from capital funds) in accordance with RBI guidelines on Basel III was 19.12% with a Tier-1 capital adequacy ratio of 18.06% as compared to 16.11% with a Tier-1 capital adequacy ratio of 14.72% at March 31, 2020. The CET-1 ratio was 16.80% at March 31, 2021 as compared to 13.39% at March 31, 2020.

Impact of Covid-19 on the performance of the Bank

The Covid-19 pandemic has impacted most economies and banking systems globally, including India. The nation-wide lockdown in April-May 2020 substantially impacted economic activity. The easing of lockdown measures subsequently led to gradual improvement in economic activity and progress towards normalcy. For the banking sector, these developments resulted in lower demand for loans and fee-based services and regulatory measures

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like moratorium on payment of dues and standstill in asset classification to mitigate the economic consequences on borrowers. It also resulted in increase in provisioning reflecting higher actual and expected additions to non-performing loans following the cessation of moratorium and asset classification standstill. The current second wave of Covid-19 pandemic, where the number of new cases has increased significantly in India, has resulted in re-imposition of localised/regional lock-down measures in various parts of the country.

The impact of the Covid-19 pandemic, on the Bank and the Group, including credit quality and provision, is uncertain and will depend on the trajectory of Covid-19, the progress of the vaccination programme, the extent of lock-down measures, the effectiveness of current and future steps taken by the government and central bank to mitigate the economic impact, steps taken by the Bank and the Group and the time it takes for economic activities to return to pre-pandemic levels. The Bank's capital and liquidity position is strong and would continue to be a focus area for the Bank during this period.

OPERATING RESULTS DATA

The following table sets forth, for the periods indicated, the operating results data.

₹ in billion, except percentages

Particulars	Fiscal 2020	Fiscal 2021	% change
Interest income	₹ 747.98	**₹ 791.18**	5.8%
Interest expense	415.31	**401.29**	(3.4)
Net interest income	**332.67**	**389.89**	**17.2**
Fee income[1]	137.11	**126.59**	(7.7)
Dividend from subsidiaries	12.73	**12.34**	(3.1)
Other income	1.72	**0.30**	(82.6)
Core operating income	**484.23**	**529.12**	**9.3**
Operating expenses	216.15	**215.61**	(0.2)
Core operating profit	**268.08**	**313.51**	**16.9**
Treasury income	12.93	**50.46**	-
Operating profit	**281.01**	**363.97**	**29.5**
Provisions, net of write-backs	140.53	**162.14**	15.4
Profit before tax	**140.48**	**201.83**	**43.7**
Tax, including deferred tax	61.17	**39.90**	(34.8)
Profit after tax	**₹ 79.31**	**₹ 161.93**	**104.2**

1. *Includes merchant foreign exchange income and margin on customer derivative transactions.*
2. *All amounts have been rounded off to the nearest ₹ 10.0 million.*
3. *Prior period figures have been re-grouped/re-arranged, where necessary.*

KEY RATIOS

The following table sets forth, for the periods indicated, the key financial ratios.

Particulars	Fiscal 2020	Fiscal 2021
Return on average equity (%)[1]	7.07	**12.21**
Return on average assets (%)[2]	0.81	**1.42**
Net interest margin (%)	3.73	**3.69**
Cost to income (%)[3]	43.50	**37.20**
Provisions to core operating profit[4]	42.26	**36.57**
Earnings per share (₹)	12.28	**24.01**
Book value per share (₹)	179.99	**213.28**

1. *Return on average equity is the ratio of the net profit after tax to the quarterly average equity share capital and reserves.*
2. *Return on average assets is the ratio of net profit after tax to average assets.*
3. *Cost represents operating expense. Income represents net interest income and non-interest income.*
4. *Excluding Covid-19 related provisions of ₹ 27.25 billion in fiscal 2020 and ₹ 47.50 billion in fiscal 2021.*

The return on average equity, return on average assets and earnings per share increased primarily due to an increase in profit after tax.

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NET INTEREST INCOME AND SPREAD ANALYSIS

The following table sets forth, for the periods indicated, the net interest income and spread analysis.

₹ in billion, except percentages

Particulars	Fiscal 2020	Fiscal 2021	% change
Interest income	₹ 747.98	**₹ 791.18**	5.8%
Interest expense	415.31	**401.29**	(3.4)
Net interest income	**332.67**	**389.89**	**17.2**
Average interest-earning assets	8,927.74	**10,558.79**	18.3
Average interest-bearing liabilities	₹ 8,151.76	**₹ 9,438.50**	15.8
Net interest margin	**3.73%**	**3.69%**	**-**
Average yield	8.38%	**7.49%**	-
Average cost of funds	5.09%	**4.25%**	-
Interest spread	3.29%	**3.24%**	-

1. All amounts have been rounded off to the nearest ₹ 10.0 million.

Net interest income increased by 17.2% from ₹ 332.67 billion in fiscal 2020 to ₹ 389.89 billion in fiscal 2021 reflecting an increase of 18.3% in the average volume of interest-earning assets, offset, in part, by a decrease in net interest margin by 4 basis points.

Net interest margin decreased by 4 basis points from 3.73% in fiscal 2020 to 3.69% in fiscal 2021. The yield on average interest-earning assets decreased by 89 basis points from 8.38% in fiscal 2020 to 7.49% in fiscal 2021. The cost of funds decreased by 84 basis points from 5.09% in fiscal 2020 to 4.25% in fiscal 2021. The interest spread decreased by 5 basis points from 3.29% in fiscal 2020 to 3.24% in fiscal 2021.

The net interest margin for domestic operations decreased by 17 basis points from 4.01% in fiscal 2020 to 3.84% in fiscal 2021 primarily due to a decrease in yield on interest-earning assets, offset, in part, by a decrease in cost of funds. The yield on domestic interest-earning assets decreased by 107 basis points from 8.76% in fiscal 2020 to 7.69% in fiscal 2021 primarily reflecting the impact of significant monetary easing by RBI post the Covid-19 outbreak. The monetary easing resulted in a decrease in yield on advances and investments and an increase in average investments portfolio and LAF and other short-term lending due to surplus liquidity. The cost of domestic funds decreased by 91 basis points from 5.25% in fiscal 2020 to 4.34% in fiscal 2021 primarily due to the decline in interest rates over the last one year.

The net interest margin of overseas branches decreased marginally from 0.35% in fiscal 2020 to 0.34% in fiscal 2021.

The following table sets forth, for the periods indicated, the trend in yield, cost, spread and margin.

Particulars	Fiscal 2020	Fiscal 2021
Yield on interest-earning assets	**8.38%**	**7.49%**
- On advances	9.45	**8.76**
- On investments	7.12	**6.25**
- On SLR investments	7.10	**6.32**
- On other investments	7.19	**5.97**
- On other interest-earning assets	3.31	**3.86**
Cost of interest-bearing liabilities	**5.09**	**4.25**
- Cost of deposits	4.96	**4.12**
- Current and savings account (CASA) deposits	2.71	**2.32**
- Term deposits	6.63	**5.39**
- Cost of borrowings	5.68	**5.04**
Interest spread	**3.29**	**3.24**
Net interest margin	**3.73%**	**3.69%**

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The yield on average interest-earning assets decreased by 89 basis points from 8.38% in fiscal 2020 to 7.49% in fiscal 2021 primarily due to the following factors:

- The yield on domestic advances decreased by 82 basis points from 10.04% in fiscal 2020 to 9.22% in fiscal 2021. The yield on advances decreased primarily due to reduction in repo rate and Marginal Cost of funds based Lending Rate (MCLR) leading to re-pricing of existing floating rate loans to a lower rate and incremental lending at lower rates. At March 31, 2021, the floating rate loan book was 69.5% of total domestic loans, of which 40.7% was linked to MCLR, 45.3% was linked to repo rate and 6.7% was linked to T-bills.

  The Bank's 1-year MCLR decreased by 65 basis points in phases during fiscal 2020. Further, the Bank reduced the 1-year MCLR by 85 basis points during fiscal 2021.

  In accordance with the RBI guidelines, effective from October 1, 2019, for certain loans the Bank shifted from the internal benchmark (MCLR) based lending rate to external benchmark, the repo rate/T-bills. All new floating rate personal loans (such as housing loans, business banking) and loans to small and micro and medium enterprise has been linked to repo rate in a phased manner. The RBI significantly reduced the repo rate by 75 basis points from 5.15% in February 2020 to 4.40% in March 2020 and further reduced the repo rate by 40 basis points to 4.00% in May 2020.

  In accordance with RBI's notification dated April 7, 2021, the Bank is required to refund/adjust 'interest on interest' to borrowers. At March 31, 2021, the Bank created a liability towards estimated interest relief amounting to ₹ 1.75 billion and reduced the same from the interest income, pending implementation of the methodology for calculation of such interest on interest circulated by the Indian Banks' Association.

  The yield on overseas advances decreased by 154 basis points from 4.03% in fiscal 2020 to 2.49% in fiscal 2021 primarily due to a decrease in LIBOR.

  The overall yield on average advances decreased by 69 basis points from 9.45% in fiscal 2020 to 8.76% in fiscal 2021 primarily due to a decrease in yield on domestic advances, offset, in part, by an increase in proportion of domestic advances in total advances.

- The yield on average interest-earning investments decreased by 87 basis points from 7.12% in fiscal 2020 to 6.25% in fiscal 2021. The yield on Statutory Liquidity Ratio (SLR) investments decreased by 78 basis points from 7.10% in fiscal 2020 to 6.32% in fiscal 2021. This was primarily due to significant easing of monetary conditions by RBI post the Covid-19 outbreak, leading to new investment in government securities at lower yield and reset of floating rate bonds at lower levels. The average yield for the benchmark 10-year government securities decreased from 6.69% in fiscal 2020 to 5.99% in fiscal 2021.

  The yield on non-SLR investments decreased by 122 basis points from 7.19% in fiscal 2020 to 5.97% in fiscal 2021 primarily due to a decrease in average investment in pass through certificates, a decrease in yield on bonds and debentures and commercial papers and an increase in average investment in foreign government securities which are relatively lower yielding, offset, in part, by an increase in the average investment portfolio of bonds and debentures which are relatively high yielding.

- The yield on other interest-earning assets increased from 3.31% in fiscal 2020 to 3.86% in fiscal 2021. The increase was primarily due to higher swap premium income on account of surplus Rupee liquidity deployed in foreign currency due to prevailing high forward premia. The increase in yield on other interest-earning assets was, offset, in part, by an increase in average LAF lending with RBI due to surplus liquidity which are relatively lower yielding and a decrease in yield on RIDF and related deposits.

  Interest on income tax refund decreased from ₹ 2.70 billion in fiscal 2020 to ₹ 2.57 billion in fiscal 2021. The receipt, amount and timing of such income depends on the nature and timing of determinations by tax authorities and are hence neither consistent nor predictable.

The cost of funds decreased by 84 basis points from 5.09% in fiscal 2020 to 4.25% in fiscal 2021 primarily due to the following factors:

- The cost of average deposits decreased from 4.96% in fiscal 2020 to 4.12% in fiscal 2021 primarily due to a decrease in cost of domestic term deposits and cost of savings account deposits, offset, in part, by a

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decrease in the proportion of average CASA deposits, which are relatively lower cost, in total deposits. The cost of domestic term deposits decreased by 125 basis points from 6.67% in fiscal 2020 to 5.42% in fiscal 2021. The Bank reduced retail term deposits rates for select maturities in phases during fiscal 2020 and fiscal 2021.

The cost of savings account deposits decreased by 47 basis points from 3.63% in fiscal 2020 to 3.16% in fiscal 2021 primarily due to a reduction in interest rate on savings account deposits by 50 basis points in two tranches during fiscal 2021. The average CASA deposits decreased from 42.7% of total average deposits in fiscal 2020 to 41.4% of total average deposits in fiscal 2021. Average CASA deposits were 35.5% of the total funding (i.e., deposits and borrowings) for fiscal 2021 as compared to 34.5% for fiscal 2020.

- The cost of borrowings decreased by 64 basis points from 5.68% in fiscal 2020 to 5.04% in fiscal 2021 primarily due to decrease in proportion of bond borrowings which are relatively at higher cost, a decrease in cost of call and term money borrowings and refinance borrowings.

The Bank's interest income, yield on advances, net interest income and net interest margin are likely to be impacted by systemic liquidity, the competitive environment, level of additions to non-performing loans, regulatory developments and uncertainties and economic slowdown due to Covid-19 pandemic. The timing and quantum of recoveries and interest on income tax refund is uncertain. Interest rates on about 37.6% of Bank's domestic loans are linked to external market benchmarks. Any movement in the external benchmark rates vis-à-vis cost of funds of the Bank may impact the Bank's net interest income and net interest margin.

The following table sets forth, for the period indicated, the trend in average interest-earning assets and average interest-bearing liabilities:

₹ in billion, except percentages

Particulars	Fiscal 2020	Fiscal 2021	% change
Advances	₹ 6,087.32	**₹ 6,543.26**	7.5%
Interest-earning investments[1]	2,062.09	**2,646.70**	28.4
Other interest-earning assets	778.33	**1,368.83**	75.9
Total interest-earning assets	**8,927.74**	**10,558.79**	**18.3**
Deposits	6,594.13	**8,074.41**	22.4
Borrowings[1]	1,557.63	**1,364.09**	(12.4)
Total interest-bearing liabilities	**₹ 8,151.76**	**₹ 9,438.50**	**15.8%**

1. *Average investments and average borrowings include average short-term repurchase transactions.*
2. *All amounts have been rounded off to the nearest ₹ 10.0 million.*

The average volume of interest-earning assets increased by 18.3% from ₹ 8,927.74 billion in fiscal 2020 to ₹ 10,558.79 billion in fiscal 2021 primarily on account of an increase in average other interest-earning assets by ₹ 590.50 billion due to surplus liquidity, average investments by ₹ 584.61 billion and average advances by ₹ 455.94 billion.

Average advances increased by 7.5% from ₹ 6,087.32 billion in fiscal 2020 to ₹ 6,543.26 billion in fiscal 2021 due to an increase in average domestic advances, offset, in part, by a decrease in overseas advances.

Average interest-earning investments increased by 28.4% from ₹ 2,062.09 billion in fiscal 2020 to ₹ 2,646.70 billion in fiscal 2021 primarily due to an increase in average investment in government securities, bonds and debentures, foreign government securities, offset, in part, by a decrease in pass through certificates.

Average other interest-earning assets increased by 75.9% from ₹ 778.33 billion in fiscal 2020 to ₹ 1,368.83 billion in fiscal 2021 primarily due to an increase in LAF lending with RBI, balance with other banks and term money lent due to surplus liquidity, offset, in part, by a decrease in balance with RBI.

Average interest-bearing liabilities increased by 15.8% from ₹ 8,151.76 billion in fiscal 2020 to ₹ 9,438.50 billion in fiscal 2021 primarily due to an increase in average deposits by ₹ 1,480.28 billion, offset, in part, by a decrease in average borrowings by ₹ 193.54 billion.

Average deposits increased by 22.4% from ₹ 6,594.13 billion in fiscal 2020 to ₹ 8,074.41 billion in fiscal 2021 due to an increase in average term deposits and CASA deposits.

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Average borrowings decreased by 12.4% from ₹ 1,557.63 billion in fiscal 2020 to ₹ 1,364.09 billion in fiscal 2021 primarily due to a decrease in bond borrowings, term money borrowing and refinance borrowing, offset, in part, by an increase in RBI borrowings and call money borrowings.

FEE INCOME

Fee income primarily includes fees from retail customers such as loan processing fees, fees from cards business, account servicing charges, third party referral fees and fees from corporate clients such as loan processing fees and transaction banking fees.

Fee income for fiscal 2021 was impacted due to lower borrowing and investment activity by customers and lower consumer spends caused by the nation-wide lockdown announced during April-May 2020 followed by gradual easing of lockdown by the Government of India, after the outbreak of Covid-19 pandemic, significantly impacting the economic activities.

Fee income decreased by 7.7% from ₹ 137.11 billion in fiscal 2020 to ₹ 126.59 billion in fiscal 2021 primarily due to a decrease in fees from credit card business, transaction banking fees and fee income from third party product distribution.

DIVIDEND FROM SUBSIDIARIES

Dividend from subsidiaries decreased by 3.1% from ₹ 12.73 billion in fiscal 2020 to ₹ 12.34 billion in fiscal 2021. In line with the Insurance Regulatory and Development Authority guideline asking insurers to conserve capital, ICICI Lombard General Insurance Company Limited and ICICI Prudential Life Insurance Company Limited did not pay any final dividend for fiscal 2020. As a result, there was a decrease in dividend income from insurance subsidiaries in fiscal 2021.

The following table sets forth, for the periods indicated, the details of dividend received from subsidiaries:

₹ in billion

Name of the entity	Fiscal 2020	Fiscal 2021
ICICI Prudential Asset Management Company Limited	3.76	**4.24**
ICICI Securities Limited	2.54	**3.71**
ICICI Prudential Life Insurance Company Limited	1.78	**-**
ICICI Lombard General Insurance Company Limited	1.78	**0.94**
ICICI Bank Canada	1.63	**0.23**
ICICI Securities Primary Dealership Limited	1.20	**3.19**
ICICI Home Finance Company Limited	0.04	**-**
ICICI Venture Funds Management Company Limited	0.00	**0.03**
ICICI Prudential Trust	0.00	**0.00**
Total	**12.73**	**12.34**

1. 0.00 represents insignificant amount.
2. All amounts have been rounded off to the nearest ₹ 10.0 million.

Other income

Other income decreased from ₹ 1.72 billion in fiscal 2020 to ₹ 0.30 billion in fiscal 2021.

OPERATING EXPENSES

The following table sets forth, for the periods indicated, the principal components of operating expenses.

₹ in billion, except percentages

Particulars	Fiscal 2020	Fiscal 2021	% change
Payments to and provisions for employees	₹ 82.71	**₹ 80.92**	(2.2%)
Depreciation on owned property (including non-banking assets and leased assets)	9.47	**10.72**	13.2
Other administrative expenses	123.97	**123.98**	0.0
Total operating expenses	**₹ 216.15**	**₹ 215.61**	**(0.2%)**

1. All amounts have been rounded off to the nearest ₹ 10.0 million.

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Operating expenses primarily include employee expenses, depreciation on assets and other administrative expenses. Operating expenses decreased by 0.2% from ₹ 216.15 billion in fiscal 2020 to ₹ 215.61 billion in fiscal 2021.

Payments to and provisions for employees

Employee expenses decreased by 2.2% from ₹ 82.71 billion in fiscal 2020 to ₹ 80.92 billion in fiscal 2021 primarily due to a decrease in provision requirement for retirement benefit obligations and salary cost, offset, in part, by an increase in provision for performance bonus and performance-linked retention pay. Salary cost decreased primarily due to a decrease in average staff strength by 3.3% from 97,682 in fiscal 2020 to 94,480 in fiscal 2021 (number of employees at March 31, 2020: 99,319 and at March 31, 2021: 98,750), offset, in part, by an increase in annual increments in fiscal 2021 for employees in certain grades.

Provision for retirement benefit obligations decreased from ₹ 10.38 billion in fiscal 2020 to ₹ 5.62 billion in fiscal 2021 primarily due to an increase in the discount rate, which is linked to yields on government securities, used for determining the required provision; and lower increase in dearness allowance, resulting in lower provision for pension obligations. The employee base includes sales executives, employees on fixed term contracts and interns.

Depreciation

Depreciation on owned property increased by 13.0% from ₹ 9.49 billion in fiscal 2020 to ₹ 10.72 billion in fiscal 2021 primarily due to higher capitalisation of IT systems and software which attracts higher depreciation rates.

Other administrative expenses

Other administrative expenses primarily include rent, taxes and lighting, advertisements, sales promotion, repairs and maintenance, direct marketing expenses and other expenditure. Other administrative expenses remained at similar level of ₹ 123.98 billion in fiscal 2021 as compared to ₹ 123.97 billion in fiscal 2020 primarily due to a decrease in expenses due to lower business volumes during the lockdown period and lower administrative and infrastructure related expenses, offset, in part, by an increase in technology related expenses.

Profit/(loss) on treasury-related activities (net)

Income from treasury-related activities includes income from sale of investments and unrealised profit/(loss) on account of revaluation of investments in the fixed income portfolio, equity and preference share portfolio, units of venture funds and security receipts issued by asset reconstruction companies.

Profit from treasury-related activities was ₹ 50.46 billion in fiscal 2021 as compared to ₹ 12.93 billion in fiscal 2020. During fiscal 2021, the Bank sold 3.96% equity shareholding in ICICI General, 1.50% equity shareholding in ICICI Life, 4.21% equity shareholding in ICICI Securities and made a net gain of ₹ 36.70 billion.

PROVISIONS AND CONTINGENCIES (EXCLUDING PROVISIONS FOR TAX)

The following tables set forth, for the periods indicated, the components of provisions and contingencies.

₹ in billion, except percentages

Particulars	Fiscal 2020	Fiscal 2021	% change
Provision for non-performing and other assets[1]	₹ 88.15	**₹ 107.49**	21.9%
Provision for investments (including credit substitutes) (net)	13.11	**(1.58)**	-
Provision for standard assets	4.62	**2.79**	(39.7%)
Covid-19 related provision	27.25	**47.50**	-
Others	7.40	**5.94**	(19.7%)
Total provisions and contingencies (excluding provision for tax)	**₹ 140.53**	**₹ 162.14**	**15.4%**

1. *Includes restructuring related provision.*
2. *All amounts have been rounded off to the nearest ₹ 10.0 million.*

In the case of corporate loans and advances, provisions are made for sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and the unsecured portion of doubtful assets are fully provided. For impaired loans and advances held in overseas branches, which are performing as per RBI guidelines, provisions are made as per the host country regulations. For loans and advances held in overseas branches, which are NPAs both as per the RBI guidelines and host country guidelines, provisions are made at the higher of the provisions required under

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RBI guidelines and host country regulations. Provisions on homogeneous non-performing retail loans and advances, subject to minimum provisioning requirements of RBI, are made on the basis of the ageing of the loan. The specific provisions on non-performing retail loans and advances held by the Bank are higher than the minimum regulatory requirements.

In respect of non-retail loans reported as fraud to RBI the entire amount, is provided for over a period not exceeding four quarters starting from the quarter in which fraud has been detected. In respect of non-retail loans where there has been delay in reporting the fraud to the RBI or which are classified as loss accounts, the entire amount is provided immediately. In case of fraud in retail accounts, the entire amount is provided immediately. In respect of borrowers classified as non-cooperative borrowers or willful defaulters, the Bank makes accelerated provisions as per RBI guidelines.

The Bank holds specific provisions against non-performing loans and advances and against certain performing loans and advances in accordance with RBI directions, including RBI direction for provision on accounts referred to the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016.

Provision due to diminution in the fair value of restructured/ rescheduled loans and advances is made in accordance with the applicable RBI guidelines.

The Bank makes additional provisions as per RBI guidelines for the cases where viable resolution plan has not been implemented within the timelines prescribed by the RBI, from the date of default. These additional provisions are written-back on satisfying the conditions for reversal as per RBI guidelines.

The Bank granted moratorium towards the payment of principal and/or interest in case of certain borrowers in accordance with RBI guidelines. Further, the RBI guidelines on 'Resolution Framework for COVID-19-related Stress' provide a prudential framework for resolution plan of certain loans. The Bank made general provision on such loans at rates equal or higher than requirements stipulated in RBI circular. The Bank also made additional Covid-19 related provision.

Provisions and contingencies (excluding provisions for tax) increased from ₹ 140.53 billion in fiscal 2020 to ₹ 162.14 billion in fiscal 2021 primarily due to an increase in provision for non-performing and other assets and Covid-19 related provision, offset, in part, by decrease in provision on investments.

Provision for non-performing and other assets increased from ₹ 88.15 billion in fiscal 2020 at ₹ 107.49 billion in fiscal 2021 primarily due to change in provisioning policy on non-performing assets to make it more conservative and higher additions to NPAs in retail loans reflecting Covid-19 related stress offset, in part, by lower ageing provision on loans classified as NPAs in earlier years.

The provision coverage ratio (excluding cumulative technical/prudential write-offs) increased from 75.7% at March 31, 2020 to 77.7% at March 31, 2021.

Provision for investments decreased from ₹ 13.11 billion in fiscal 2020 to a write-back ₹ 1.58 billion in fiscal 2021. Provision on investments in fiscal 2020 included provision on preference shares, equity shares and debentures. During fiscal 2020, the Bank made provision of ₹ 8.45 billion towards preference shares on conversion of non-performing loans of a borrower as part of restructuring. The Bank was already holding this provision on the loan before conversion to preference shares. During fiscal 2021, there was a write-back of provision on equity shares, offset, in part, by provision on debentures and preference shares.

Provision for standard assets decreased from ₹ 4.62 billion in fiscal 2020 to ₹ 2.79 billion in fiscal 2021. The cumulative general provision (excluding Covid-19 related provision) held at March 31, 2021 was ₹ 36.34 billion (March 31, 2020: ₹ 33.75 billion).

In addition to Covid-19 related provision of ₹ 27.25 billion made in fiscal 2020, during the first quarter of fiscal 2021, the Bank made Covid-19 related provision of ₹ 55.50 billion. In the third quarter of fiscal 2021, the Bank utilised ₹ 18.00 billion of Covid-19 related provisions made in the earlier periods.

Further, in fourth quarter of fiscal 2021, in view of the second wave of the Covid-19 pandemic in India, the Bank made additional Covid-19 related provision amounting to ₹ 10.00 billion on a prudent basis. Accordingly, at March 31, 2021, the Bank held aggregate Covid-19 related provision of ₹ 74.75 billion.

Other provisions and contingencies (other than Covid-19 related provision) decreased from ₹ 7.40 billion in fiscal 2020 to ₹ 5.94 billion in fiscal 2021.

TAX EXPENSE

The income tax expense decreased from ₹ 61.17 billion in fiscal 2020 to ₹ 39.90 billion in fiscal 2021. The effective tax rate decreased from 43.5% in fiscal 2020 to 19.8% in fiscal 2021. During fiscal 2020, there was a one-time additional charge due to re-measurement of accumulated deferred tax asset due to change in income-tax rate.

MANAGEMENT'S DISCUSSION & ANALYSIS

FINANCIAL CONDITION

Assets

The following table sets forth, at the dates indicated, the principal components of assets.

₹ in billion, except percentages

Assets	At March 31, 2020	At March 31, 2021	% change
Cash and bank balances	₹ 1,191.56	**₹ 1,331.28**	11.7%
Investments	2,495.31	**2,812.87**	12.7
- Government and other approved investments[1]	1,883.32	**2,136.21**	13.4
- Equity investment in subsidiaries	98.03	**97.57**	(0.5)
- Other investments	513.96	**579.09**	12.7
Advances	6,452.90	**7,337.29**	13.7
- Domestic	5,913.23	**6,961.39**	17.7
- Overseas branches	539.67	**375.90**	(30.3)
Fixed assets (including leased assets)	84.10	**88.78**	5.6
Other assets	759.78	**734.11**	(3.4)
- RIDF and other related deposits[2]	287.57	**311.78**	8.4
Total assets	**₹ 10,983.65**	**₹ 12,304.33**	**12.0%**

1. *Banks in India are required to maintain a specified percentage, currently 18.00% (at March 31, 2021), of their net demand and time liabilities by way of investments in instruments referred as SLR securities by RBI or liquid assets like cash and gold.*
2. *Deposits made in Rural Infrastructure Development Fund and other related deposits pursuant to shortfall in the amount required to be lent to certain specified sectors called priority sector as per RBI guidelines.*
3. *All amounts have been rounded off to the nearest ₹ 10.0 million.*

Total assets of the Bank increased by 12.0% from ₹ 10,983.65 billion at March 31, 2020 to ₹ 12,304.33 billion at March 31, 2021, primarily due to a 13.7% increase in advances and a 12.7% increase in investments and 11.7% increase in cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and balances with RBI and other banks, including money at call and short notice. Cash and cash equivalents increased by 11.7% from ₹ 1,191.56 billion at March 31, 2020 to ₹ 1,331.28 billion at March 31, 2021 primarily due to an increase in foreign currency term money placement, balances with banks outside India and balance with RBI, offset, in part, by a decrease in liquidity adjustment facility (LAF) lending with RBI. The liquidity maintained by the Bank continued to be high through the year reflecting the easy monetary conditions and healthy growth in deposits.

Investments

Total investments increased by 12.7% from ₹ 2,495.31 billion at March 31, 2020 to ₹ 2,812.87 billion at March 31, 2021. Investments in Indian government securities and other approved investments increased from ₹ 1,883.32 billion at March 31, 2020 to ₹ 2,136.21 billion at March 31, 2021. Investment in Indian government securities and other approved investments increased significantly primarily due to robust deposit growth post Covid-19 and consequent lockdowns. Other investments increased from ₹ 612.11 billion at March 31, 2020 to ₹ 676.77 billion at March 31, 2021 primarily due to an increase in investment in foreign government securities by ₹ 122.71 billion and bonds and debentures by ₹ 98.20 billion, offset, in part, by a decrease in investment in commercial papers by ₹ 86.97 billion and pass through certificate by ₹ 40.04 billion.

At March 31, 2021, the Bank had an outstanding net investment of ₹ 17.29 billion in security receipts issued by asset reconstruction companies compared to ₹ 19.25 billion at March 31, 2020.

Advances

Net advances increased by 13.7% from ₹ 6,452.90 billion at March 31, 2020 to ₹ 7,337.29 billion at March 31, 2021 primarily due to an increase in domestic advances. Domestic advances increased by 17.7% from ₹ 5,913.23

MANAGEMENT'S DISCUSSION & ANALYSIS

billion at March 31, 2020 to ₹ 6,961.39 billion at March 31, 2021. Net retail advances increased by 19.9% from ₹ 4,080.03 billion at March 31, 2020 to ₹ 4,892.20 billion at March 31, 2021. SME advances increased by 32.5% from ₹ 228.51 billion at March 31, 2020 to ₹ 302.84 billion at March 31, 2021. The performing domestic corporate portfolio increased by 13.2% year-on-year. Net advances of overseas branches decreased by 30.3% from ₹ 539.67 billion at March 31, 2020 to ₹ 375.90 billion at March 31, 2021.

Fixed and other assets

Fixed assets (net block) increased by 5.6% from ₹ 84.10 billion at March 31, 2020 to ₹ 88.78 billion at March 31, 2021.

Other assets decreased by 3.4% from ₹ 759.78 billion at March 31, 2020 to ₹ 734.11 billion at March 31, 2021 primarily due to a decrease in receivable on account of forex and derivative transactions, offset, in part, by an increase in Rural Infrastructure Development Fund and related deposits.

LIABILITIES

The following table sets forth, at the dates indicated, the principal components of liabilities (including capital and reserves).

₹ in billion, except percentages

Liabilities	**At March 31, 2020**	**At March 31, 2021**	**% change**
Equity share capital	₹ 12.98	**₹ 13.86**	6.8%
Reserves	1,152.06	**1,461.23**	26.8
Deposits	7,709.69	**9,325.22**	21.0
- Savings deposits	2,455.91	**2,954.53**	20.3
- Current deposits	1,022.28	**1,361.70**	33.2
- Term deposits	4,231.51	**5,008.99**	18.4
Borrowings (excluding subordinated debt)	1,410.80	**743.85**	(47.3)
- Domestic	811.27	**444.42**	-
- Overseas branches	599.53	**299.43**	(50.1)
Subordinated debt (included in Tier-1 and Tier-2 capital)	218.17	**172.46**	(21.0)
- Domestic	218.17	**172.46**	(21.0)
Other liabilities	479.95	**587.71**	22.5
Total liabilities	**₹ 10,983.65**	**₹ 12,304.33**	**12.0%**

1. All amounts have been rounded off to the nearest ₹ 10.0 million.

Total liabilities (including capital and reserves) increased by 12.0% from ₹ 10,983.65 billion at March 31, 2020 to ₹ 12,304.33 billion at March 31, 2021 due to a 21.0% increase in deposits, 26.6% increase in net worth and 22.5% increase in other liabilities, offset, in part, by 43.7% decrease in borrowings.

Deposits

Deposits increased by 21.0% from ₹ 7,709.69 billion at March 31, 2020 to ₹ 9,325.22 billion at March 31, 2021 reflecting Bank's strong deposit franchise, benefits of offering convenient digital platforms to customers and easy monetary conditions in the banking system.

Term deposits increased by 18.4% from ₹ 4,231.51 billion at March 31, 2020 to ₹ 5,008.99 billion at March 31, 2021. Savings account deposits increased by 20.3% from ₹ 2,455.91 billion at March 31, 2020 to ₹ 2,954.53 billion at March 31, 2021 and current account deposits increased by 33.2% from ₹ 1,022.28 billion at March 31, 2020 to ₹ 1,361.70 billion at March 31, 2021. CASA deposits increased by 24.1% from ₹ 3,478.19 billion at March 31, 2020 to ₹ 4,316.23 billion at March 31, 2021. Average CASA deposits increased by 18.9% from ₹ 2,814.37 billion in fiscal 2020 to ₹ 3,345.96 billion in fiscal 2021. The average current account deposits increased by 25.5% from ₹ 710.16 billion in fiscal 2020 to ₹ 891.21

MANAGEMENT'S DISCUSSION & ANALYSIS

billion in fiscal 2021. The average savings account deposits increased by 16.7% from ₹ 2,104.21 billion in fiscal 2020 to ₹ 2,454.75 billion in fiscal 2021. Average CASA deposits were 35.5% of the total funding (i.e., deposits and borrowings) for fiscal 2021 as compared to 34.5% for fiscal 2020.

Deposits of overseas branches increased by 5.6% from ₹ 72.27 billion at March 31, 2020 to ₹ 76.34 billion at March 31, 2021.

Total deposits at March 31, 2021 formed 91.1% of the funding (i.e., deposits and borrowings) as compared to 82.6% March 31, 2020.

Borrowings

Borrowings decreased by 43.7% from ₹ 1,628.97 billion at March 31, 2020 to ₹ 916.31 billion at March 31, 2021 primarily due to a decrease in repo borrowings, foreign currency term money borrowings, bond borrowings and LAF borrowing with RBI. Borrowings decreased significantly primarily due to decline in overseas loan book and change in funding mix for domestic book. Net borrowings of overseas branches decreased from ₹ 599.53 billion at March 31, 2020 to ₹ 299.43 billion at March 31, 2021.

Other liabilities

Other liabilities increased by 22.5% from ₹ 479.95 billion at March 31, 2020 to ₹ 587.71 billion at March 31, 2021 primarily due to an increase in general provision on standard assets (including Covid-19 related provision) and bills payable, offset, in part, by a decrease in mark-to-market amount on forex and derivative transactions.

Equity share capital and reserves

Equity share capital and reserves increased from ₹ 1,165.04 billion at March 31, 2020 to ₹ 1,475.09 billion at March 31, 2021 primarily due to capital of ₹ 150.00 billion raised in August 2020 through qualified institutional placement and accretion to reserves out of retained profit.

OFF BALANCE SHEET ITEMS, COMMITMENTS AND CONTINGENCIES

The following table sets forth, for the periods indicated, the principal components of contingent liabilities.

₹ in billion

	At March 31, 2020	At March 31, 2021
Claims against the Bank, not acknowledged as debts	₹ 63.24	**₹ 73.77**
Liability for partly paid investments	0.01	**0.01**
Notional principal amount of outstanding forward exchange contracts	7,441.46	**8,152.79**
Guarantees given on behalf of constituents	1,088.13	**995.02**
Acceptances, endorsements and other obligations	347.12	**324.24**
Notional principal amount of currency swaps	509.59	**481.72**
Notional principal amount of interest rate swaps and currency options and interest rate futures	15,698.50	**16,428.13**
Other items for which the Bank is contingently liable	90.20	**30.74**
Total	**₹ 25,238.25**	**₹ 26,486.42**

1. *All amounts have been rounded off to the nearest ₹ 10.0 million.*

MANAGEMENT'S DISCUSSION & ANALYSIS

The Bank enters into foreign exchange contracts in its normal course of business, to exchange currencies at a prefixed price at a future date. This item represents the notional principal amount of such contracts, which are derivative instruments. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower. The notional principal amount of outstanding forward exchange contracts increased from ₹ 7,441.46 billion at March 31, 2020 to ₹ 8,152.79 billion at March 31, 2021 primarily due to increase in trading and market making activities in forwards to facilitate client flow and capture opportunities in the forward market.

The Bank is an active market participant in the interest rate and foreign exchange derivative market for trading and market making purposes, which are carried out primarily for customer transactions and managing the proprietary position on interest rate and foreign exchange risk. The notional amount of interest rate swaps and currency options increased from ₹ 15,698.50 billion at March 31, 2020 to ₹ 16,428.13 billion at March 31, 2021 primarily due to an increase in outstanding position of overnight index swaps. These transactions are done for trading and market-making purposes with a view to manage the interest rate risk.

Claims against the Bank, not acknowledged as debts, represent demands made in certain tax and legal matters against the Bank in the normal course of business and customer claims arising in fraud cases. In accordance with the Bank's accounting policy and Accounting Standard 29, the Bank has reviewed and classified these items as possible obligations based on legal opinion/judicial precedents/assessment by the Bank. No provision in excess of provisions already made in the financial statements is considered necessary.

The Bank has issued guarantees to support regular business activities of clients. These generally represent irrevocable assurances that the Bank will make payments in the event that the customer fails to fulfill its financial or performance obligations. Financial guarantees are obligations to pay a third party beneficiary where a customer fails to make payment towards a specified financial obligation, including advance payment guarantee. Performance guarantees are obligations to pay a third party beneficiary where a customer fails to perform a non-financial contractual obligation. The guarantees are generally issued for a period not exceeding ten years. The credit risks associated with these products, as well as the operating risks, are similar to those relating to other types of financial instruments. Cash margins available to reimburse losses realised under guarantees amounted to ₹ 171.60 billion at March 31, 2021 as compared to ₹ 163.75 billion at March 31, 2020. Other property or security may also be available to the Bank to cover potential losses under guarantees.

Guarantees given on behalf of constituents decreased by 8.6% from ₹ 1,088.13 billion at March 31, 2020 to ₹ 995.02 billion at March 31, 2021. Acceptances, endorsements and other obligations decreased by 6.6% from ₹ 347.12 billion at March 31, 2020 to ₹ 324.24 billion at March 31, 2021.

The Bank is obligated under a number of capital contracts. Capital contracts are job orders of a capital nature, which have been committed. Estimated amounts of contracts remaining to be executed on capital account aggregated to ₹ 8.60 billion at March 31, 2021 as compared to ₹ 7.57 billion at March 31, 2020.

CAPITAL RESOURCES

The Bank actively manages its capital to meet regulatory norms, current and future business needs and the risks in its businesses. The capital management framework of the Bank is administered by the Finance Group and the Risk Management Group under the supervision of the Board and the Risk Committee. The capital adequacy position and assessment is reported to the Board and the Risk Committee periodically.

Regulatory capital

The Bank is subject to the Basel III guidelines issued by RBI, effective from April 1, 2013, to be implemented in a phased manner by March 31, 2019 as per the transitional arrangement provided by RBI for Basel III implementation. On January 10, 2019, RBI had extended the transition period for implementing the last tranche of 0.625% under Capital Conservation Buffer (CCB) to March 31, 2020. Since then, it has been further extended to October 1, 2021.

At March 31, 2021, the Bank was required to maintain a minimum Common Equity Tier-1 (CET1) capital ratio of 7.575%, minimum Tier-1 capital ratio of 9.075% and minimum total capital ratio of 11.075%. The minimum total capital requirement includes a capital conservation buffer of 1.875% and capital surcharge of 0.20% on account of the Bank being designated as a Domestic Systemically Important Bank (D-SIB). Under Pillar 1 of the RBI guidelines on Basel III, the Bank follows the standardised approach for measurement of credit risk, standardised duration method for measurement of market risk and basic indicator approach for measurement of operational risk.

MANAGEMENT'S DISCUSSION & ANALYSIS

The following table sets forth, for the periods indicated, the capital adequacy ratios computed in accordance with Basel III guidelines of RBI:

₹ in billion, except percentages

Basel III	At March 31, 2020[1,2]	At March 31, 2021[1,2]
CET1 capital	1,016.65	**1,319.40**
Tier-1 capital	1,117.85	**1,418.72**
Tier-2 capital	106.00	**82.75**
Total capital	**1,223.85**	**1,501.47**
Credit Risk - Risk Weighted Assets (RWA)	6,299.20	**6,467.36**
On balance sheet	5,380.55	**5,650.84**
Off balance sheet	918.65	**816.52**
Market Risk - RWA	593.66	**589.68**
Operational Risk - RWA	702.04	**797.00**
Total RWA	**7,594.90**	**7,854.03**
Total capital adequacy ratio	**16.11%**	**19.12%**
CET1 capital adequacy ratio	13.39%	**16.80%**
Tier-1 capital adequacy ratio	14.72%	**18.06%**
Tier-2 capital adequacy ratio	1.39%	**1.06%**

1. *Including retained earnings, post proposed mandatory appropriations and proposed dividend.*
2. *All amounts have been rounded off to the nearest ₹ 10.0 million.*

At March 31, 2021, the Bank's Tier-1 capital adequacy ratio was 18.06% as against the requirement of 9.08% and total capital adequacy ratio was 19.12% as against the requirement of 11.08%.

Movement in the capital funds and risk weighted assets from March 31, 2020 to March 31, 2021 as per Basel III norms

Capital funds (net of deductions) increased by ₹ 277.61 billion from ₹ 1,123.86 billion at March 31, 2020 to ₹ 1,501.47 billion at March 31, 2021 primarily due to inclusion of retained earnings for fiscal 2021, raising of equity capital of ₹ 150.00 billion, offset, in part, by progressive discounting of Tier 2 capital instruments as per the RBI extant guidelines.

Credit risk RWA increased by ₹ 168.16 billion from ₹ 6,229.20 billion at March 31, 2020 to ₹ 6,467.36 billion at March 31, 2021 primarily due to an increase of ₹ 270.35 billion in RWA for on-balance sheet assets, offset, in part, by a decrease of ₹ 102.13 billion in RWA for off-balance sheet assets. On-balance sheet RWA increased primarily due to growth in advances during the year and off-balance sheet RWA decreased primarily due to decrease in notional value of guarantees and acceptances.

Market risk RWA decreased by ₹ 3.98 billion from ₹ 593.66 billion at March 31, 2020 to ₹ 589.68 billion at March 31, 2021 primarily due to decrease in fixed income position.

Operational risk RWA increased by ₹ 94.96 billion from ₹ 702.04 billion at March 31, 2020 to ₹ 797.00 billion at March 31, 2021. The operational risk capital charge is computed based on 15% of the average of the previous three financial years' gross income and is revised on an annual basis at June 30. RWA is arrived at by multiplying the capital charge by 12.5.

Internal assessment of capital

The capital management framework of the Bank includes a comprehensive internal capital adequacy assessment process conducted annually, which determines the adequate level of capitalisation necessary to meet regulatory norms and current and future business needs. Adequate stress testing, as determined by several stress scenarios is also done. The internal capital adequacy assessment process is undertaken at both the standalone bank level and the consolidated group level. The internal capital adequacy assessment process encompasses capital planning for a four-year time horizon, assessment of material risks and the relationship between risk and capital.

MANAGEMENT'S DISCUSSION & ANALYSIS

The capital management framework is complemented by the risk management framework, which covers the policies, processes, methodologies and frameworks established for the management of material risks. Stress testing, which is a key aspect of the internal capital adequacy assessment process and the risk management framework, provides an insight into the impact of extreme but plausible scenarios on the Bank's risk profile and capital position. Based on the stress testing framework approved by the Board, the Bank conducts stress tests on various portfolios and assesses the impact on the capital ratios and the adequacy of capital buffers for current and future periods. The Bank periodically assesses and refines its stress testing framework in an effort to ensure that the stress scenarios capture material risks as well as reflect possible extreme market moves that could arise as a result of market conditions and the operating environment. The business and capital plans and the stress testing results of certain key group entities are integrated into the internal capital adequacy assessment process.

Based on the internal capital adequacy assessment process, the Bank determines the level of capital that needs to be maintained by considering the following in an integrated manner:

- strategic focus, business plan and growth objectives;
- regulatory capital requirements as per RBI guidelines;
- assessment of material risks and impact of stress testing;
- perception of shareholders and investors;
- future strategy with regard to investments or divestments in subsidiaries; and
- evaluation of options to raise capital from domestic and overseas markets, as permitted by RBI from time to time.

The Bank continues to monitor relevant developments and believes that its current robust capital adequacy position and demonstrated track record of access to domestic and overseas markets for capital raising will enable it to maintain the necessary levels of capital as required by regulations while continuing to grow its business.

LOAN CONCENTRATION

The Bank follows a policy of portfolio diversification and evaluates its total financing exposure to a particular industry in the light of its forecasts of growth and profitability for that industry. The Bank's Credit Risk Management Group monitors all major sectors of the economy and specifically tracks industries in which the Bank has credit exposures. The Bank monitors developments in various sectors to assess potential risks in its portfolio and new business opportunities. The Bank's policy is to limit its portfolio to any particular industry (other than retail loans) to 15.0% of its total exposure. In addition, the Bank has a framework for managing concentration risk with respect to single borrower and group exposures, based on the internal rating and track record of the borrowers. The exposure limits for lower rated borrowers and groups are substantially lower than the regulatory limits.

The following tables set forth, at the dates indicated, the composition of the Bank's exposure.

₹ in billion, except percentages

Industry	March 31, 2020		March 31, 2021	
	Total exposure	% of total exposure	Total exposure	% of total exposure
Retail Finance[1]	₹ 5,038.82	40.5%	**₹ 6,227.36**	**43.8%**
Services – finance	1,042.33	8.4	**1,407.26**	**9.9**
Banks	792.11	6.4	**1,122.22**	**7.9**
Crude petroleum/refining and petrochemicals	732.51	5.9	**697.65**	**4.9**
Electronics and engineering	740.57	6.0	**617.25**	**4.3**
Road, ports, telecom, urban development and other infrastructure	529.31	4.3	**489.81**	**3.5**
Wholesale/retail trade	412.62	3.3	**361.36**	**2.6**
Power	380.28	3.1	**358.59**	**2.5**
Services – non-finance	340.15	2.7	**354.83**	**2.5**
Construction	312.64	2.5	**309.21**	**2.2**

MANAGEMENT'S DISCUSSION & ANALYSIS

₹ in billion, except percentages

Industry	March 31, 2020		March 31, 2021	
	Total exposure	% of total exposure	Total exposure	% of total exposure
Iron and steel (including iron and steel products)	218.71	1.8	**211.99**	**1.5**
Mutual Funds	199.84	1.6	**189.35**	**1.3**
Metal and metal products (excluding iron and steel)	150.36	1.2	**172.89**	**1.2**
Chemical and Fertilisers	168.90	1.4	**171.40**	**1.2**
Automobiles	143.60	1.2	**162.62**	**1.1**
Other industries[2]	1,243.70	9.7	**1,369.16**	**9.6**
Total	**₹ 12,446.45**	**100.0%**	**₹ 14,222.95**	**100.0%**

1. *Includes home loans, automobile loans, commercial business loans, dealer financing and small ticket loans to small businesses, personal loans, credit cards, rural loans and loans against securities.*
2. *Other industries primarily include developer financing portfolio, gems and jewellery, mining, cement, food & beverages, textile, shipping, manufacturing products (excluding iron and steel and metal and metal products), drugs and pharmaceuticals, Asset Reconstruction Company, Venture capital Funds and FMCG.*
3. *All amounts have been rounded off to the nearest ₹ 10.0 million.*

The exposure to services-finance increased from ₹ 1,042.33 billion at March 31, 2020 to ₹ 1,407.26 billion at March 31, 2021 primarily due to increase in lending to government owned entities.

The exposure to top 20 non-bank borrowers as a percentage of total exposure increased from 11.0% at March 31, 2020 to 12.1% at March 31, 2021. All top 20 borrowers as of March 31, 2021 are rated A- and above internally. The exposure to top 10 borrower groups decreased from 12.1% at March 31, 2020 to 11.6% at March 31, 2021.

₹ in billion

Particulars	March 31, 2020	March 31, 2021
Advances	6,452.90	**7,337.29**
- Domestic book	5,913.23	**6,961.39**
- Retail	4,080.03	**4,892.20**
- SME	228.51	**302.84**
- Corporate	1,604.70	**1,766.35**
- Overseas book	539.67	**375.90**

The Bank's capital allocation framework is focused on growth in granular retail and rural lending and selective lending to corporate sector with focus on an increase in lending to higher rated corporates. Net retail advances increased by 19.9% in fiscal 2021 compared to an increase of 13.7% in total advances. As a result, the share of net retail advances increased from 63.2% of net advances at March 31, 2020 to 66.7% of net advances at March 31, 2021. Including the non-fund based outstanding, the proportion of retail in the portfolio was 55.0% at March 31, 2021.

The overseas loan portfolio declined by 27.9% year-on-year at March 31, 2021. The overseas loan portfolio was 5.1% of the overall loan book at March 31, 2021. The non-India linked corporate portfolio (excluding exposures to banks and retail lending against deposits, the corporate fund and non-fund outstanding at March 31, 2021, net of cash/financial institutions/insurance backed lending) reduced by 44.6% year-on-year to USD 4.14 billion at March 31, 2021. Out of USD 4.14 billion, 70.1% of the outstanding was to Indian corporates and their subsidiaries and joint ventures and 15.8% of the outstanding was to non-India companies with Indian or India-linked operations and activities. The portfolio in this segment is well-rated and the Indian operations of these companies are target customers for the Bank's deposit and transaction banking franchise. The Bank would continue to pursue risk-calibrated opportunities in this segment. Out of USD 4.14 billion, about 6.3% was to companies owned by NRIs/PIOs and 7.8% of the outstanding was to other non-India companies which is less than 1.0% of the total portfolio of the Bank.

MANAGEMENT'S DISCUSSION & ANALYSIS

The following table sets forth, at the dates indicated, the composition of the Bank's gross (net of write-offs) outstanding retail finance portfolio.

₹ in billion, except percentages

Particulars	March 31, 2020		March 31, 2021	
	Total retail advances	% of total retail advances	Total retail advances	% of total retail advances
Home loans	₹ 2,011.34	48.3%	**₹ 2,460.43**	**48.7%**
Rural loans	582.84	14.0	**738.98**	**14.6**
Personal loans	458.53	11.0	**507.43**	**10.1**
Business banking[1]	301.83	7.3	**413.51**	**8.2**
Automobile loans	326.25	7.8	**371.14**	**7.4**
Commercial business	252.01	6.1	**278.11**	**5.5**
Credit cards	163.42	3.9	**182.94**	**3.6**
Others[2,3]	65.95	1.6	**96.13**	**1.9**
Total retail finance portfolio[3]	**₹ 4,162.17**	**100.0%**	**₹ 5,048.67**	**100.0%**

1. *Includes dealer financing and small ticket loans to small businesses.*
2. *Includes loans against securities*
3. *Includes loans against FCNR deposits of ₹ 67.77 billion at March 31, 2021 (March 31, 2020: ₹ 36.23 billion).*
4. *All amounts have been rounded off to the nearest ₹ 10.0 million.*

The following table sets forth, at the dates indicated, the rating wise categorisation of the Bank's outstanding net advances:

₹ in billion, except percentages

Ratings category[1,2]	March 31, 2020	March 31, 2021
AA- and above	44.4%	**50.2%**
A+, A, A-	25.8	**23.0**
A- and above	**70.2**	**73.2**
BBB+,BBB, BBB-	26.6	**23.8**
BB and below[3]	2.9	**2.7**
Unrated	0.3	**0.3**
Total	**100.0%**	**100%**
Total net advances	**6,452.90**	**7,337.29**

1. *Based on internal ratings.*
2. *For retail loans, ratings have been undertaken at the product level.*
3. *Includes net non-performing loans*

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DIRECTED LENDING

RBI requires banks to lend to certain sectors of the economy. Such directed lending comprises priority sector lending and export credit.

Priority Sector Lending and Investment

The RBI guidelines on priority sector lending require banks to lend 40.0% of their adjusted net bank credit (ANBC), to fund certain types of activities carried out by specified borrowers. The definition of ANBC includes bank credit in India adjusted by bills rediscounted with RBI and other approved financial institutions and certain investments including Priority Sector Lending Certificates (PSLCs) and investments in Rural Infrastructure Development Fund and other specified funds on account of priority sector shortfall and is computed with reference to the outstanding amount at corresponding date of the preceding year as prescribed by the RBI guidelines titled 'Master Direction – Priority Sector Lending – Targets and Classification'. Further, the RBI allows exclusion from ANBC for funds raised by the Bank through issue of long-term bonds for financing infrastructure and low-cost housing, subject to certain limits.

As prescribed by RBI's Master Direction on 'Priority Sector Lending - Targets and Classification' dated September 4, 2020, the priority sectors include categories such as agriculture, micro, small and medium enterprises, education, housing, social infrastructure, renewable energy, export credit and others. Out of the overall target of 40.0%, banks are required to lend a minimum of 18.0% of their ANBC to the agriculture sector. Sub-targets of 8.0% for lending to small & marginal farmers (out of agriculture) and 7.5% lending target to micro-enterprises are applicable from fiscal 2016. RBI has directed banks to maintain direct lending to non-corporate farmers at the banking system's average level for the last three years, failing which banks will attract penalties for shortfall. RBI would notify the banks of the banking system's average level at the beginning of each year. RBI notified a target level of 12.14% of ANBC for this purpose for fiscal 2021. The banks are also required to lend 10.0% of their ANBC to certain borrowers under the "weaker section" category. Priority sector lending achievement is evaluated on a quarterly average basis from fiscal 2017.

The Bank is required to comply with the priority sector lending requirements prescribed by RBI. The shortfall in the amount required to be lent to the priority sectors and weaker sections may be required to be deposited in funds with government sponsored Indian development banks like the National Bank for Agriculture and Rural Development, the Small Industries Development Bank of India, the National Housing Bank, Micro Units Development and Refinance Agency Limited (MUDRA) and other financial institutions as decided by the RBI from time to time. These deposits have a maturity of up to seven years and carry interest rates lower than market rates. At March 31, 2021, the Bank's total investment in such funds was ₹ 311.78 billion, which was fully eligible for consideration in overall priority sector lending achievement.

As prescribed in the RBI guideline, the Bank's priority sector lending achievement is computed on a quarterly average basis. Total average priority sector lending for fiscal 2021 was ₹ 2,448.37 billion (fiscal 2020: ₹ 2,153.37 billion) constituting 40.9% (fiscal 2020: 40.3%) of ANBC, against the requirement of 40.0% of ANBC. The average lending to the agriculture sector was ₹ 1,019.54 billion (fiscal 2020: ₹ 834.63 billion) constituting 17.0% (fiscal 2020: 15.6%) of ANBC against the requirement of 18.0% of ANBC. The average advances to weaker sections were ₹ 641.59 billion (fiscal 2020: ₹ 443.88 billion) constituting 10.7% (fiscal 2020: 8.3%) of ANBC against the requirement of 10.0% of ANBC. Average lending to small and marginal farmers was ₹ 514.25 billion (fiscal 2020: ₹ 321.50 billion) constituting 8.6% (fiscal 2020: 6.0%) of ANBC against the requirement of 8.0% of ANBC. The average lending to micro enterprises was ₹ 448.46 billion (fiscal 2020: ₹ 408.72 billion) constituting 7.5% (fiscal 2020: 7.7%) of ANBC against the requirement of 7.5% of ANBC. The average lending to non-corporate farmers was ₹ 731.61 billion (fiscal 2020: ₹ 531.01 billion) constituting 12.2% (fiscal 2020: 9.9%) of ANBC against the requirement of 12.14% of ANBC (12.11% for fiscal 2020). The above includes the impact of PSLCs purchased/sold during fiscal 2021 by the Bank.

CLASSIFICATION OF LOANS

The Bank classify its assets as performing and non-performing in accordance with the RBI guidelines. Under the RBI guidelines, an asset is generally classified as non-performing if any amount of interest or principal remains overdue for more than 90 days, in respect of term loans. In respect of overdraft or cash credit, an asset is classified as non-performing if the account remains out of order for a period of 90 days; and in respect of bills, if the account remains overdue for more than 90 days. The RBI guidelines also require an asset to be classified as non-performing based on certain other criteria like restructuring of a loan, inability of a borrower to complete a project funded by us within stipulated timelines and certain other non-

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financial parameters. In respect of borrowers where loans and advances made by overseas branches are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the RBI guidelines, the amount outstanding in the host country is classified as non-performing.

The RBI has separate guidelines for classification of loans for projects under implementation which are based on the date of commencement of commercial production and date of completion of the project as originally envisaged at the time of financial closure. For infrastructure projects, a loan is classified as non-performing if it fails to commence commercial operations within two years from the documented date of commencement and for non-infrastructure projects, the loan is classified as non-performing if it fails to commence operations within 12 months from the documented date of such commencement.

The RBI also has separate guidelines for restructured loans. Loans restructured after April 1, 2015 (excluding loans given for implementation of projects in the infrastructure sector and non-infrastructure sector and which are delayed up to a specified period) by re-scheduling of principal repayments and/or the interest element are classified as non-performing. For such loans, the diminution in the fair value of the loan, if any, measured in present value terms, has to be provided for in addition to the provisions applicable to non-performing loans. RBI has issued guidelines for restructuring of loans to micro and small enterprises borrowers while continuing asset classification as standard, subject to specified conditions. Further, RBI through its guideline on 'Resolution Framework for COVID-19-related Stress' dated August 6, 2020, has provided a prudential framework to implement a resolution plan in respect of eligible corporate borrowers and personal loans, while classifying such exposures as standard, subject to specified conditions.

In accordance with the RBI circular dated April 17, 2020, the moratorium granted to certain borrowers is excluded from the determination of number of days past-due/out-of-order status for the purpose of asset classification. The moratorium granted to the borrowers is not accounted as restructuring of loan.

The following table sets forth, at the dates indicated, information regarding asset classification of the Bank's gross non-performing assets (net of write-offs, interest suspense and derivative income reversals).

₹ in billion

Particulars	At March 31, 2020	At March 31, 2021
Non-performing assets		
Sub-standard assets	₹ 64.09	**₹ 128.09**
Doubtful assets	307.24	**237.92**
Loss assets	42.76	**47.72**
Total non-performing assets[1]	**₹ 414.09**	**₹ 413.73**

1. Include advances, lease receivables and credit substitutes like debentures and bonds. Excludes preference shares.

2. All amounts have been rounded off to the nearest ₹ 10.0 million.

The following table sets forth, at the dates indicated, information regarding the Bank's non-performing assets (NPAs).

₹ in billion, except percentages

Year ended	Gross NPA[1]	Net NPA	Net customer assets	% of net NPA to net customer assets[2]
March 31, 2018	₹ 540.63	₹ 278.86	₹ 5,848.78	4.77%
March 31, 2019	₹ 462.92	₹ 135.77	₹ 6,580.34	2.06%
March 31, 2020	₹ 414.09	₹ 101.14	₹ 7,166.74	1.41%
March 31, 2021	**₹ 413.73**	**₹ 91.80**	**₹ 8,025.90**	**1.14%**

1. Net of write-offs, interest suspense and derivatives income reversal.

2. Include advances, lease receivables and credit substitutes like debentures and bonds. Excludes preference shares.

3. All amounts have been rounded off to the nearest ₹ 10.0 million.

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The following table sets forth, for the periods indicated, the composition of gross non-performing assets (net of write-offs) by industry sector.

₹ in billion, except percentages

Particulars	March 31, 2020		March 31, 2021	
	Amount	%	Amount	%
Retail finance[1]	₹ 83.32	20.1%	**₹ 151.30**	**36.6%**
Construction	54.33	13.1	**55.98**	**13.5**
Power	51.98	12.6	**46.07**	**11.1**
Crude petroleum/refining and petrochemicals	28.37	6.9	**27.58**	**6.7**
Road, ports, telecom, urban development and other infrastructure	33.05	8.0	**21.76**	**5.3**
Electronics and engineering	19.64	4.7	**17.48**	**4.2**
Services – non-finance	26.13	6.3	**16.85**	**4.1**
Mining	16.08	3.9	**8.07**	**2.0**
Iron/steel and products	14.24	3.4	**8.04**	**1.9**
Services – finance	9.67	2.3	**7.39**	**1.8**
Wholesale/retail trade	17.44	4.2	**6.48**	**1.6**
Shipping	8.77	2.1	**5.79**	**1.4**
Food and beverages	12.54	3.0	**4.67**	**1.1**
Manufacturing products (excluding metal)	6.22	1.5	**4.38**	**1.1**
Metal & products (excluding iron & steel)	0.19	-	**0.20**	**-**
Other industries[2]	32.12	7.9	**31.69**	**7.6**
Total	**₹ 414.09**	**100.0%**	**₹ 413.73**	**100.0%**

1. *Includes home loans, automobile loans, commercial business loans, dealer financing and small ticket loans to small businesses, personal loans, credit cards, rural loans and loans against securities.*
2. *Other industries primarily include textile, chemical and fertilizers, gems and jewellery, drugs and pharmaceuticals, FMCG, automobiles and developer financing.*
3. *All amounts have been rounded off to the nearest ₹ 10.0 million.*

In fiscal 2021, the Indian economy was impacted by Covid-19 pandemic with contraction in industrial and services output across small and large businesses. The nation-wide lock down in April-May 2020 substantially impacted economic activity. The easing of lock-down measures subsequently led to a gradual improvement in economic activity and progress towards normalcy. For the banking sector, these developments resulted in regulatory measures like moratorium on payment of dues and standstill in asset classification to mitigate the economic consequences on borrowers. There was an increase in additions to NPAs in fiscal 2021. The impact of Covid-19 pandemic continues as a second wave since the latter part of March 2021, has resulted in re-imposition of localised/regional lock-down measures in various parts of the country. A prolonged period of economic weakness caused by the second wave of the pandemic and uncertainty regarding normalization could continue to impact banking sector and result in higher addition to NPAs.

The gross additions to NPAs were ₹ 287.30 billion in fiscal 2018 and declined sharply to ₹ 110.39 billion in fiscal 2019. The gross additions to NPAs were ₹ 142.95 billion in fiscal 2020 and increased ₹ 161.23 billion in fiscal 2021. In fiscal 2021, the Bank recovered/upgraded non-performing assets amounting to ₹ 64.63 billion, wrote-off non-performing assets amounting to ₹ 96.08 billion and sold non-performing assets amounting to ₹ 0.88 billion. As a result, gross NPAs (net of write-offs) of the Bank marginally decreased from ₹ 414.09 billion at March 31, 2020 to ₹ 413.73 billion at March 31, 2021.

Net NPAs decreased from ₹ 101.14 billion at March 31, 2020 to ₹ 91.80 billion at March 31, 2021. The ratio of net NPAs to net customer assets decreased from 1.41% at March 31, 2020 to 1.14% at March 31, 2021.

At March 31, 2021, gross non-performing loans in the retail portfolio were 3.04% of gross retail loans compared to 2.02% at March 31, 2020 and net non-performing loans in the retail portfolio were 1.28% of net retail loans compared

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to 0.90% at March 31, 2020. The provision coverage ratio at March 31, 2021 was 77.7% as compared to 75.7% at March 31, 2020.

The total non-fund based outstanding to borrowers classified as non-performing was ₹ 44.05 billion at March 31, 2021 (March 31, 2020: ₹ 50.63 billion). The Bank held a provision of ₹ 14.92 billion at March 31, 2021 (March 31, 2020: ₹ 11.82 billion) against these non-fund based outstanding.

The gross outstanding loans to borrowers whose facilities have been restructured increased from ₹ 3.09 billion at March 31, 2020 to ₹ 32.69 billion at March 31, 2021. The net outstanding loans to borrowers whose facilities have been restructured increased from ₹ 2.86 billion at March 31, 2020 to ₹ 31.79 billion at March 31, 2021. The aggregate non-fund based outstanding to borrowers whose loans were restructured was ₹ 4.38 billion at March 31, 2021 (March 31, 2020: ₹ 0.80 billion).

In addition to the above, at March 31, 2021, the outstanding loans and non-fund facilities to borrowers in the corporate and small and medium enterprises portfolio rated BB and below were ₹ 131.39 billion.

The Bank, in its Annual Report for 2018, had reported on the various steps and measures taken pursuant to its becoming aware in March 2018 of an anonymous whistleblower complaint alleging incorrect asset classifications stemming from claimed irregular transactions in borrower accounts, incorrect accounting of interest income and NPA recoveries as fees, and overvaluation of collateral securing corporate loans. As previously reported, the Bank, at the direction of the Audit Committee and with the assistance of external counsel investigated all of the allegations made in the complaint, considered all of the various processes and measures that are operative, and all necessary and appropriate actions have been concluded, with no impact on financial statements. The Bank had also been responding to requests for information from United States Securities and Exchange Commission ('SEC') investigatory staff, regarding inter alia the above allegations. During the year ended March 31, 2021, the SEC has notified the Bank of the conclusion of its investigations without any enforcement action against the Bank.

SEGMENT INFORMATION

RBI in its guidelines on "segmental reporting" has stipulated specified business segments and their definitions, for the purposes of public disclosures on business information for banks in India.

The standalone segmental report for fiscal 2021, based on the segments identified and defined by RBI, has been presented as follows:

- Retail Banking includes exposures of the Bank, which satisfy the four qualifying criteria of 'regulatory retail portfolio' as stipulated by RBI guidelines on the Basel III framework.
- Wholesale Banking includes all advances to trusts, partnership firms, companies and statutory bodies, by the Bank which are not included in the Retail Banking segment, as per RBI guidelines for the Bank.
- Treasury includes the entire investment portfolio of the Bank.
- Other Banking includes leasing operations and other items not attributable to any particular business segment of the Bank.
- Unallocated includes items such as income tax paid in advance net of provision for tax, deferred tax and provisions to the extent reckoned at entity level.

Framework for transfer pricing

All liabilities are transfer priced to a central treasury unit, which pools all funds and lends to the business units at appropriate rates based on the relevant maturity of assets being funded after adjusting for regulatory reserve requirement and directed lending requirements.

Retail banking segment

The profit before tax of the segment decreased by 13.9% from ₹ 89.93 billion in fiscal 2020 to ₹ 77.40 billion in fiscal 2021 primarily due to an increase in provisions and a decrease in non-interest income, offset, in part, by an increase in net interest income and a decrease in non-interest expenses.

Net interest income increased by 15.2% from ₹ 193.90 billion in fiscal 2020 to ₹ 223.46 billion in fiscal 2021 primarily due to growth in average loan portfolio, an increase in net interest margin and an increase in average deposits.

Non-interest income decreased by 5.9% from ₹ 89.70 billion in fiscal 2020 to ₹ 84.44 billion in fiscal 2021 primarily due to a decrease in fee income from credit card portfolio, lending linked fees and income from third party products distribution. Fee income for fiscal 2021 was impacted due to lower borrowing and investment activity by customers and lower consumer spends caused by the nation-wide lockdown during April-May 2020 followed by gradual

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easing of lockdown by the Government of India, after the outbreak of Covid-19 pandemic, significantly impacting the economic activities.

Non-interest expenses decreased by 3.4% from ₹ 166.47 billion in fiscal 2020 to ₹ 160.85 billion in fiscal 2021.

The provisions (net of write-back) increased from ₹ 27.20 billion in fiscal 2020 to ₹ 69.65 billion in fiscal 2021. The provision was impacted due to higher additions to NPAs in fiscal 2021. Further, during fiscal 2021, the Bank has changed its provisioning policy on non-performing assets for certain loan categories to make it more conservative resulting in higher provisions.

Wholesale banking segment

The profit before tax of the segment increased from ₹ 9.27 billion in fiscal 2020 as compared to ₹ 58.20 billion in fiscal 2021 primarily due to a decrease in provisions and an increase in net interest income, offset, in part, by a decrease in non-interest income and an increase in non-interest expenses.

Net interest income increased by 12.0% from ₹ 98.83 billion in fiscal 2020 to ₹ 110.69 billion in fiscal 2021 primarily due to an increase in net interest margin and growth in the average loan portfolio and an increase in average term deposits and average current account deposits.

Non-interest income decreased by 18.2% from ₹ 44.00 billion in fiscal 2020 to ₹ 36.00 billion in fiscal 2021 primarily due to a decrease in transaction banking fees, income from forex and derivatives products and lending linked fees.

Provisions decreased from ₹ 93.95 billion in fiscal 2020 to ₹ 44.99 billion in fiscal 2021. This decline reflected, in part, lower additions to NPAs and lower ageing provision on existing NPAs.

Treasury segment

The profit before tax of the segment increased from ₹ 50.55 billion in fiscal 2020 to ₹ 110.80 billion in fiscal 2021 primarily due to an increase in interest income on investments, increase in non-interest income and a decrease in borrowing cost.

Non-interest income increased from ₹ 30.05 billion in fiscal 2020 to ₹ 68.48 billion in fiscal 2021. In fiscal 2021, the Bank made a net gain of ₹ 36.70 billion on sale of equity shares of ICICI General, ICICI Life and ICICI Securities. Gain on government securities and other fixed income positions decreased from ₹ 16.30 billion in fiscal 2020 to ₹ 14.64 billion in fiscal 2021.

Non-interest expenses increased from ₹ 8.95 billion in fiscal 2020 to ₹ 9.86 billion in fiscal 2021.

Provisions decreased from ₹ 4.48 billion in fiscal 2020 to a write-back of ₹ 1.48 billion in fiscal 2021.

Other banking segment

Profit before tax of other banking segment decreased from ₹ 5.83 billion in fiscal 2020 to ₹ 2.93 billion in fiscal 2021 primarily due to an increase in provisions and a decrease in net interest income.

In fiscal 2021, Covid-19 related provision amounting to ₹ 47.50 billion (fiscal 2020: ₹ 15.10 billion), was not allocated to any segment and included in unallocated.

CONSOLIDATED FINANCIALS AS PER INDIAN GAAP

The consolidated profit after tax increased from ₹ 95.66 billion in fiscal 2020 to ₹ 183.84 billion in fiscal 2021 primarily due to an increase in the profit of ICICI Bank, ICICI Securities, ICICI Securities Primary Dealership, ICICI General and ICICI Prudential Asset Management Company, offset, in part, by a decrease in profit of ICICI Life, ICICI Bank Canada and ICICI Bank UK. Consolidated return on equity increased from 8.1% for fiscal 2020 to 13.0% for fiscal 2021.

The consolidated assets of the Bank and its subsidiaries and other consolidating entities increased from ₹ 13,772.92 billion at March 31, 2020 to ₹ 15,738.12 billion at March 31, 2021. Consolidated advances increased from ₹ 7,062.46 billion at March 31, 2020 to ₹ 7,918.01 billion at March 31, 2021.

At March 31, 2021, the consolidated Tier-1 capital adequacy ratio was 17.81% as against minimum requirement of 9.075% and total consolidated capital adequacy ratio was 18.87% as against minimum requirement of 11.075%.

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED (ICICI LIFE)

The Annualised Premium Equivalent (APE) was ₹ 64.62 billion for fiscal 2021 as compared to ₹ 73.81 billion for fiscal 2020. The Value of New Business (VNB) margin was 25.1% for fiscal 2021 compared to 21.7% for fiscal 2020. The company's VNB increased from ₹ 16.05 billion for fiscal 2020 to ₹ 16.21 billion for fiscal 2021. ICICI Life's total premium grew by 6.9% from ₹ 334.31 billion in fiscal 2020 to ₹ 357.33 billion in fiscal 2021. The total assets under management of ICICI Life stood at ₹ 2,142.18 billion at March 31, 2021.

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Net premium earned increased from ₹ 328.79 billion in fiscal 2020 to ₹ 349.73 billion in fiscal 2021. The profit after tax decreased from ₹ 10.69 billion in fiscal 2020 to ₹ 9.60 billion in fiscal 2021 primarily due to additional reserves made for potential Covid-19 claims and increase in tax expenses.

ICICI LOMBARD GENERAL INSURANCE COMPANY (ICICI GENERAL)

The Gross Domestic Premium Income of ICICI General increased by 5.2% year-on-year to ₹ 140.03 billion in fiscal 2021. The profit after tax increased from ₹ 11.94 billion in fiscal 2020 to ₹ 14.73 billion in fiscal 2021 primarily due to an increase in investment income and premium income, offset, in part, by increase in commission expense and operating expense. The company's combined ratio improved to 99.8% in fiscal 2021 as compared to 100.4% in fiscal 2020.

ICICI PRUDENTIAL ASSET MANAGEMENT COMPANY (ICICI PRUDENTIAL AMC)

As per Indian GAAP, the profit after tax of ICICI Prudential AMC increased from ₹ 10.49 billion in fiscal 2020 to ₹ 11.79 billion in fiscal 2021 primarily due to increase in other income and decrease in brokerage and fund related expenses.

ICICI SECURITIES LIMITED (ICICI SECURITIES)

As per Indian GAAP, the consolidated profit after tax of ICICI Securities increased from ₹ 5.53 billion in fiscal 2020 to ₹ 10.94 billion in fiscal 2021 primarily due to an increase in brokerage income, offset, in part, by increase in administrative expenses.

ICICI SECURITIES PRIMARY DEALERSHIP (I-SEC PD)

As per Indian GAAP, the profit after tax of I-Sec PD increased from ₹ 2.66 billion in fiscal 2020 to ₹ 6.47 billion in fiscal 2021 primarily due to higher trading gains.

ICICI HOME FINANCE COMPANY LIMITED (ICICI HFC)

Under Indian GAAP, ICICI HFC made a profit after tax of ₹ 0.81 billion in fiscal 2021 compared to a loss after tax of ₹ 1.17 billion in fiscal 2020 primarily due to an increase in net interest income and a decrease in operating expenditure and provisions. Provisions were higher in fiscal 2020 primarily due to provision on NPAs under construction realty finance portfolio, additional general provision on overdue loans where moratorium benefit was given and provision on investment in security receipts.

As per Indian GAAP, net NPAs increased from ₹ 2.33 billion at March 31, 2020 to ₹ 5.59 billion at March 31, 2021 primarily due to increase in retail NPAs pursuant to the impact of Covid-19 pandemic

ICICI VENTURE FUNDS MANAGEMENT COMPANY (ICICI VENTURE)

The profit after tax of ICICI Venture decreased from ₹ 0.13 billion in fiscal 2020 to ₹ 0.04 billion in fiscal 2021 primarily due to lower income from venture capital funds and increase in other administrative expenses.

ICICI BANK CANADA

The core operating income of ICICI Bank Canada decreased from CAD 69.8 million in fiscal 2020 to CAD 21.3 million in fiscal 2021 primarily due to reduction in net interest income and fee income. The profit after tax of ICICI Bank Canada decreased from CAD 40.6 million (₹ 2.17 billion) in fiscal 2020 to CAD 20.0 million (₹ 1.13 billion) in fiscal 2021 primarily due to decrease core operating income, offset, in part, by write-back of provision.

The total assets decreased from CAD 6.56 billion at March 31, 2020 to CAD 5.96 billion at March 31, 2021. Loans and advances decreased from CAD 5.73 billion at March 31, 2020 to CAD 5.08 billion at March 31, 2021. The net impairment ratio decreased from 0.08% at March 31,2020 to 0.02% at March 31, 2021. ICICI Bank Canada had a total capital adequacy ratio of 24.1% at March 31, 2021 as against 19.1% at March 31, 2020.

ICICI BANK UK PLC (ICICI BANK UK)

The core operating income of ICICI Bank UK decreased from USD 40.2 million in fiscal 2020 to USD 21.8 million in fiscal 2021 primarily due to a decrease in net interest income, fees income and other income, offset, in part, by decrease in operating expenses. Profit after tax of ICICI Bank UK decreased from USD 23.2 million (₹ 1.64 billion) in fiscal 2020 to USD 14.8 million (₹ 1.10 billion) in fiscal 2021 primarily due to lower core operating profits, offset, in part, by lower impairment provision.

Total assets decreased from USD 3.54 billion at March 31, 2020 to USD 2.96 billion at March 31, 2021. Net advances decreased from USD 2.09 billion at March 31, 2020 to USD 1.57 billion at March 31, 2021. The net impairment ratio decreased from 3.8% at March 31, 2020 to 2.2% at March 31, 2021. ICICI Bank UK had a capital adequacy ratio of 28.3% at March 31, 2021 compared to 18.6% at March 31, 2020.

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The following table sets forth, for the periods and at the dates indicated, the profit/(loss) and total assets of our principal subsidiaries as per Indian GAAP.

₹ in billion

Company	Profit after tax		Total assets[1]	
	Fiscal 2020	Fiscal 2021	At March 31, 2020	At March 31, 2021
ICICI Prudential Life Insurance Company Limited	₹ 10.69	₹ 9.60	₹ **1,558.62**	₹ **2,170.35**
ICICI Lombard General Insurance Company Limited	11.94	14.73	**370.42**	**392.59**
ICICI Prudential Asset Management Company Limited[2]	10.49	11.79	**14.79**	**18.52**
ICICI Securities Limited (consolidated)[2]	5.53	10.94	**42.83**	**80.58**
ICICI Bank Canada	2.17	1.13	**350.18**	**346.59**
ICICI Venture Funds Management Company Limited	0.13	0.04	**2.89**	**2.91**
ICICI Securities Primary Dealership Limited[2]	2.66	6.47	**171.55**	**193.32**
ICICI Home Finance Company Limited[2]	(1.17)	0.81	**151.19**	**153.99**
ICICI Bank UK PLC	₹ 1.64	₹ 1.10	₹ **269.32**	₹ **217.51**

1. *Total assets are as per classification used in the consolidated financial statements and hence the total assets as per subsidiary's financial statements may differ.*
2. *These companies prepare their financial statements based on accounting guidelines issued under Ind AS. However, for preparation of consolidated financial statement of the Bank, financial statements as per Indian GAAP of these entities have been considered.*
3. *See also "Financials- Statement pursuant to Section 129 of the Companies Act, 2013".*
4. *All amounts have been rounded off to the nearest ₹ 10.0 million.*

MIGRATION TO INDIAN ACCOUNTING STANDARDS (IND AS)

In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), converged with International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs). However, currently the implementation of Ind AS for banks has been deferred by RBI till further notice pending the consideration of some recommended legislative amendments by the Government of India. The Bank is in an advanced stage of preparedness for implementation of Ind AS, as and when these are made applicable to the Indian banks. Further, there may be regulatory guidelines and clarifications in some critical areas of Ind AS application, which the Bank will need to suitably incorporate in its implementation.

KEY FINANCIAL INDICATORS: LAST 10 YEARS

(₹ in billion, except per share data and percentages)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total deposits	2,555.00	2,926.14	3,319.14	3,615.63	4,214.26	4,900.39	5,609.75	6,529.20	7,709.69	**9,325.22**
Total advances	2,537.28	2,902.49	3,387.03	3,875.22	4,352.64	4,642.32	5,123.95	5,866.47	6,452.90	**7,337.29**
Equity capital & reserves	604.05	667.06	732.13	804.29	897.36	999.51	1,051.59	1,083.68	1,165.04	**1,475.09**
Total assets	4,890.69	5,367.95	5,946.42	6,461.29	7,206.95	7,717.91	8,791.89	9,644.59	10,983.65	**12,304.33**
Total capital adequacy ratio	18.5%[1]	18.7%[1]	17.7%[2]	17.0%[2]	16.6%[2]	17.4%[2]	18.4%[2]	16.9%[2]	16.1%[2]	**19.1%[2]**
Core operating profit	103.99	127.04	155.77	180.27	198.03	179.10	189.39	220.72	268.08	**313.51**
Net interest income	107.34	138.66	164.75	190.40	212.24	217.37	230.26	270.15	332.67	**389.89**
Net interest margin	2.73%	3.11%	3.33%	3.48%	3.49%	3.25%	3.23%	3.42%	3.73%	**3.69%**
Profit after tax	64.65	83.25	98.10	111.75	97.26	98.01	67.77	33.63	79.31	**161.93**
Earnings per share (Basic)[3,4]	10.20	13.13	15.45	17.56	15.23	15.31	10.56	5.23	12.28	**24.01**
Earnings per share (Diluted)[3,4]	10.17	13.08	15.39	17.39	15.14	15.25	10.46	5.17	12.08	**23.67**
Return on average equity	11.1%	12.9%	13.7%	14.3%	11.3%	10.3%	6.6%	3.2%	7.1%	**12.2%**
Dividend per share[3,5]	3.30	4.00	4.60	5.00	5.00	2.50	1.50	1.00	-	**2.00**

1. *Total capital adequacy ratio has been calculated as per Basel II framework.*
2. *Total capital adequacy ratio has been calculated as per Basel III framework.*
3. *During the year ended March 31, 2015, the shareholders of the Bank approved the sub-division of one equity share of ₹ 10 into five equity shares having a face value of ₹ 2 each. Per share information of prior periods also reflects the effect of sub-division.*
4. *During the year ended March 31, 2018, the Bank issued bonus shares in the proportion of 1:10, i.e. 1 (One) bonus equity share of ₹ 2 each for every 10 (Ten) fully paid-up equity shares held (including shares underlying ADS). Per share information of prior periods also reflects the effect of bonus issue.*
5. *RBI through its circular 'Declaration of dividends by banks (Revised)' dated April 17, 2020, had directed that banks shall not make any dividend payment on equity shares from the profits pertaining to the financial year ended March 31, 2020. Accordingly, the Bank did not pay any dividend for FY2020.*

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
ICICI Bank Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of ICICI Bank Limited ('the Bank'), which comprise the Balance Sheet as at 31 March 2021, the Profit and Loss Account, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information. Incorporated in these standalone financial statements are the returns of the international branches for the year ended 31 March 2021. The branches in Dubai, South Africa, and New York have been audited by the respective branch auditors.

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the branch auditors as referred to in paragraph 16 below, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949, as well as the Companies Act, 2013 ('Act') and circulars and guidelines issued by the Reserve Bank of India ('RBI'), in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Bank as at 31 March 2021, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI'), together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and that obtained by the branch auditors, in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to note 18.59 of the accompanying standalone financial statements, which describes the uncertainties due to the outbreak of SARS-CoV-2 virus (COVID-19). The impact of these uncertainties on the Bank's results is significantly dependent on future developments.

   Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, and based on the consideration of the reports of the branch auditors, as referred to in paragraph 16 below, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

6. We have determined the matters described below to be the key audit matters to be communicated in our report

a. Information Technology ('IT') systems and controls impacting financial reporting

Key Audit Matter	How our audit addressed the key audit matter
The IT environment of the Bank is complex and involves a large number of, independent and inter-dependent IT systems used in the operations of the Bank for processing and recording a large volume of transactions at numerous locations. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Bank. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. The accuracy and reliability of the financial reporting process depends on the IT systems and the related control environment, including: ➢ IT general controls over user access management and change management across applications, networks, database, and operating systems; ➢ IT application controls. Due to the importance of the impact of the IT systems and related control environment on the Bank's financial reporting process, we have identified testing of such IT systems and related control environment as a key audit matter for the current year audit.	In assessing the integrity of the IT systems relevant for financial reporting, we involved our IT experts to obtain an understanding of the IT infrastructure and IT systems relevant to the Bank's financial reporting process for evaluation and testing of relevant IT general controls and IT application controls. Access rights were tested over applications, operating systems, networks, and databases, which are relied upon for financial reporting. We also assessed the operating effectiveness of controls over granting, removal and periodical review of access rights. We further tested segregation of duties, including preventive controls to ensure that access to change applications, the operating system or databases in the production environment were granted only to authorized personnel. Other areas that were assessed under the IT control environment, included password policies, security configurations, business continuity and controls around change management. We also evaluated the design and tested the operating effectiveness of key automated controls within various business processes. This included testing the integrity of system interfaces, the completeness and accuracy of data feeds, system reconciliation controls and automated calculations. Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

b. Identification and provisioning for non-performing assets ('NPAs') including implementation of COVID-19 related measures

As at 31 March 2021, the Bank reported total loans and advances (net of provisions) of ₹ 7,337,291 million (2020: 6,452,900 million), gross NPAs of ₹ 408,414 million (2020: ₹ 408,291 million), and provision for non-performing assets of ₹ 317,238 million (2020: 309,058 million). The provision coverage ratio as at 31 March 2021 is 77.7% (2020: 75.7%).

(Refer schedules 9, 17.3, 18.16, 18.19, and 18.27)

Key Audit Matter	How our audit addressed the key audit matter
The identification of NPAs and provisioning for advances is made in accordance with the extant RBI regulations or host country regulations, in the case of international branches. Based on our risk assessment, the following are significant in assessment of the NPA provisions: ➢ Recognition of defaults, in accordance with the criteria set out in the RBI Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances (IRAC norms) or in accordance with the host country regulations, as applicable. Further, the Bank is also required to identify NPAs by applying certain qualitative aspects; ➢ Implementation of the "COVID 19 Regulatory Package- Asset Classification and Provisioning" announced by the RBI on 17 April 2020 and RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 07 April 2021 (collectively referred to as 'the RBI circulars'), and "Resolution Framework for COVID-19 related Stress" (the 'Resolution Framework') issued by the RBI on 6 August 2020, which were collectively considered by the management in identification and provisioning of non-performing assets. On the basis of an estimate made by the management, a provision of ₹ 74,750 million was held by the Bank as at 31 March 2021 on account of likely increase in defaults due to the impact of COVID-19 on recoverability of loans and assets of the Bank. The Bank has also revised its internal provisioning policy of retail loans to address aforesaid risk. The basis of estimation of the additional provisions and the assumptions used for aforesaid additional provision are subject to periodic review by the Bank as these depend on future developments including the rate of spread of COVID-19, the effectiveness of current and future steps taken by the government and central banks to mitigate the economic impact	We understood the process and controls and tested the design and operating effectiveness of key controls, including IT based controls, focusing on the following: ➢ Identification and classification of NPAs in line with RBI IRAC norms and certain qualitative aspects; ➢ Periodic internal reviews of asset quality; ➢ Assessment of adequacy of NPA provisions; and ➢ Periodic valuation of collateral for NPAs. ➢ Implementation of the RBI circulars To test the identification of loans with default events and other triggers, we selected a sample of performing loans and independently assessed as to whether there was a need to classify such loans as NPAs. With respect to provisions recognised towards NPAs, we selected samples based on high risk industry sectors identified by the Bank, such as shipping, rigs, power, mining, and oil and gas exploration. For the samples selected, we re-performed the provision calculations including valuation of collaterals and compared our outcome to that prepared by the management and challenged various assumptions and judgements which were used by the management. We also held discussions with the management of the Bank on high risk industry sectors and measures taken by the management monitor to such assets. We read the RBI Annual Financial Inspection report for the financial year ended 2020 and other communication with regulators. With respect to those borrowers to whom a moratorium was granted in accordance with the RBI circulars, on a sample basis, we tested that such moratorium was granted and implemented in the systems in accordance with the board approved policy. On a test check basis, we tested the loans to ensure that identification of NPAs, provisions created, and asset classification were in accordance with the requirements of the RBI circulars. Further, with respect to the additional provisions made by the Bank on account of the impact of the COVID-19

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

Key Audit Matter	How our audit addressed the key audit matter
and the time it takes for the economic activities to return to pre-pandemic levels. ➢ The measurement of provision under RBI guidelines is also dependent on the ageing of overdue balances, secured / unsecured status of advances, stress and liquidity concerns in certain sectors and valuation of collateral. The provision on NPAs at certain overseas branches requires estimation of amounts and timing of expected future cash flows and exit values. Implementation of the RBI circulars also required the Bank to implement changes in its base Information Technology applications to extend the relief packages and moratorium period to the customers as announced by the Government. Considering the significance of the above matters to the financial statements, the heightened regulatory inspections, additional complexities in the current year on account of impact of COVID-19 and significant auditor attention required, we have identified this as a key audit matter for the current year audit.	pandemic, we understood and challenged the underpinning assumptions used by the Bank for such estimate by considering our understanding of the risk profiles of the customers of the Bank and other relevant publicly available macro-economic factors pertaining to impact of COVID-19. With respect to the Resolution Framework, ensured that the Bank's board approved policy was in accordance with the RBI requirements. On a test check basis, we ensured that the restructuring was approved and implemented, and provisions made on such restructured loans in accordance with the Bank's board approved policy and the Resolution Framework. We assessed the appropriateness and adequacy of disclosures against the relevant accounting standards and RBI requirements relating to NPAs including the additional disclosures required to be made in accordance with the relevant RBI requirements.

c. Provisions for litigation matters and taxation and contingent liabilities

As at 31 March 2021, the Bank has reported the following:

(₹ in millions)

Particulars	Included under contingent liabilities	
	At 31.03.2021	**At 31.03.2020**
Legal cases	**3,303**	3,300
Taxes	**70,465**	59,940
Total claims against the Bank not acknowledged as debts	**73,768**	**63,240**

(Refer schedules 12, 18.41)

Key Audit Matter	How our audit addressed the key audit matter
As at 31 March 2021, the Bank has ongoing legal and tax cases with varied degrees of complexities. This indicates that a significant degree of management judgement is involved in determining the appropriateness of provisions and related disclosures. Significant management judgement is needed in determining whether an obligation exists and whether a provision should be recognised as at the reporting date, in accordance with the accounting criteria set under Accounting Standard 29 - Provisions, Contingent Liabilities and Contingent Assets ('AS 29'), or whether it needs to be disclosed as a contingent liability. Further,	Our audit procedures included, but were not limited to, the following: We tested the design and operating effectiveness of the Bank's key controls over the estimation, monitoring and disclosure of provisions and contingent liabilities. For significant legal matters, we sought external confirmations and also reviewed the confirmations obtained by the management from external legal counsels and corroborated with management's documented conclusions on the assessment of outstanding litigations against the Bank.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

Key Audit Matter	How our audit addressed the key audit matter
significant judgements are also involved in measuring such obligations, the most significant of which are: ➢ Assessment of liability: Judgement is involved in the determination of whether an outflow in respect of identified material matters are probable and can be estimated reliably; ➢ Adequacy of provisions: The appropriateness of assumptions and judgements used in the estimation of significant provisions; and ➢ Adequacy of disclosures of provision for liabilities and charges, and contingent liabilities. Considering the significance of the above matter to the financial statements, and significant auditor attention required to test such estimates, we have identified this as a key audit matter for current year audit.	In respect of taxation matters, we involved our tax specialists to gain an understanding of the current status of the outstanding tax litigations, including understanding of various orders / notices received by the Bank and the management's grounds of appeals before the relevant appellate authorities, and critically evaluated the management's assessment of the likelihood of the liability devolving upon the Bank, in accordance with the principles of AS 29. For the significant provisions made, we understood, assessed and challenged the adequacy of provisions recognised by the management. We also reviewed the historical accuracy of the provisions recognised to determine the efficacy of the process of estimation by the management. Further, we assessed whether the disclosures related to significant litigation and taxation matters were appropriate and adequate in terms of whether the potential liabilities and the significant uncertainties were fairly presented.

d. Valuation of derivatives

(₹ in millions)

Particulars	Included under	At 31.03.2021	At 31.03.2020
Notional value of derivatives	Contingent liabilities	**25,062,638**	23,649,552

(Refer schedule 12 and 18.13)

Key Audit Matter	How our audit addressed the key audit matter
Derivatives are valued through models with external inputs. The derivatives portfolio of the Bank primarily includes transactions which are carried out on behalf of its clients (and are covered on a back-to-back basis) and transactions to hedge the Bank's interest and foreign currency risk. A significant degree of management judgement is involved in the application of valuation techniques through which the value of the Bank's derivatives is determined. The financial statement risk arises particularly with respect to complex valuation models, valuation parameters, and inputs that are used in determining fair values. Considering the significance of the above matter to the financial statements, significant management estimates and judgements, and auditor attention required to test such estimates and judgements, we have identified this as a key audit matter for current year audit.	Our audit procedures included, but were not limited to, the following: We included our valuation experts as a part of our audit team to obtain an understanding, evaluate the design, and test the operating effectiveness of the key controls over the valuation processes, including: ➢ independent price verification performed by a management expert; and ➢ model governance and validation. On a sample basis, our valuation experts performed an independent reassessment of the valuation of derivatives, to ensure compliance with the relevant RBI regulations, reasonableness of the valuation methodology and the inputs used. Further our valuation experts assisted us in challenging the appropriateness of significant models and methodologies used in valuation.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

Information other than the Standalone Financial Statements and Auditor's Report thereon

7. The Bank's Board of Directors are responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, and Directors' Report, including annexures to the Directors' Report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The accompanying financial statements have been approved by the Bank's Board of Directors. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records, in accordance with the provisions of the Act for safeguarding of the assets of the Bank 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

10. The Board of Directors is also responsible for overseeing the Banks's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial statements of 3 international branches included in the standalone financial statements of the Bank, whose financial statements reflects total assets of ₹ 596,868.52 million as at 31 March 2021, and total revenue, total net loss after tax, and net cash inflows of ₹ 9,716.89 million, ₹ 6,068.91 million, and ₹ 108,879.26 million, respectively, for the year ended on that date, as considered in the standalone financial statements. The financial statements of these branches have been audited by the branch auditors, whose reports have been furnished to us by the management, and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the reports of such branch auditors.

    Our opinion on the standalone financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

17. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Act read with rule 7 of the Companies (Rules), 2014 (as amended).
18. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, based on our audit, and on the consideration of the reports of the branch auditors as referred to in paragraph 16 above, we report that:

    a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

    b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

    c) since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally, as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit, we have visited 130 branches to examine the records maintained at such branches for the purpose of our audit.
19. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act, we report that since the Bank is a banking company, as defined under Banking Regulation Act, 1949, the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section, is not applicable.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

20. Further, as required by section 143 (3) of the Act, based on our audit, and on the consideration of the reports of the branch auditors as referred to in paragraph 16 above, 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 our audit;

    b) in our opinion, proper books of account as required by law have been kept by the Bank, so far as it appears from our examination of those books and proper returns, adequate for the purposes of our audit, have been received from the international branches not audited by us;

    c) the reports on the accounts of the international branches of the Bank audited under section 143(8) of the Act by the branch auditors of the Bank have been sent to us and have been properly dealt with by us in preparing this report;

    d) the standalone financial statements dealt with by this report are in agreement with the books of account and with the returns received from the international branches not audited by us;

    e) in our opinion, the aforesaid standalone financial statements comply with Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), to the extent they are not inconsistent with the accounting policies prescribed by RBI;

    f) on the basis of the written representations received from the directors as on 31 March 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

    g) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Bank as on 31 March 2021, in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date and our report dated 24 April 2021 as per Annexure A expressed an unmodified opinion;

    h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Bank, as detailed in schedules 12 and 18.45 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;

        ii. the Bank, as detailed in schedule 18.45 to the standalone financial statements, has made provisions as at 31 March 2021, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts, including derivative contracts;

        iii. there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Bank during the year ended 31 March 2021;

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782
UDIN: 21105782AAAACO8365

Place: Mumbai
Date: 24 April 2021

ANNEXURE A to the Independent Auditor's Report of even date to the members of ICICI Bank Limited on the standalone financial statements for the year ended 31 March 2021

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of ICICI Bank Limited ('the Bank') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Bank as at that date.

Management's Responsibility for Internal Financial Controls

2. The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Bank, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Bank's business, including adherence to the Bank'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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, 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 is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. An enitity's internal financial controls with reference to financial statements 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. An entity's internal financial controls with reference to financial statements include 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 entity; (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 entity are being made only in accordance with authorisations of management and directors of the entity; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

ANNEXURE A *(Contd.)*

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Owing to the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Bank 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.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Sudhir N. Pillai
Partner
Membership No:105782
UDIN:21105782AAAACO8365

Place: Mumbai
Date: 24 April 2021

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

BALANCE SHEET

at March 31, 2021

₹ in '000s

	Schedule	At 31.03.2021	At 31.03.2020
CAPITAL AND LIABILITIES			
Capital	1	**13,834,104**	12,947,649
Employees stock options outstanding		**31,010**	34,858
Reserves and surplus	2	**1,461,226,736**	1,152,061,563
Deposits	3	**9,325,221,605**	7,709,689,946
Borrowings	4	**916,309,564**	1,628,967,599
Other liabilities and provisions	5	**587,703,739**	479,949,877
TOTAL CAPITAL AND LIABILITIES		**12,304,326,758**	**10,983,651,492**
ASSETS			
Cash and balances with Reserve Bank of India	6	**460,311,902**	352,839,592
Balances with banks and money at call and short notice	7	**870,970,599**	838,717,797
Investments	8	**2,812,865,399**	2,495,314,805
Advances	9	**7,337,290,904**	6,452,899,697
Fixed assets	10	**88,775,806**	84,102,853
Other assets	11	**734,112,148**	759,776,748
TOTAL ASSETS		**12,304,326,758**	**10,983,651,492**
Contingent liabilities	12	**26,486,406,690**	25,238,257,975
Bills for collection		**546,434,215**	482,162,417
Significant accounting policies and notes to accounts	17 & 18		

The Schedules referred to above form an integral part of the Standalone Balance Sheet.

As per our Report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership no.: 105782

For and on behalf of the Board of Directors

Girish Chandra Chaturvedi
Chairman
DIN-00110996

Uday M. Chitale
Director
DIN-00043268

Sandeep Bakhshi
Managing Director & CEO
DIN-00109206

Vishakha Mulye
Executive Director
DIN-00203578

Anup Bagchi
Executive Director
DIN-00105962

Sandeep Batra
Executive Director
DIN-03620913

Rakesh Jha
Group Chief Financial Officer

Ranganath Athreya
Company Secretary

Rajendra Khandelwal
Chief Accountant

Mumbai
April 24, 2021

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2021

₹ in '000s

		Schedule	Year ended 31.03.2021	Year ended 31.03.2020
I.	**INCOME**			
	Interest earned	13	**791,182,710**	747,983,166
	Other income	14	**189,685,274**	164,486,220
	TOTAL INCOME		**980,867,984**	**912,469,386**
II.	**EXPENDITURE**			
	Interest expended	15	**401,288,374**	415,312,517
	Operating expenses	16	**215,608,340**	216,144,109
	Provisions and contingencies (refer note 18.45)		**202,044,429**	201,704,636
	TOTAL EXPENDITURE		**818,941,143**	**833,161,262**
III.	**PROFIT/(LOSS)**			
	Net profit/(loss) for the year		**161,926,841**	79,308,124
	Profit brought forward		**213,274,679**	178,795,703
	TOTAL PROFIT/(LOSS)		**375,201,520**	**258,103,827**
IV.	**APPROPRIATIONS/TRANSFERS**			
	Transfer to Statutory Reserve		**40,482,000**	19,828,000
	Transfer to/(from) Reserve Fund		**(77,638)**	3,670
	Transfer to Capital Reserve		**1,302,300**	3,954,400
	Transfer to Capital Redemption Reserve		**-**	-
	Transfer to/(from) Investment Reserve Account		**-**	-
	Transfer to/(from) Investment Fluctuation Reserve		**(2,495,799)**	6,690,000
	Transfer to Revenue and other reserves		**15,000,000**	-
	Transfer to Special Reserve		**10,900,000**	7,900,000
	Dividend paid during the year		**-**	6,453,078
	Corporate dividend tax paid during the year		**-**	-
	Balance carried over to balance sheet		**310,090,657**	213,274,679
	TOTAL		**375,201,520**	**258,103,827**
Significant accounting policies and notes to accounts		17 & 18		
Earnings per share (refer note 18.1)				
	Basic (₹)		**24.01**	12.28
	Diluted (₹)		**23.67**	12.08
Face value per share (₹)			**2.00**	2.00

The Schedules referred to above form an integral part of the Standalone Profit and Loss Account.

As per our Report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership no.: 105782

For and on behalf of the Board of Directors

Girish Chandra Chaturvedi
Chairman
DIN-00110996

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Group Chief Financial Officer

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Rajendra Khandelwal
Chief Accountant

Mumbai
April 24, 2021

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

CASH FLOW STATEMENT

for the year ended March 31, 2021

₹ in '000s

		Year ended 31.03.2021	Year ended 31.03.2020
Cash flow from/(used in) operating activities			
Profit/(loss) before taxes		**201,827,176**	140,480,406
Adjustments for:			
Depreciation and amortisation		**12,013,384**	10,738,916
Net (appreciation)/depreciation on investments[1]		**(22,143,504)**	17,977,289
Provision in respect of non-performing and other assets		**107,491,259**	88,144,145
General provision for standard assets		**50,288,318**	31,871,122
Provision for contingencies & others		**5,942,673**	7,402,359
Income from subsidiaries, joint ventures and consolidated entities		**(12,339,950)**	(12,730,298)
(Profit)/loss on sale of fixed assets		**27,974**	(14,216)
	(i)	**343,107,330**	**283,869,723**
Adjustments for:			
(Increase)/decrease in investments		**240,666,909**	(55,702,939)
(Increase)/decrease in advances		**(994,947,362)**	(684,540,454)
Increase/(decrease) in deposits		**1,615,531,659**	1,180,493,234
(Increase)/decrease in other assets		**10,773,799**	8,898,408
Increase/(decrease) in other liabilities and provisions		**50,820,785**	61,686,755
	(ii)	**922,845,790**	**510,835,004**
Refund/(payment) of direct taxes	(iii)	**(25,019,557)**	**(10,210,349)**
Net cash flow from/(used in) operating activities (i)+(ii)+(iii)	(A)	**1,240,933,563**	**784,494,378**
Cash flow from/(used in) investing activities			
Redemption/sale from/(investments in) subsidiaries and/or joint ventures (including application money)		**37,369,338**	-
Income from subsidiaries, joint ventures and consolidated entities		**12,339,950**	12,730,298
Purchase of fixed assets		**(14,301,487)**	(13,674,681)
Proceeds from sale of fixed assets		**56,622**	148,126
(Purchase)/sale of held-to-maturity securities		**(570,378,440)**	(370,277,765)
Net cash flow from/(used in) investing activities	(B)	**(534,914,017)**	**(371,074,022)**
Cash flow from/(used in) financing activities			
Proceeds from issue of share capital (including ESOPs)		**154,600,321**	5,493,214
Proceeds from long-term borrowings		**152,089,846**	244,134,272
Repayment of long-term borrowings		**(377,290,832)**	(412,397,914)
Net proceeds/(repayment) of short-term borrowings		**(488,752,518)**	142,777,984
Dividend and dividend tax paid		**-**	(6,453,078)
Net cash flow from/(used in) financing activities	(C)	**(559,353,183)**	**(26,445,522)**
Effect of exchange fluctuation on translation reserve	(D)	**(6,941,251)**	**1,619,695**
Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C) + (D)		**139,725,112**	**388,594,529**
Cash and cash equivalents at beginning of the year		**1,191,557,389**	**802,962,860**
Cash and cash equivalents at end of the period/year		**1,331,282,501**	**1,191,557,389**

1. *For the year ended March 31, 2021, includes gain on sale of a part of equity investment in the subsidiaries, ICICI Lombard General Insurance Company Limited, ICICI Prudential Life Insurance Company Limited and ICICI Securities Limited.*
2. *Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.*

As per our Report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership no.: 105782

Mumbai
April 24, 2021

For and on behalf of the Board of Directors

Girish Chandra Chaturvedi
Chairman
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Managing Director & CEO
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Group Chief Financial Officer

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Rajendra Khandelwal
Chief Accountant

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Balance Sheet

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 1 - CAPITAL		
Authorised capital		
12,500,000,000 equity shares of ₹ 2 each (March 31, 2020: 12,500,000,000 equity shares of ₹ 2 each)	**25,000,000**	**25,000,000**
Equity share capital		
Issued, subscribed and paid-up capital		
6,472,765,203 equity shares of ₹ 2 each (March 31, 2020: 6,446,239,653 equity shares)	**12,945,530**	12,892,479
Add: 443,227,184[1] equity shares of ₹ 2 each (March 31, 2020: 26,525,550 equity shares) issued during the period	**886,455**	53,051
	13,831,985	**12,945,530**
Add: Forfeited equity shares[2]	**2,119**	2,119
TOTAL CAPITAL	**13,834,104**	**12,947,649**

1. *Represents 418,994,413 equity shares issued under Qualified Institutions Placement (QIP) and 24,232,771 equity shares issued (year ended March 31, 2020: 26,525,550 equity shares) pursuant to exercise of employee stock options year ended March 31, 2021.*
2. *On account of forfeiture of 266,089 equity shares of ₹ 10 each.*

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 2 - RESERVES AND SURPLUS		
I. Statutory reserve		
Opening balance	**257,205,519**	237,377,519
Additions during the year	**40,482,000**	19,828,000
Deductions during the year	**-**	-
Closing balance	**297,687,519**	**257,205,519**
II. Special reserve		
Opening balance	**102,940,000**	95,040,000
Additions during the year	**10,900,000**	7,900,000
Deductions during the year	**-**	-
Closing balance	**113,840,000**	**102,940,000**
III. Securities premium		
Opening balance	**334,612,918**	329,160,858
Additions during the year[1]	**154,419,403**	5,452,060
Deductions during the year[2]	**(701,689)**	-
Closing balance	**488,330,632**	**334,612,918**
IV. Investment reserve account		
Opening balance	**-**	-
Additions during the year	**-**	-
Deductions during the year	**-**	-
Closing balance	**-**	**-**
V. Investment fluctuation reserve		
Opening balance	**19,382,000**	12,692,000
Additions during the year[3]	**-**	6,690,000
Deductions during the year	**(2,495,799)**	-
Closing balance	**16,886,201**	**19,382,000**

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Standalone Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2021	At 31.03.2020
VI. Capital reserve		
Opening balance	**132,496,125**	128,541,725
Additions during the year[4]	**1,302,300**	3,954,400
Deductions during the year	**-**	-
Closing balance	**133,798,425**	**132,496,125**
VII. Capital redemption reserve		
Opening balance	**3,500,000**	3,500,000
Additions during the year	**-**	-
Deductions during the year	**-**	-
Closing balance	**3,500,000**	**3,500,000**
VIII. Foreign currency translation reserve		
Opening balance	**16,528,210**	14,908,515
Additions during the year	**-**	1,619,695
Deductions during the year	**(6,941,251)**	-
Closing balance	**9,586,959**	**16,528,210**
IX. Revaluation reserve (refer note 18.37)		
Opening balance	**31,148,705**	30,445,093
Additions during the year[5]	**461,869**	1,395,700
Deductions during the year[6]	**(674,666)**	(692,088)
Closing balance	**30,935,908**	**31,148,705**
X. Reserve fund		
Opening balance	**77,638**	73,968
Additions during the year[7]	**-**	3,670
Deductions during the year[7]	**(77,638)**	-
Closing balance	**-**	**77,638**
XI. Revenue and other reserves		
Opening balance	**40,895,769**	40,203,682
Additions during the year	**15,674,666**	692,087
Deductions during the year	**-**	-
Closing balance	**56,570,435**	**40,895,769**
XII. Balance in profit and loss account	**310,090,657**	**213,274,679**
TOTAL RESERVES AND SURPLUS	**1,461,226,736**	**1,152,061,563**

1. At March 31, 2021, includes amount on account of exercise of employee stock options and equity shares issued under QIP.

2. Represents amount utilised towards direct expenses relating to the issuance of equity shares under QIP.

3. Represents amount transferred to Investment Fluctuation Reserve (IFR) on net profit on sale of AFS and HFT investments during the period. As per the RBI circular, from the year ended March 31, 2019, an amount not less than the lower of net profit on sale of AFS and HFT category investments during the period or net profit for the period less mandatory appropriations is required to be transferred to IFR, until the amount of IFR is at least 2% of the HFT and AFS portfolio.

4. Represents appropriations made for profit on sale of investments in held-to-maturity category, net of taxes and transfer to Statutory Reserve and profit on sale of land and buildings, net of taxes and transfer to Statutory Reserve.

5. Represents gain on revaluation of premises carried out by the Bank.

6. Represents amount transferred from Revaluation Reserve to General Reserve on account of incremental depreciation charge on revaluation, revaluation surplus on premises sold or loss on revaluation on account of certain assets which were held for sale.

7. Represents appropriations made to Reserve Fund in accordance with regulations applicable to Sri Lanka branch. Balance in reserve fund transferred to balance in profit and loss account due to closure of Sri Lanka branch during the year ended March 31, 2021.

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Standalone Balance Sheet *(Contd.)*

₹ in '000s

			At 31.03.2021	At 31.03.2020
SCHEDULE 3 - DEPOSITS				
A.	**I.**	Demand deposits		
		i) From banks	**114,792,811**	65,212,698
		ii) From others	**1,246,908,460**	957,063,014
	II.	Savings bank deposits	**2,954,533,008**	2,455,908,874
	III.	Term deposits		
		i) From banks	**96,198,935**	202,585,695
		ii) From others	**4,912,788,391**	4,028,919,665
TOTAL DEPOSITS			**9,325,221,605**	**7,709,689,946**
B.	**I.**	Deposits of branches in India	**9,248,880,616**	7,637,416,010
	II.	Deposits of branches outside India	**76,340,989**	72,273,936
TOTAL DEPOSITS			**9,325,221,605**	**7,709,689,946**

₹ in '000s

			At 31.03.2021	At 31.03.2020
SCHEDULE 4 - BORROWINGS				
I.	**Borrowings in India**			
	i)	Reserve Bank of India[1]	**1,000,000**	86,810,000
	ii)	Other banks	**6,999**	-
	iii)	Other institutions and agencies		
		a) Government of India	**-**	-
		b) Financial institutions[2]	**216,069,065**	493,020,910
	iv)	Borrowings in the form of bonds and debentures (excluding subordinated debt)	**197,867,850**	197,869,634
	v)	Application money-bonds	**-**	-
	vi)	Capital instruments		
		a) Innovative Perpetual Debt Instruments (IPDI) (qualifying as additional Tier 1 capital)	**101,200,000**	101,200,000
		b) Hybrid debt capital instruments issued as bonds/debentures (qualifying as Tier 2 capital)	**-**	-
		c) Unsecured redeemable debentures/bonds (subordinated debt included in Tier 2 capital)	**71,258,998**	116,974,946
TOTAL BORROWINGS IN INDIA			**587,402,912**	**995,875,490**
II.	**Borrowings outside India**			
	i)	Capital instruments	**-**	-
	ii)	Bonds and notes	**171,698,692**	294,811,272
	iii)	Other borrowings	**157,207,960**	338,280,837
TOTAL BORROWINGS OUTSIDE INDIA			**328,906,652**	**633,092,109**
TOTAL BORROWINGS			**916,309,564**	**1,628,967,599**

1. *Represents borrowings made under Liquidity Adjustment Facility (LAF).*
2. *Includes borrowings made under repo and refinance.*
3. *Secured borrowings in I and II above amount to Nil (March 31, 2020: Nil) except borrowings of ₹ 4,999.1 million (March 31, 2020: ₹ 340,756.8 million) under market repurchase transactions (including tri-party repo) with banks and financial institutions and transactions under liquidity adjustment facility and marginal standing facility.*

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Standalone Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	**123,870,614**	53,443,331
II. Inter-office adjustments (net)	**3,262,618**	7,439,584
III. Interest accrued	**21,389,174**	26,959,112
IV. Sundry creditors	**121,848,376**	93,832,003
V. General provision for standard assets (refer note 18.18)[1]	**111,092,824**	60,995,182
VI. Others (including provisions)[2]	**206,240,133**	237,280,665
TOTAL OTHER LIABILITIES AND PROVISIONS	**587,703,739**	**479,949,877**

1. Includes Covid-19 related provision amounting to ₹ 74,750.0 million (March 31, 2020: ₹ 27,250.0 million).
2. Includes specific provision for standard loans amounting to ₹ 7,791.5 million (March 31, 2020: ₹ 3,196.1 million).

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	**70,309,617**	99,437,514
II. Balances with Reserve Bank of India in current accounts	**390,002,285**	253,402,078
TOTAL CASH AND BALANCES WITH RESERVE BANK OF INDIA	**460,311,902**	**352,839,592**

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
i) Balances with banks		
a) In current accounts	**526,416**	1,620,749
b) In other deposit accounts	**15,224**	66,791
ii) Money at call and short notice		
a) With banks[1]	**352,190,000**	594,212,800
b) With other institutions[2]	**145,670**	69,211,816
TOTAL	**352,877,310**	**665,112,156**
II. Outside India		
i) In current accounts	**263,159,331**	116,434,071
ii) In other deposit accounts	**198,990,362**	25,335,217
iii) Money at call and short notice	**55,943,596**	31,836,353
TOTAL	**518,093,289**	**173,605,641**
TOTAL BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	**870,970,599**	**838,717,797**

1. Includes lending under Liquidity Adjustment Facility (LAF).
2. Includes lending under reverse repo.

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Standalone Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 8 - INVESTMENTS		
I. Investments in India [net of provisions]		
i) Government securities	**2,136,207,918**	1,883,318,796
ii) Other approved securities	**-**	-
iii) Shares (includes equity and preference shares)	**28,220,174**	24,622,430
iv) Debentures and bonds	**214,445,380**	119,852,513
v) Subsidiaries and/or joint ventures[1]	**60,738,869**	61,201,686
vi) Others (commercial paper, mutual fund units, pass through certificates, security receipts, certificate of deposits and other related investments)	**167,395,240**	326,595,257
TOTAL INVESTMENTS IN INDIA	**2,607,007,581**	**2,415,590,682**
II. Investments outside India [net of provisions]		
i) Government securities	**151,622,342**	28,909,637
ii) Subsidiaries and/or joint ventures abroad (includes equity and preference shares)	**36,826,862**	36,826,862
iii) Others (equity shares, bonds and certificate of deposits)	**17,408,614**	13,987,624
TOTAL INVESTMENTS OUTSIDE INDIA	**205,857,818**	**79,724,123**
TOTAL INVESTMENTS	**2,812,865,399**	**2,495,314,805**
A. Investments in India		
Gross value of investments	**2,655,692,360**	2,472,213,814
Less: Aggregate of provision/depreciation/(appreciation)	**48,684,779**	56,623,132
Net investments	**2,607,007,581**	**2,415,590,682**
B. Investments outside India		
Gross value of investments	**206,964,172**	81,130,342
Less: Aggregate of provision/depreciation/(appreciation)	**1,106,354**	1,406,219
Net investments	**205,857,818**	**79,724,123**
TOTAL INVESTMENTS	**2,812,865,399**	**2,495,314,805**

1. *During the year ended March 31, 2021, the Bank sold a part of its equity investment in subsidiaries, ICICI Lombard General Insurance Company Limited, ICICI Prudential Life Insurance Company Limited and ICICI Securities Limited.*
2. *Refer note 18.10 - Investments and note 18.11 - Non-SLR Investments.*

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Standalone Balance Sheet *(Contd.)*

₹ in '000s

				At 31.03.2021	At 31.03.2020
SCHEDULE 9 - ADVANCES [NET OF PROVISIONS]					
A.	i)	Bills purchased and discounted[1]		**335,109,843**	444,802,983
	ii)	Cash credits, overdrafts and loans repayable on demand		**1,846,093,909**	1,557,314,567
	iii)	Term loans		**5,156,087,152**	4,450,782,147
TOTAL ADVANCES				**7,337,290,904**	**6,452,899,697**
B.	i)	Secured by tangible assets (includes advances against book debts)		**5,302,794,936**	4,663,199,942
	ii)	Covered by bank/government guarantees		**106,820,866**	98,100,926
	iii)	Unsecured		**1,927,675,102**	1,691,598,829
TOTAL ADVANCES				**7,337,290,904**	**6,452,899,697**
C.	**I.**	**Advances in India**			
		i)	Priority sector	**2,031,797,475**	1,909,002,118
		ii)	Public sector	**451,897,529**	159,541,485
		iii)	Banks	**264,743**	4,468,311
		iv)	Others	**4,477,427,682**	3,840,221,670
TOTAL ADVANCES IN INDIA				**6,961,387,429**	**5,913,233,584**
	II.	**Advances outside India**			
		i)	Due from banks	**2,773,789**	4,732,195
		ii)	Due from others		
			a) Bills purchased and discounted	**78,351,968**	163,653,671
			b) Syndicated and term loans	**168,266,427**	326,238,831
			c) Others	**126,511,291**	45,041,416
TOTAL ADVANCES OUTSIDE INDIA				**375,903,475**	**539,666,113**
TOTAL ADVANCES				**7,337,290,904**	**6,452,899,697**

1. Net of bills re-discounted amounting to Nil (March 31, 2020: Nill).

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Standalone Balance Sheet *(Contd.)*

₹ in '000s

		At 31.03.2021	At 31.03.2020
SCHEDULE 10 - FIXED ASSETS			
I.	**Premises**		
	Gross block		
	At cost at March 31 of preceding year	**77,468,304**	75,541,590
	Additions during the year[1]	**1,656,933**	2,542,536
	Deductions during the year	**(234,494)**	(615,822)
	Closing balance	**78,890,743**	**77,468,304**
	Depreciation		
	At March 31 of preceding year	**16,668,165**	15,309,915
	Charge during the year[2]	**1,974,520**	1,887,797
	Deductions during the year	**(221,378)**	(529,547)
	Total depreciation	**18,421,307**	**16,668,165**
	Net block	**60,469,436**	**60,800,139**
II.	**Other fixed assets (including furniture and fixtures)**		
	Gross block		
	At cost at March 31 of preceding year	**68,735,008**	59,431,918
	Additions during the year	**13,185,789**	11,591,192
	Deductions during the year	**(3,059,360)**	(2,288,102)
	Closing balance	**78,861,437**	**68,735,008**
	Depreciation		
	At March 31 of preceding year	**48,172,061**	42,763,904
	Charge during the year	**8,609,517**	7,583,366
	Deductions during the year	**(2,939,461)**	(2,175,209)
	Total depreciation	**53,842,117**	**48,172,061**
	Net block	**25,019,320**	**20,562,947**
III.	**Lease assets**		
	Gross block		
	At cost at March 31 of preceding year	**17,054,049**	16,714,629
	Additions during the year	**681,173**	339,420
	Deductions during the year	**-**	-
	Closing balance[3]	**17,735,222**	**17,054,049**
	Depreciation		
	At March 31 of preceding year	**14,314,282**	14,300,031
	Charge during the year	**133,890**	14,251
	Deductions during the year	**-**	-
	Total depreciation, accumulated lease adjustment and provisions	**14,448,172**	**14,314,282**
	Net block	**3,287,050.0**	**2,739,767**
TOTAL FIXED ASSETS		**88,775,806.0**	**84,102,853**

1. *Includes revaluation gain amounting to ₹ 461.9 million (March 31, 2020: ₹ 1,395.7 million) on account of revaluation carried out by the Bank.*
2. *Includes depreciation charge on account of revaluation of ₹ 674.7 million for the year ended March 31, 2021 (year ended March 31, 2020: ₹ 649.9 million).*
3. *Includes assets taken on lease amounting to ₹ 1,020.6 million (March 31, 2020: ₹ 339.4 million).*

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Standalone Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 11 - OTHER ASSETS		
I. Inter-office adjustments (net)	**-**	-
II. Interest accrued	**86,278,179**	86,517,207
III. Tax paid in advance/tax deducted at source (net)	**46,381,798**	68,018,795
IV. Stationery and stamps	**4,665**	2,252
V. Non-banking assets acquired in satisfaction of claims[1,2]	**-**	-
VI. Advances for capital assets	**2,907,943**	2,917,965
VII. Deposits	**24,025,670**	24,315,002
VIII. Deferred tax assets (net) (refer note 18.47)	**87,444,731**	80,681,176
IX. Deposits in Rural Infrastructure and Development Fund	**311,777,207**	287,570,782
X. Others	**175,291,955**	209,753,569
TOTAL OTHER ASSETS	**734,112,148**	**759,776,748**

1. During the year ended March 31, 2021, the Bank has not acquired any assets (year ended March 31, 2020: Nil) in satisfaction of claims under debt-asset swap transactions. Assets amounting to ₹ 942.4 million were sold during the year ended March 31, 2021 (year ended March 31, 2020: ₹ 1,317.4 million).

2. Net of provision amounting to ₹ 29,575.4 million (March 31, 2020: ₹ 30,517.8 million).

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 12 - CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	**73,768,089**	63,240,222
II. Liability for partly paid investments	**12,455**	12,455
III. Liability on account of outstanding forward exchange contracts[1]	**8,152,789,862**	7,441,459,466
IV. Guarantees given on behalf of constituents		
a) In India	**816,769,649**	878,239,296
b) Outside India	**178,245,678**	209,893,394
V. Acceptances, endorsements and other obligations	**324,236,366**	347,118,775
VI. Currency swaps[1]	**481,715,704**	509,589,938
VII. Interest rate swaps, currency options and interest rate futures[1]	**16,428,132,474**	15,698,503,091
VIII. Other items for which the Bank is contingently liable	**30,736,413**	90,201,338
TOTAL CONTINGENT LIABILITIES	**26,486,406,690**	**25,238,257,975**

1. Represents notional amount.

FINANCIAL STATEMENTS OF ICICI BANK LIMITED
SCHEDULES
forming part of the Profit and Loss Account

₹ in '000s

	Year ended 31.03.2021	Year ended 31.03.2020
SCHEDULE 13 - INTEREST EARNED		
I. Interest/discount on advances/bills	**572,888,123**	575,511,126
II. Income on investments	**165,397,817**	146,732,068
III. Interest on balances with Reserve Bank of India and other inter-bank funds	**16,319,050**	6,821,500
IV. Others[1,2]	**36,577,720**	18,918,472
TOTAL INTEREST EARNED	**791,182,710**	**747,983,166**

1. *Includes interest on income tax refunds amounting to ₹ 2,569.3 million (March 31, 2020: ₹ 2,699.8 million).*
2. *Includes interest and amortisation of premium on non-trading interest rate swaps and foreign currency swaps.*

₹ in '000s

	Year ended 31.03.2021	Year ended 31.03.2020
SCHEDULE 14 - OTHER INCOME		
I. Commission, exchange and brokerage	**106,707,283**	116,450,747
II. Profit/(loss) on sale of investments (net)[1]	**53,302,497**	19,010,897
III. Profit/(loss) on revaluation of investments (net)	**(1,564,373)**	(2,619,008)
IV. Profit/(loss) on sale of land, buildings and other assets (net)[2]	**(27,974)**	14,216
V. Profit/(loss) on exchange/derivative transactions (net)	**19,170,981**	18,065,638
VI. Income earned by way of dividends, etc. from subsidiary companies and/or joint ventures abroad/in India	**12,339,950**	12,730,298
VII. Miscellaneous income (including lease income)	**(243,090)**	833,432
TOTAL OTHER INCOME	**189,685,274**	**164,486,220**

1. *For the year ended March 31, 2021, includes gain on sale of a part of equity investment in the subsidiaries, ICICI Lombard General Insurance Company Limited, ICICI Prudential Life Insurance Company Limited and ICICI Securities Limited. Refer note 18.10 - Investments.*
2. *Includes profit/(loss) on sale of assets given on lease.*

₹ in '000s

	Year ended 31.03.2021	Year ended 31.03.2020
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on deposits	**332,563,139**	326,877,706
II. Interest on Reserve Bank of India/inter-bank borrowings	**6,762,168**	10,809,220
III. Others (including interest on borrowings of erstwhile ICICI Limited)	**61,963,067**	77,625,591
TOTAL INTEREST EXPENDED	**401,288,374**	**415,312,517**

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Profit and Loss Account *(Contd.)*

₹ in '000s

		Year ended 31.03.2021	Year ended 31.03.2020
SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for employees	**80,917,790**	82,712,407
II.	Rent, taxes and lighting[1]	**11,598,363**	12,714,278
III.	Printing and stationery	**1,813,495**	2,300,408
IV.	Advertisement and publicity	**6,172,743**	8,886,382
V.	Depreciation on Bank's property	**10,584,038**	9,471,163
VI.	Depreciation (including lease equalisation) on leased assets	**133,877**	14,238
VII.	Directors' fees, allowances and expenses	**38,157**	37,188
VIII.	Auditors' fees and expenses	**94,195**	87,884
IX.	Law charges	**974,632**	1,103,906
X.	Postages, courier, telephones, etc.	**4,253,640**	4,229,716
XI.	Repairs and maintenance	**19,507,374**	17,682,686
XII.	Insurance	**11,030,824**	7,823,295
XIII.	Direct marketing agency expenses	**16,820,872**	17,875,865
XIV.	Other expenditure[2]	**51,668,340**	51,204,693
TOTAL OPERATING EXPENSES		**215,608,340**	**216,144,109**

1. Includes lease expense amounting to ₹ 9,044.8 million (March 31, 2020: ₹ 10,010.9 million).

2. Net of recoveries from group companies towards shared services.

FINANCIAL STATEMENTS OF ICICI BANK LIMITED
SCHEDULES
forming part of the Accounts

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

Overview

ICICI Bank Limited (ICICI Bank or the Bank), incorporated in Vadodara, India is a publicly held banking company engaged in providing a wide range of banking and financial services including commercial banking and treasury operations. ICICI Bank is a banking company governed by the Banking Regulation Act, 1949. The Bank also has overseas branches in Bahrain, China, Dubai, Hong Kong, Singapore, South Africa, United States of America and Offshore Banking units.

Basis of preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of ICICI Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the historical cost convention and the accrual method of accounting, except in the case of interest and other income on non-performing assets (NPAs) where it is recognised upon realisation.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The impact of any revision in these estimates is recognised prospectively from the period of change.

SIGNIFICANT ACCOUNTING POLICIES

1. Revenue recognition

a) Interest income is recognised in the profit and loss account as it accrues, including for cases where moratorium has been extended for payments of principal and/or interest as per RBI guideline dated March 27, 2020, except in the case of non-performing assets (NPAs) where it is recognised upon realisation, as per the income recognition and asset classification norms of RBI.

b) Income on discounted instruments is recognised over the tenure of the instrument on a constant yield basis.

c) Dividend income is accounted on accrual basis when the right to receive the dividend is established.

d) Loan processing fee is accounted for upfront when it becomes due.

e) Project appraisal/structuring fee is accounted for on the completion of the agreed service.

f) Arranger fee is accounted for as income when a significant portion of the arrangement is completed and right to receive is established.

g) Commission received on guarantees and letters of credit issued is amortised on a straight-line basis over the period of the guarantee/letters of credit.

h) The annual/renewal fee on credit cards and debit cards are amortised on a straight line basis over one year.

i) Fees paid/received for priority sector lending certificates (PSLC) is amortised on straight-line basis over the period of the certificate.

j) All other fees are accounted for as and when they become due where the Bank is reasonably certain of ultimate collection.

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Accounts *(Contd.)*

2. Investments

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation.

The Bank follows trade date method of accounting for purchase and sale of investments, except for government of India and state government securities where settlement date method of accounting is followed in accordance with RBI guidelines.

Classification:

All investments are classified into 'Held to Maturity' (HTM), 'Available for Sale' (AFS) and 'Held for Trading' (HFT) on the date of purchase as per the extant RBI guidelines on investment classification and valuation. Reclassifications, if any, in any category are accounted for as per RBI guidelines. Under each classification, the investments are further categorised as (a) government securities, (b) other approved securities, (c) shares, (d) bonds and debentures, (e) subsidiaries and joint ventures and (f) others.

Investments that are held principally for resale within 90 days from the date of purchase are classified as HFT securities. Investments which the Bank intends to hold till maturity are classified as HTM securities. Investments which are not classified in either of the above categories are classified under AFS securities. Investments in the equity of subsidiaries/ joint ventures are classified under HTM or AFS categories.

Cost of acquisition:

Costs, including brokerage and commission pertaining to investments paid at the time of acquisition and broken period interest (the amount of interest from the previous interest payment date till the date of purchase of instruments) on debt instruments, are charged to the profit and loss account.

Valuation:

Securities are valued scrip-wise. Depreciation/appreciation on securities, other than those acquired by way of conversion of outstanding loans, is aggregated for each category. Net appreciation in each category under each investment classification, if any, being unrealised, is ignored, while net depreciation is provided for. The depreciation on securities acquired by way of conversion of outstanding loans is fully provided for. Non-performing investments are identified based on the RBI guidelines.

HTM securities are carried at their acquisition cost or at amortised cost, if acquired at a premium over the face value. Any premium over the face value of fixed rate and floating rate securities acquired is amortised over the remaining period to maturity on a constant yield basis and straight line basis respectively.

AFS and HFT securities are valued periodically as per RBI guidelines. Any premium over the face value of fixed rate and floating rate investments in government securities, classified as AFS, is amortised over the remaining period to maturity on constant yield basis and straight line basis respectively. Quoted investments are valued based on the closing quotes on the recognised stock exchanges or prices declared by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivatives Association (FIMMDA)/Financial Benchmark India Private Limited (FBIL), periodically.

The market/fair value of unquoted government securities which are in nature of Statutory Liquidity Ratio (SLR) securities included in the 'Available for Sale' and 'Held for Trading' categories is as per the rates published by FIMMDA/ FBIL. The valuation of other unquoted fixed income securities, including Pass Through Certificates, wherever linked to the Yield-to-Maturity (YTM) rates, is computed with a mark-up (reflecting associated credit risk) over the YTM rates for government securities published by FIMMDA. The sovereign foreign securities and non-INR India linked bonds are valued on the basis of prices published by the sovereign regulator or counterparty quotes.

Treasury bills, commercial papers and certificate of deposits being discounted instruments, are valued at carrying cost.

The units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund. Unquoted equity shares are valued at the break-up value, if the latest balance sheet is available, or at ₹1, as per RBI guidelines.

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Accounts *(Contd.)*

At the end of each reporting period, security receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction companies are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting period end. The security receipts which are outstanding and not redeemed as at the end of the resolution period are treated as loss assets and are fully provided for.

The Bank assesses investments in subsidiaries for any permanent diminution in value and appropriate provisions are made.

Disposal:

Gain/loss on sale of investments is recognised in the Profit and Loss Account. Cost of investments is computed based on the First-In-First-Out (FIFO) method. The profit from sale of investment under HTM category, net of taxes and transfer to statutory reserve is transferred to "Capital Reserve" in accordance with the RBI Guidelines.

Short sale:

The Bank undertakes short sale transactions in dated central government securities in accordance with RBI guidelines. The short positions are categorised under HFT category and are marked to market. The mark-to-market loss is charged to profit and loss account and gain, if any, is ignored as per RBI guidelines.

Repurchase transactions:

Market repurchase, reverse repurchase and transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as borrowing and lending transactions in accordance with the extant RBI guidelines.

3. Provision/write-offs on loans and other credit facilities

Classification:

The Bank classifies its loans and investments, including at overseas branches and overdues arising from crystallised derivative contracts, into performing and NPAs in accordance with RBI guidelines. Loans and advances held at the overseas branches that are identified as impaired as per host country regulations but which are standard as per the extant RBI guidelines are classified as NPAs to the extent of amount outstanding in the respective host country. In accordance with the RBI circular dated April 17, 2020, the moratorium granted to certain borrowers is excluded from the determination of number of days past-due/out-of-order status for the purpose of asset classification. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Interest on non-performing advances is transferred to an interest suspense account and not recognised in profit and loss account until received.

The Bank considers an account as restructured, where for economic or legal reasons relating to the borrower's financial difficulty, the Bank grants concessions to the borrower, that the Bank would not otherwise consider. The moratorium granted to the borrowers based on RBI guidelines is not accounted as restructuring of loan. The RBI guidelines on 'Resolution Framework for COVID-19-related Stress' provide a prudential framework for resolution plan of certain loans. The borrowers where resolution plan was implemented under these guidelines are classified as standard restructured.

Non-performing and restructured loans are upgraded to standard as per the extant RBI guidelines or host country regulations, as applicable.

Provisioning:

In the case of corporate loans and advances, provisions are made for sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and the unsecured portion of doubtful assets are fully provided. For impaired loans and advances held in overseas branches, which are performing as per RBI guidelines, provisions are made as per the host country regulations. For loans and advances held in overseas branches, which are NPAs both as per the RBI guidelines and host country regulations, provisions are made at the higher of the provisions required under RBI guidelines

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Accounts *(Contd.)*

and host country regulations. Provisions on homogeneous non-performing retail loans and advances, subject to minimum provisioning requirements of RBI, are made on the basis of the ageing of the loan. The specific provisions on non-performing retail loans and advances held by the Bank are higher than the minimum regulatory requirements.

In respect of non-retail loans reported as fraud to RBI the entire amount, is provided for over a period not exceeding four quarters starting from the quarter in which fraud has been detected. In respect of non-retail loans where there has been delay in reporting the fraud to the RBI or which are classified as loss accounts, the entire amount is provided immediately. In case of fraud in retail accounts, the entire amount is provided immediately. In respect of borrowers classified as non-cooperative borrowers or willful defaulters, the Bank makes accelerated provisions as per RBI guidelines.

The Bank holds specific provisions against non-performing loans and advances and against certain performing loans and advances in accordance with RBI directions, including RBI direction for provision on accounts referred to the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016.

Provision due to diminution in the fair value of restructured/rescheduled loans and advances is made in accordance with the applicable RBI guidelines.

In terms of RBI guidelines, the NPAs are written-off in accordance with the Bank's policy. Amounts recovered against bad debts written-off are recognised in the profit and loss account.

The Bank maintains general provision on performing loans and advances in accordance with the RBI guidelines, including provisions on loans to borrowers having unhedged foreign currency exposure, provisions on loans to specific borrowers in specific stressed sectors, provision on exposures to step-down subsidiaries of Indian companies and provision on incremental exposure to borrowers identified as per RBI's large exposure framework. For performing loans and advances in overseas branches, the general provision is made at higher of aggregate provision required as per host country regulations and RBI requirement.

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposures including indirect country risk (other than for home country exposure). The countries are categorised into seven risk categories namely insignificant, low, moderately low, moderate, moderately high, high and very high, and provisioning is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 25%. For exposures with contractual maturity of less than 180 days, provision is required to be held at 25% of the rates applicable to exposures exceeding 180 days. The indirect exposure is reckoned at 50% of the exposure. If the Bank's net funded exposure in respect of a country is less than 1% of its total assets, no provision is required on such country exposure.

The Bank makes additional provisions as per RBI guidelines for the cases where viable resolution plan has not been implemented within the timelines prescribed by the RBI, from the date of default. These additional provisions are written-back on satisfying the conditions for reversal as per RBI guidelines.

The Bank has granted moratorium towards the payment of principal and/or interest in case of certain borrowers in accordance with RBI guidelines. Further, the RBI guidelines on 'Resolution Framework for COVID-19-related Stress' provide a prudential framework for resolution plan of certain loans. The Bank makes general provision on such loans at rates equal or higher than requirements stipulated in RBI circular. The Bank has also made additional Covid-19 related provision.

The Bank makes floating provision as per the Board approved policy, which is in addition to the specific and general provisions made by the Bank. The floating provision is utilised, with the approval of Board and RBI, in case of contingencies which do not arise in the normal course of business and are exceptional and non-recurring in nature and for making specific provision for impaired loans as per the requirement if extant RBI guidelines or any regulatory guidance/instructions. The floating provision is netted-off from advances.

Depreciation/provision on non-performing investments is made based on the RBI guidelines.

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Accounts *(Contd.)*

4. Transfer and servicing of assets

The Bank transfers commercial and consumer loans through securitisation transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Bank surrenders the rights to benefits specified in the underlying securitised loan contract. Recourse and servicing obligations are accounted for net of provisions.

In accordance with the RBI guidelines for securitisation of standard assets, with effect from February 1, 2006, the profit/premium arising from securitisation is amortised over the life of the securities issued or to be issued by the special purpose vehicle to which the assets are sold. With effect from May 7, 2012, the RBI guidelines require the profit/premium arising from securitisation to be amortised based on the method prescribed in the guidelines. The Bank accounts for any loss arising from securitisation immediately at the time of sale.

Net income arising from sale of loan assets through direct assignment with recourse obligation is amortised over the life of underlying assets sold and net income from sale of loan assets through direct assignment, without any recourse obligation, is recognised at the time of sale. Net loss arising on account of direct assignment of loan assets is recognised at the time of sale.

In accordance with RBI guidelines, in case of non-performing/special mention account-2 loans sold to securitisation company (SC)/reconstruction company (RC), the Bank reverses the excess provision in profit and loss account in the year in which amounts are received. Any shortfall of sale value over the net book value on sale of such assets is recognised by the Bank in the year in which the loan is sold.

5. Fixed assets

Fixed assets, other than premises, are carried at cost less accumulated depreciation and impairment, if any. Premises are carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

Depreciation is charged over the estimated useful life of fixed assets on a straight-line basis. Assets purchased/sold during the year are depreciated on a pro-rata basis for the actual number of days the asset has been capitalised. Assets individually costing upto ₹ 5,000/- are depreciated fully in the year of acquisition.

In case of revalued/impaired assets, depreciation is provided over the remaining useful life of the assets with reference to revised asset values. In case of premises, which are carried at revalued amounts, the depreciation on the excess of revalued amount over historical cost is transferred from Revaluation Reserve to General Reserve annually. The profit on sale of premises is appropriated to Capital Reserve, net of transfer to Statutory Reserve and taxes, in accordance with RBI guidelines.

The useful lives of the groups of fixed assets are given below.

Asset	Useful life
Premises owned by the Bank	60 years
Leased assets and improvements to leasehold premises	60 years or lease period whichever is lower
ATMs[1]	6 - 8 years
Plant and machinery[1] (including office equipment)	5 -10 years
Electric installations and equipments	10 - 15 years
Computers	3 years
Servers and network equipment[1]	4 – 10 years
Furniture and fixtures[1]	5 – 10 years
Motor vehicles[1]	5 years
Others (including software and system development expenses)[1]	1-10 years

1. *The useful life of fixed assets is based on historical experience of the Bank, which is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.*
2. *Assets at residences of Bank's employees are depreciated over the estimated useful life of 5 years.*

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Accounts *(Contd.)*

Non-banking assets

Non-banking assets (NBAs) acquired in satisfaction of claims are valued at the market value on a distress sale basis or value of loan, whichever is lower. Further, the Bank creates provision on these assets as per the extant RBI guidelines or specific RBI directions.

6. Translation of foreign currency items

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Income and expenditure items of integral foreign operations (representative offices) are translated at daily closing rates, and income and expenditure items of non-integral foreign operations (foreign branches and offshore banking units) are translated at quarterly average closing rates.

Monetary foreign currency assets and liabilities of domestic and integral foreign operations are translated at closing exchange rates notified by Foreign Exchange Dealers' Association of India (FEDAI) relevant to the balance sheet date and the resulting gains/losses are recognised in the profit and loss account.

Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at relevant closing exchange rates notified by FEDAI at the balance sheet date and the resulting gains/ losses from exchange differences are accumulated in the foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operations. Pursuant to RBI guideline, the Bank does not recognise the cumulative/proportionate amount of such exchange differences as income or expenses, which relate to repatriation of accumulated retained earnings from overseas operations.

Contingent liabilities on account of guarantees, endorsements and other obligations denominated in foreign currencies are disclosed at the closing exchange rates notified by FEDAI relevant to the balance sheet date.

7. Foreign exchange and derivative contracts

The forward exchange contracts that are not intended for trading and are entered into to establish the amount of reporting currency required or available at the settlement date of a transaction are effectively valued at closing spot rate. The premium or discount arising on inception of such forward exchange contracts is amortised over the life of the contract. All other outstanding forward exchange contracts are revalued based on the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of interim maturities. The contracts of longer maturities where exchange rates are not notified by FEDAI are revalued based on the forward exchange rates implied by the swap curves in respective currencies. The resultant gains or losses are recognised in the profit and loss account.

The swap contracts entered to hedge on-balance sheet assets and liabilities are structured such that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of underlying assets and liabilities and accounted pursuant to the principles of hedge accounting. The Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. Hedge effectiveness is ascertained at the time of the inception of the hedge and periodically thereafter. Hedge swaps are accounted for on an accrual basis and are not marked to market unless their underlying transaction is marked to market. Gains or losses arising from hedge ineffectiveness, if any, are recognised in the Profit and Loss Account. Based on RBI circular issued on June 26, 2019, the accounting of hedge relationships established after June 26, 2019 is in accordance with the Guidance note on Accounting for Derivative Contracts issued by ICAI.

The derivative contracts entered into for trading purposes are marked to market and the resulting gain or loss is accounted for in the profit and loss account. Pursuant to RBI guidelines, any receivables under derivative contracts which remain overdue for more than 90 days and mark-to-market gains on other derivative contracts with the same counter-parties are reversed through profit and loss account.

8. Employee Stock Option Scheme (ESOS)

The Employees Stock Option Scheme (the Scheme) provides for grant of options on the Bank's equity shares to wholetime directors and employees of the Bank and its subsidiaries. The options granted vest in a graded manner and may be exercised within a specified period. The Bank follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date and amortised over the vesting period. The fair market price is the closing price on the stock exchange with highest trading volume of the underlying shares, immediately prior to the grant date.

9. Employee Benefits

Gratuity

The Bank pays gratuity, a defined benefit plan, to employees who retire or resign after a minimum prescribed period of continuous service and in case of employees at overseas locations as per the rules in force in the respective countries. The Bank makes contribution to recognised trust which administers the funds on its own account or through insurance companies.

Actuarial valuation of the gratuity liability is determined by an actuary appointed by the Bank. Actuarial valuation of gratuity liability is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognised in the profit and loss account.

Superannuation Fund and National Pension Scheme

The Bank has a superannuation fund, a defined contribution plan, which is managed and administered by insurance companies. The Bank contributes 15.0% of the total annual basic salary for certain employees to superannuation funds. Further, the Bank contributes upto 10.0% of the total basic salary of certain employees to National Pension Scheme (NPS), a defined contribution plan, which is managed and administered by pension fund management companies. The employees are given an option to receive the amount in cash in lieu of such contributions along with their monthly salary during their employment.

The amounts so contributed/paid by the Bank to the superannuation fund and NPS or to employees during the year are recognised in the profit and loss account. The Bank has no liability towards future benefits under superannuation fund and national pension scheme other than its annual contribution.

Pension

The Bank provides for pension, a defined benefit plan, covering eligible employees of erstwhile Bank of Madura, erstwhile Sangli Bank and erstwhile Bank of Rajasthan. The Bank makes contribution to a trust which administers the funds on its own account or through insurance companies. The plan provides for pension payment including dearness relief on a monthly basis to these employees on their retirement based on the respective employee's years of service with the Bank and applicable salary.

Actuarial valuation of the pension liability is determined by an actuary appointed by the Bank. Actuarial valuation of pension liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognised in the profit and loss account.

Employees covered by the pension plan are not eligible for employer's contribution under the provident fund plan.

Provident Fund

The Bank is statutorily required to maintain a provident fund, a defined benefit plan, as a part of retirement benefits to its employees. Each employee contributes a certain percentage of his or her basic salary and the Bank contributes an equal amount for eligible employees. The Bank makes contribution as required by The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to Employees' Pension Scheme administered by the Regional Provident Fund Commissioner. The Bank makes balance contributions to a fund administered by trustees. The funds are invested according to the rules prescribed by the Government of India. The Bank recognises such contribution as an expense in the year in which it is incurred.

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Interest payable on provident fund should not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. Actuarial valuation for the interest obligation on the provident fund balances is determined by an actuary appointed by the Bank.

The actuarial gains or losses arising during the year are recognised in the profit and loss account.

The overseas branches of the Bank and its eligible employees contribute a certain percentage of their salary towards respective government schemes as per local regulatory guidelines. The contribution made by the overseas branches is recognised in profit and loss account at the time of contribution.

Compensated absences

The Bank provides for compensated absence based on actuarial valuation conducted by an independent actuary.

10. Income Taxes

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on Income respectively. Deferred tax adjustments comprise changes in the deferred tax assets or liabilities during the year and change in tax rate.

Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgement as to whether their realisation is considered as reasonably certain. However, in case of unabsorbed depreciation or carried forward loss, deferred tax assets will be recognised only if there is virtual certainty of realisation of such assets.

11. Impairment of Assets

The Bank follows revaluation model of accounting for its premises and the recoverable amount of the revalued assets is considered to be close to its revalued amount. Accordingly, separate assessment for impairment of premises is not required.

For assets other than premises, the Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the profit and loss account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

12. Provisions, contingent liabilities and contingent assets

The Bank estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available up to the date on which the financial statements are prepared. A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates of amounts required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made in the financial statements. In case of remote possibility neither provision nor disclosure is made in the financial statements. The Bank does not account for or disclose contingent assets, if any.

The Bank estimates the probability of redemption of customer loyalty reward points using an actuarial method by employing an independent actuary and accordingly makes provision for these reward points. Actuarial valuation is determined based on certain assumptions regarding mortality rate, discount rate, cancellation rate and redemption rate.

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13. Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

14. Share issue expenses

Share issue expenses are deducted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

15. Bullion transaction

The Bank deals in bullion business on a consignment basis. The bullion is priced to the customers based on the price quoted by the supplier. The difference between price recovered from customers and cost of bullion is accounted for as commission at the time of sales to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest expense/income is accounted on accrual basis.

16. Lease transactions

Lease payments, including cost escalations, for assets taken on operating lease are recognised as an expense in the profit and loss account over the lease term on straight line basis. The leases of property, plant and equipment, where substantially all of the risks and rewards of ownership are transferred to the Bank are classified as finance lease. Minimum lease payments under finance lease are apportioned between the finance costs and outstanding liability.

17. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

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SCHEDULE 18

NOTES FORMING PART OF THE ACCOUNTS

The following disclosures have been made taking into account the requirements of Accounting Standards (ASs) and Reserve Bank of India (RBI) guidelines.

1. Earnings per share

Basic and diluted earnings per equity share are computed in accordance with AS 20 – Earnings per share. Basic earnings per equity share is computed by dividing net profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and weighted average number of dilutive potential equity shares outstanding during the year.

The following table sets forth, for the periods indicated, the computation of earnings per share.

₹ in million, except per share data

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net profit/(loss) attributable to equity share holders	**161,926.8**	79,308.1
Nominal value per share (₹)	**2.00**	2.00
Basic earnings per share (₹)	**24.01**	12.28
Effect of potential equity shares (₹)	**(0.34)**	(0.20)
Diluted earnings per share (₹)[1]	**23.67**	12.08
Reconciliation between weighted shares used in computation of basic and diluted earnings per share		
Basic weighted average number of equity shares outstanding	**6,743,363,854**	6,460,003,715
Add: Effect of potential equity shares	**98,497,002**	106,767,566
Diluted weighted average number of equity shares outstanding	**6,841,860,856**	6,566,771,281

1. The dilutive impact is due to options granted to employees by the Bank.

2. Business/information ratios

The following table sets forth, for the periods indicated, the business/information ratios.

Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1.	Interest income to working funds[1]	**6.95%**	7.68%
2.	Non-interest income to working funds[1]	**1.67%**	1.69%
3.	Operating profit to working funds[1,2]	**3.20%**	2.88%
4.	Return on assets[3]	**1.42%**	0.81%
5.	Net profit/(loss) per employee[4] (₹ in million)	**1.7**	0.8
6.	Business (average deposits plus average advances) per employee[4,5] (₹ in million)	**149.2**	127.5

1. For the purpose of computing the ratio, working funds represent the monthly average of total assets computed for reporting dates of Form X submitted to RBI under Section 27 of the Banking Regulation Act, 1949.

2. Operating profit is profit for the year before provisions and contingencies.

3. For the purpose of computing the ratio, assets represent the monthly average of total assets computed for reporting dates of Form X submitted to RBI under Section 27 of the Banking Regulation Act, 1949.

4. Computed based on average number of employees which include sales executives, employees on fixed term contracts and interns.

5. The average deposits and the average advances represent the simple average of the figures reported in Form A to RBI under Section 42(2) of the Reserve Bank of India Act, 1934.

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3. Capital adequacy ratio

The Bank is subject to the Basel III capital adequacy guidelines stipulated by RBI with effect from April 1, 2013. The guidelines provide a transition schedule for Basel III implementation till March 31, 2021. As per the guidelines, the Tier-1 capital is made up of Common Equity Tier-1 (CET1) and Additional Tier-1.

At March 31, 2021, Basel III guidelines require the Bank to maintain a minimum Capital to Risk-Weighted Assets Ratio (CRAR) of 11.08% with minimum CET1 CRAR of 7.58% and minimum Tier-1 CRAR of 9.08%. The minimum total CRAR, Tier-1 CRAR and CET1 CRAR requirement include capital conservation buffer of 1.88% and additional capital requirement of 0.20% on account of the Bank being designated as Domestic Systemically Important Bank.

The following table sets forth, for the periods indicated, computation of capital adequacy as per Basel III framework.

₹ in million, except percentages

Particulars	At March 31, 2021	At March 31, 2020
CET1 CRAR (%)	**16.80%**	13.39%
Tier-1 CRAR (%)	**18.06%**	14.72%
Tier-2 CRAR (%)	**1.06%**	1.39%
Total CRAR (%)	**19.12%**	16.11%
Amount of equity capital raised[1]	**150,000.0**	-
Amount of Additional Tier-1 capital raised; of which		
1. Perpetual Non-Cumulative Preference Shares	**-**	-
2. Perpetual Debt Instruments	**-**	-
Amount of Tier-2 capital raised; of which		
1. Debt Capital Instruments	**-**	9,450.0
2. Preference Share Capital Instruments [Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-Cumulative Preference Shares (RNCPS)/Redeemable Cumulative Preference Shares (RCPS)]	**-**	-

1. Additionally ₹ 5,306.3 million raised pursuant to exercise of employee stock options during the year ended March 31, 2021 (year ended March 31, 2020: ₹ 5,505.1 million).

4. Liquidity coverage ratio

The Basel Committee on Banking Supervision (BCBS) had introduced the liquidity coverage ratio (LCR) in order to ensure that a bank has an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. As per the RBI guidelines, the minimum LCR required to be maintained by banks effective from January 1, 2019 is 100.0%. In order to accommodate the burden on banks' cash flows on account of the Covid-19 pandemic, RBI permitted banks to maintain LCR at 80.0% with effect from April 17, 2020, 90.0% from October 1, 2020 and 100.0% from April 1, 2021.

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The following tables set forth, for the periods indicated, the quarterly average of unweighted and weighted values of the LCR of the Bank. The simple average has been computed based on daily values.

₹ in million

Sr. No.	Particulars	Three months ended March 31, 2021		Three months ended March 31, 2020		Three months ended December 31, 2020		Three months ended September 30, 2020		Three months ended June 30, 2020	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High quality liquid assets											
1.	Total high quality liquid assets	**N.A.**	**2,767,443.6**	N.A.	1,827,380.8	N.A.	2,729,886.5	N.A.	2,685,953.6	N.A.	2,481,876.6
Cash outflows											
2.	Retail deposits and deposits from small business customers, of which:	**5,392,909.3**	**447,802.9**	4,287,871.7	369,466.7	5,169,064.6	427,295.7	4,918,171.7	405,457.5	4,680,378.8	385,088.5
	(i) Stable deposits	**1,829,760.4**	**91,488.0**	1,186,409.5	59,320.5	1,792,214.2	89,610.7	1,727,192.8	86,359.6	1,658,989.0	82,949.5
	(ii) Less stable deposits	**3,563,148.9**	**356,314.9**	3,101,462.2	310,146.2	3,376,850.4	337,685.0	3,190,978.9	319,097.9	3,021,389.8	302,139.0
3.	Unsecured wholesale funding, of which:	**2,817,200.6**	**1,515,039.4**	2,144,027.5	1,033,801.0	2,603,960.9	1,388,694.8	2,519,572.4	1,319,525.7	2,439,156.6	1,276,789.0
	(i) Operational deposits (all counterparties)	**-**	**-**	544,448.7	136,112.2	-	-	-	-	-	-
	(ii) Non-operational deposits (all counterparties)	**2,801,735.1**	**1,499,573.9**	1,505,459.5	803,569.5	2,565,602.6	1,350,336.5	2,477,194.9	1,277,148.2	2,395,472.8	1,233,105.2
	(iii) Unsecured debt	**15,465.5**	**15,465.5**	94,119.3	94,119.3	38,358.3	38,358.3	42,377.5	42,377.5	43,683.8	43,683.8
4.	Secured wholesale funding	**N.A.**	**-**	N.A.	-	N.A.	-	N.A.	-	N.A.	35.4
5.	Additional requirements, of which:	**343,754.5**	**134,921.8**	304,367.8	105,629.7	325,368.7	127,991.5	307,437.3	123,675.0	304,561.3	124,367.4
	(i) Outflows related to derivative exposures and other collateral requirements	**104,742.9**	**104,742.9**	77,021.2	77,021.2	99,351.5	99,351.5	97,048.9	97,048.9	96,160.1	96,160.1
	(ii) Outflows related to loss of funding on debt products	**155.2**	**155.2**	188.0	188.0	144.3	144.3	137.4	137.4	94.5	94.5
	(iii) Credit and liquidity Facilities	**238,856.4**	**30,023.7**	227,158.6	28,420.5	225,872.9	28,495.7	210,251.0	26,488.7	208,306.7	28,112.8
6.	Other contractual funding obligations	**219,033.2**	**219,033.2**	158,059.6	158,059.6	194,947.8	194,947.8	161,545.4	161,545.4	134,691.8	134,691.8
7.	Other contingent funding obligations	**3,255,895.0**	**138,972.9**	2,766,693.1	111,727.6	3,023,087.4	127,603.7	2,908,001.5	121,267.5	2,902,565.4	120,422.1
8.	**Total cash outflows**	**N.A.**	**2,455,770.2**	**N.A.**	**1,778,684.6**	**N.A.**	**2,266,533.5**	**N.A.**	**2,131,471.1**	**N.A.**	**2,041,394.2**
9.	Secured lending (e.g. reverse repos)	**360,134.0**	**9.0**	132,524.0	3.5	512,760.6	7.2	464,875.4	10.1	468,472.0	5.6
10.	Inflows from fully performing exposures	**520,370.5**	**397,448.1**	381,803.1	282,842.3	459,362.5	354,307.5	397,034.9	297,212.1	397,792.6	296,587.8
11.	Other cash inflows	**80,450.7**	**54,760.8**	63,038.4	38,416.1	70,774.2	46,530.3	70,344.7	47,062.1	68,105.8	44,511.5
12.	**Total cash inflows**	**960,955.2**	**452,217.9**	**577,365.5**	**321,261.9**	**1,042,897.3**	**400,845.0**	**932,255.0**	**344,284.3**	**934,370.4**	**341,104.9**
13.	**Total HQLA**	**N.A.**	**2,767,443.6**	**N.A.**	**1,827,380.8**	**N.A.**	**2,729,886.5**	**N.A.**	**2,685,953.6**	**N.A.**	**2,481,876.6**
14.	Total net cash outflows (8)-(12)	**N.A.**	**2,003,552.3**	N.A.	1,457,422.7	N.A.	1,865,688.5	N.A.	1,787,186.8	N.A.	1,700,289.3
15.	**Liquidity coverage ratio (%)**	**N.A.**	**138.13%**	**N.A.**	**125.38%**	**N.A.**	**146.32%**	**N.A.**	**150.29%**	**N.A.**	**145.97%**

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Liquidity of the Bank is managed by the Asset Liability Management Group (ALMG) under the central oversight of the Asset Liability Management Committee (ALCO). For the domestic operations of the Bank, ALMG-India is responsible for the overall management of liquidity. For the overseas branches of the Bank, a decentralised approach is followed for day-to-day liquidity management, while a centralised approach is followed for long-term funding in co-ordination with Head-Office. Liquidity in the overseas branches is maintained taking into consideration both host country and the RBI regulations.

The Bank during the three months ended March 31, 2021 maintained average HQLA (after haircut) of ₹ 2,767,443.6 million (March 31, 2020: ₹ 1,827,380.8 million) against the average HQLA requirement of ₹ 1,803,197.1 million (March 31, 2020: ₹ 1,457,422.7 million) at minimum LCR requirement of 90.0% (March 31, 2020: 100.0%). HQLA primarily includes government securities in excess of minimum statutory liquidity ratio (SLR) and to the extent allowed under marginal standing facility (MSF) and facility to avail liquidity for LCR (FALLCR) of ₹ 2,320,760.1 million (March 31, 2020: ₹ 1,600,071.6 million).

RBI permitted banks to reckon an additional 0.5% of their Net Demand and Time Liabilities (NDTL) with effect from April 1, 2020 under FALLCR within the mandatory Statutory Liquidity Requirement (SLR), as level 1 high quality liquid assets (HQLA) for the purpose of computing their LCR. Hence, the carve-out from SLR under FALLCR is 15.0% compared to 14.5% as of March 31, 2020. RBI allowed banks to continue with the increased limits of 3.0% for Marginal Standing Facility (MSF) under which banks can borrow overnight at their discretion by dipping into their SLR till September 30, 2021. This takes the total carve out from SLR available to banks at 18.0% of their NDTL including 3.0% of MSF. Additionally, cash, balance in excess of cash reserve requirement with RBI and balances with central banks of countries where the Bank's branches are located amounted to ₹ 241,664.2 million (March 31, 2020: ₹ 135,769.6 million). Further, average level 2 assets primarily consisting of AA- and above rated corporate bonds and commercial papers, amounted to ₹ 83,472.8 million (March 31, 2020: ₹ 59,552.0 million).

At March 31, 2021, top liability products/instruments and their percentage contribution to the total liabilities of the Bank were term deposits 40.71% (March 31, 2020: 38.53%), savings account deposits 24.01% (March 31, 2020: 22.36%), current account deposits 11.07% (March 31, 2020: 9.31%) and bond borrowings 4.41% (March 31, 2020: 6.47%). Top 20 depositors constituted 5.38% (March 31, 2020: 4.88%) of total deposits of the Bank at March 31, 2021. Further, the total borrowings mobilised from significant counterparties (from whom the funds borrowed were more than 1.00% of the Bank's total liabilities) were 1.43% (March 31, 2020: 6.67%) of the total liabilities of the Bank at March 31, 2021.

The weighted cash outflows are primarily driven by unsecured wholesale funding which includes operational deposits, non-operational deposits and unsecured debt. During the three months ended March 31, 2021, unsecured wholesale funding contributed 61.69% (March 31, 2020: 58.12%) of the total weighted cash outflows. The non-operational deposits include term deposits with premature withdrawal facility. Based on discussions with the RBI, the Bank has re-classified 'Operational Deposits' as 'Non-operational Deposits' with effect from March 31, 2020. Retail deposits including deposits from small business customers and other contingent funding obligations contributed 18.23% (March 31, 2020: 20.77%) and 5.66% (March 31, 2020: 6.28%) of the total weighted cash outflows, respectively. The other contingent funding obligations primarily include bank guarantees (BGs) and letters of credit (LCs) issued on behalf of the Bank's clients.

RBI through its circular dated March 27, 2020 permitted banks to grant a moratorium to their customers on the payment of instalments and/or interest, falling due between March 1, 2020 and May 31, 2020. This period was extended by RBI till August 31, 2020 through its circular dated May 23, 2020. The Bank extended the moratorium to borrowers in accordance with its Board approved policies. The LCR computation includes the impact of the moratorium as implemented in the Bank's systems.

In view of the margin rules for non-centrally cleared derivative transactions issued by the Basel Committee on Banking Supervision and discussion paper issued by the RBI, certain derivative transactions would be subject to margining and consequent collateral exchange would be as governed by Credit Support Annex (CSA). The Bank has entered into CSAs which would require maintenance of collateral. The Bank considers the increased liquidity requirement

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on account of valuation changes in the transactions settled through Qualified Central Counterparties (QCCP) in India including the Clearing Corporation of India (CCIL) and other exchange houses as well as for transactions covered under CSAs. The potential outflows on account of such transactions have been considered based on the look-back approach prescribed in the RBI guidelines.

The average LCR of the Bank for the three months ended March 31, 2021 was 138.13% (March 31, 2020: 125.38%). During the three months ended March 31, 2021, other than Indian Rupee, USD was the only significant foreign currency which constituted more than 5.00% of the balance sheet size of the Bank. The average LCR of the Bank for USD currency, computed based on daily LCR values, was 333.26% for the three months ended March 31, 2021 (March 31, 2020: 52.44%).

5. Information about business and geographical segments

Business Segments

Pursuant to the guidelines issued by RBI on AS 17 - Segment Reporting - Enhancement of Disclosures dated April 18, 2007, effective from year ended March 31, 2008, the following business segments have been reported.

- **Retail Banking** includes exposures which satisfy the four criteria of orientation, product, granularity and low value of individual exposures for retail exposures laid down in Basel Committee on Banking Supervision (BCBS) document 'International Convergence of Capital Measurement and Capital Standards: A Revised Framework'. This segment also includes income from credit cards, debit cards, third party product distribution and the associated costs.
- **Wholesale Banking** includes all advances to trusts, partnership firms, companies and statutory bodies, which are not included under Retail Banking.
- **Treasury** includes the entire investment and derivative portfolio of the Bank.
- **Other Banking** includes leasing operations and other items not attributable to any particular business segment.
- **Unallocated** includes items such as tax paid in advance net of provision, deferred tax and provisions to the extent reckoned at the entity level.

Income, expenses, assets and liabilities are either specifically identified with individual segments or are allocated to segments on a systematic basis.

All liabilities are transfer priced to a central treasury unit, which pools all funds and lends to the business units at appropriate rates based on the relevant maturity of assets being funded after adjusting for regulatory reserve requirements.

The transfer pricing mechanism of the Bank is periodically reviewed. The segment results are determined based on the transfer pricing mechanism prevailing for the respective reporting periods.

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The following tables set forth, for the periods indicated, the business segment results on this basis.

₹ in million

Sr. No.	Particulars	For the year ended March 31, 2021				
		Retail Banking	Wholesale Banking	Treasury	Other Banking Business	Total
1.	Revenue	**756,692.9**	**371,945.2**	**668,735.9**	**14,890.3**	**1,812,264.3**
2.	Less: Inter-segment revenue					**831,396.3**
3.	Total revenue (1)-(2)					**980,868.0**
4.	**Segment results**	**77,399.7**	**58,199.5**	**110,803.7**	**2,924.3**	**249,327.2**
5.	Unallocated expenses					**47,500.0**
6.	Operating profit (4)-(5)					**201,827.2**
7.	Income tax expenses (including deferred tax credit)					**39,900.4**
8.	**Net profit/(loss) (6)-(7)**					**161,926.8**
9.	Segment assets	**4,124,986.5**	**3,259,375.0**	**4,597,998.9**	**188,139.9**	**12,170,500.3**
10.	Unallocated assets					**133,826.5**
11.	**Total assets (9)+(10)**					**12,304,326.8**
12.	Segment liabilities	**6,869,207.9**	**2,821,639.2**	**2,475,854.0**[1]	**75,021.1**	**12,241,722.2**
13.	Unallocated liabilities					**62,604.6**
14.	**Total liabilities (12)+(13)**					**12,304,326.8**
15.	Capital expenditure	**9,228.1**	**4,745.0**	**866.6**	**222.3**	**15,062.0**
16.	Depreciation	**7,249.4**	**2,859.8**	**481.0**	**127.7**	**10,717.9**

1. Includes share capital and reserves and surplus.

₹ in million

Sr. No.	Particulars	For the year ended March 31, 2020				
		Retail Banking	Wholesale Banking	Treasury	Other Banking Business	Total
1.	Revenue	725,542.4	399,423.4	619,292.6	16,710.1	1,760,968.5
2.	Less: Inter-segment revenue					848,499.1
3.	Total revenue (1)-(2)					912,469.4
4.	**Segment results**	**89,930.2**	**9,272.3**	**50,550.9**	**5,831.9**	**155,585.3**
5.	Unallocated expenses					15,104.9
6.	Operating profit (4)-(5)					140,480.4
7.	Income tax expenses (including deferred tax credit)					61,172.3
8.	**Net profit/(loss) (6)-(7)**					**79,308.1**
9.	Segment assets	3,513,412.1	3,073,070.6	4,131,058.3	117,410.5	10,834,951.5
10.	Unallocated assets					148,700.0
11.	**Total assets (9)+(10)**					**10,983,651.5**
12.	Segment liabilities	5,732,467.7	2,307,128.6	2,877,977.6[1]	50,972.7	10,968,546.6
13.	Unallocated liabilities					15,104.9
14.	**Total liabilities (12)+(13)**					**10,983,651.5**
15.	Capital expenditure	9,947.7	3,008.0	-	121.7	13,077.4
16.	Depreciation	6,865.4	2,515.8	0.4	103.8	9,485.4

1. Includes share capital and reserves and surplus.

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Geographical segments

The Bank reports its operations under the following geographical segments.

- **Domestic operations** comprise branches in India.
- **Foreign operations** comprise branches outside India and offshore banking units in India.

The following tables set forth, for the periods indicated, geographical segment results.

₹ in million

Revenues	Year ended March 31, 2021	Year ended March 31, 2020
Domestic operations	**963,482.4**	879,210.2
Foreign operations	**17,385.6**	33,259.2
Total	**980,868.0**	**912,469.4**

₹ in million

Assets	At March 31, 2021	At March 31, 2020
Domestic operations	**11,312,467.2**	10,075,025.4
Foreign operations	**858,033.1**	759,926.1
Total	**12,170,500.3**	**10,834,951.5**

1. Segment assets do not include tax paid in advance/tax deducted at source (net) and deferred tax assets (net).

The following table sets forth, for the periods indicated, capital expenditure and depreciation thereon for the geographical segments.

₹ in million

Particulars	Capital expenditure incurred during		Depreciation provided during	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Domestic operations	**14,948.5**	12,929.2	**10,633.0**	9,390.5
Foreign operations	**113.5**	148.2	**84.9**	94.9
Total	**15,062.0**	**13,077.4**	**10,717.9**	**9,485.4**

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6. Maturity pattern

The following table sets forth, the maturity pattern of assets and liabilities of the Bank at March 31, 2021.

₹ in million

Maturity buckets	Loans & Advances[1]	Investment securities[1]	Deposits[1]	Borrowings[1]	Total foreign currency assets[2]	Total foreign currency liabilities[2]
Day 1	**11,625.4**	**923,302.8**	**155,016.2**	**1,176.4**	**416,573.0**	**5,209.2**
2 to 7 days	**64,049.3**	**79,752.3**	**662,866.8**	**6,429.9**	**179,976.7**	**9,616.6**
8 to 14 days	**95,261.8**	**53,445.9**	**243,908.6**	**11,627.5**	**52,342.0**	**48,587.3**
15 to 30 days	**138,736.2**	**62,359.9**	**182,399.2**	**8,334.7**	**63,326.9**	**17,081.5**
31 days to 2 months	**295,311.6**	**50,560.3**	**227,386.8**	**8,173.9**	**93,017.8**	**13,975.1**
2 to 3 months	**332,684.1**	**52,067.9**	**205,901.2**	**13,527.3**	**63,173.6**	**25,236.4**
3 to 6 months	**634,526.1**	**106,729.7**	**397,960.0**	**43,023.9**	**142,099.4**	**76,162.7**
6 months to 1 year	**820,003.2**	**146,590.9**	**554,556.5**	**91,673.0**	**54,733.3**	**77,807.0**
1 to 3 years	**2,128,346.6**	**309,172.9**	**943,199.5**	**382,981.3**	**84,860.6**	**205,856.5**
3 to 5 years	**1,343,088.9**	**444,417.0**	**2,873,145.6**	**222,109.0**	**46,764.3**	**115,081.9**
Above 5 years	**1,473,657.7**	**584,465.8**	**2,878,881.2**	**127,252.7**	**72,127.3**	**44,573.8**
Total	**7,337,290.9**	**2,812,865.4**	**9,325,221.6**	**916,309.6**	**1,268,994.9**	**639,188.0**

1. *Includes foreign currency balances.*
2. *Excludes off-balance sheet assets and liabilities.*

The following table sets forth, the maturity pattern of assets and liabilities of the Bank at March 31, 2020.

₹ in million

Maturity buckets	Loans & Advances[1]	Investment securities[1]	Deposits[1]	Borrowings[1]	Total foreign currency assets[2]	Total foreign currency liabilities[2]
Day 1	11,545.6	424,201.1	104,112.9	23.3	148,734.4	2,869.5
2 to 7 days	62,304.8	364,822.8	495,047.4	293,297.2	71,886.0	11,566.8
8 to 14 days	55,447.1	68,372.1	171,058.4	6,109.9	27,543.7	14,014.4
15 to 30 days	164,151.7	119,448.9	181,814.1	23,223.8	62,847.9	30,543.9
31 days to 2 months	256,526.1	40,812.4	222,943.8	56,570.3	78,131.6	50,437.0
2 to 3 months	279,769.8	44,824.0	208,082.0	52,598.0	70,967.2	53,050.5
3 to 6 months	541,868.9	100,318.4	443,819.8	174,114.4	120,048.4	155,079.8
6 months to 1 year	759,712.7	206,105.1	650,135.3	183,247.6	108,463.0	160,314.7
1 to 3 years	1,774,409.2	309,197.7	852,551.4	400,043.9	160,364.5	251,961.6
3 to 5 years	1,065,080.9	330,213.0	2,192,221.7	237,212.0	64,548.6	68,037.8
Above 5 years	1,482,082.9	486,999.3	2,187,903.1	202,527.2	122,635.5	124,329.8
Total	**6,452,899.7**	**2,495,314.8**	**7,709,689.9**	**1,628,967.6**	**1,036,170.8**	**922,205.8**

1. *Includes foreign currency balances.*
2. *Excludes off-balance sheet assets and liabilities.*

The estimates and assumptions used by the Bank for classification of assets and liabilities under the different maturity buckets are based on the returns submitted to RBI for the relevant periods.

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7. Employee Stock Option Scheme (ESOS)

In terms of the ESOS, as amended, the maximum number of options granted to any eligible employee in a financial year shall not exceed 0.05% of the issued equity shares of the Bank at the time of grant of the options and aggregate of all such options granted to the eligible employees shall not exceed 10% of the aggregate number of the issued equity shares of the Bank on the date(s) of the grant of options in line with SEBI Regulations. Under the stock option scheme, eligible employees are entitled to apply for equity shares. In April 2016, exercise period was modified from 10 years from the date of grant or five years from the date of vesting, whichever is later, to 10 years from the date of vesting of options. In June 2017, exercise period was further modified to not exceed 10 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee to be applicable for future grants. In May 2018, exercise period was further modified to not exceed 5 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee to be applicable for future grants.

Options granted after March 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 grant other than certain options granted in April 2014 which vested to the extent of 50% on April 30, 2017 and the balance on April 30, 2018 and option granted in September 2015 which vested to the extent of 50% on April 30, 2018 and balance 50% vested on April 30, 2019. Options granted in January 2018 would vest at the end of four years from the date of grant. Certain options granted in May 2018, would vest to the extent of 50% on May 2021 and balance 50% would vest on May 2022.

Options granted prior to March 2014 except mentioned below, 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. Options granted in April 2009 vested in a graded manner over a five-year period with 20%, 20%, 30% and 30% of grant vesting each year, commencing from the end of 24 months from the date of grant. Options granted in September 2011 vested in a graded manner over a five-year period with 15%, 20%, 20% and 45% of grant vesting each year, commencing from the end of 24 months from the date of the grant.

The exercise price of the Bank's options, except mentioned below, is the last closing price on the stock exchange, which recorded highest trading volume preceding the date of grant of options. In February 2011, the Bank granted 16,692,500 options to eligible employees and whole-time Directors of the Bank and certain of its subsidiaries at an exercise price of ₹ 175.82. This exercise price was the average closing price on the stock exchange during the six months ended October 28, 2010. Of these options granted, 50% vested on April 30, 2014 and the balance 50% vested on April 30, 2015.

Based on intrinsic value of options, no compensation cost was recognised during the year ended March 31, 2021 (year ended March 31, 2020: Nil). If the Bank had used the fair value of options based on binomial tree model, compensation cost in the year ended March 31, 2021 would have been higher by ₹ 3,949.7 million (year ended March 31, 2020: ₹ 3,826.2 million) and proforma profit after tax would have been ₹ 157,977.1 million (year ended March 31, 2020: ₹ 75,481.9 million). On a proforma basis, the Bank's basic and diluted earnings per share would have been ₹ 23.43 (year ended March 31, 2020: ₹ 11.68) and ₹ 23.09 (year ended March 31, 2020: ₹ 11.49) respectively for the year ended March 31, 2021. The weighted average fair value of options granted during the year ended March 31, 2021 was ₹ 125.44 (year ended March 31, 2020: ₹ 149.62).

The following table sets forth, for the periods indicated, the key assumptions used to estimate the fair value of options granted.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Risk-free interest rate	**4.83% to 5.74%**	6.18% to 7.62%
Expected Term	**3.45 to 5.45 years**	3.46 to 5.46 years
Expected volatility	**35.19% to 37.31%**	29.06% to 31.17%
Expected dividend yield	**0.26% to 0.30%**	0.19% to 0.37%

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Risk free interest rates over the expected term of the option are based on the government securities yield in effect at the time of the grant. The expected term of an option is estimated based on the vesting term as well as expected exercise behavior of the employees who receive the option. Expected exercise behavior is estimated based on the historical stock option exercise pattern of the Bank. Expected volatility during the estimated expected term of the option is based on historical volatility determined based on observed market prices of the Bank's publicly traded equity shares. Expected dividends during the estimated expected term of the option are based on recent dividend activity.

The following table sets forth, for the periods indicated, the summary of the status of the Bank's stock option plan.

₹ except number of options

Particulars	Stock options outstanding			
	Year ended March 31, 2021		Year ended March 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	**238,286,573**[1]	**261.89**	232,427,774	235.40
Add: Granted during the year	**33,417,700**	**337.73**	34,288,400[1]	402.16
Less: Lapsed during the year, net of re-issuance	**880,530**	**336.57**	1,904,051[2]	316.72
Less: Exercised during the year	**24,232,771**	**218.81**	26,525,550	207.09
Outstanding at the end of the year	**246,590,972**[1]	**276.14**	238,286,573[1]	261.89
Options exercisable	**177,136,942**	**247.45**	169,975,899	231.93

1. *Includes options pertaining to Whole-time Directors of ICICI Bank and its subsidiaries, which are pending for regulatory approval.*
2. *Includes options pertaining to Whole-time Directors adjusted after the subsequent RBI approval for a revised number of options.*

The following table sets forth, the summary of stock options outstanding at March 31, 2021.

Range of exercise price (₹ per share)	Number of shares arising out of options	Weighted average exercise price (₹ per share)	Weighted average remaining contractual life (Number of years)
60-99	**976,475**	**78.93**	**2.16**
100-199	**16,411,432**	**166.35**	**3.18**
200-299	**162,464,016**	**250.16**	**6.21**
300-399	**33,977,600**	**337.53**	**6.23**
400-499	**32,705,449**	**401.96**	**5.22**
500-599	**56,000**	**527.70**	**5.92**

The following table sets forth, the summary of stock options outstanding at March 31, 2020.

Range of exercise price (₹ per share)	Number of shares arising out of options	Weighted average exercise price (₹ per share)	Weighted average remaining contractual life (Number of years)
60-99	1,173,325	79.11	2.86
100-199	24,177,234	166.55	3.58
200-299	178,395,914	249.22	7.15
300-399	901,900	329.89	7.90
400-499	33,582,200	401.96	6.20
500-599	56,000	527.70	6.92

The options were exercised regularly throughout the period and weighted average share price as per National Stock Exchange price volume data during the year ended March 31, 2021 was ₹ 437.92 (year ended March 31, 2020: ₹ 451.25).

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8. Subordinated debt

During the year ended March 31, 2021 and March 31, 2020, the Bank did not raise subordinated debt bonds qualifying for Additional Tier-1 capital.

During the year ended March 31, 2021, the Bank did not raise subordinated debt bonds qualifying for Tier-2 capital.

The following table sets forth, the details of subordinated debt bonds qualifying for Tier-2 capital raised during the year ended March 31, 2020.

₹ in million

Particulars	Date of Issue	Coupon Rate (%)	Tenure	Amount
Subordinated Tier-2	February 17, 2020	7.70% (annually)	10 years[1]	9,450.0

1. Call option exercisable on February 17, 2025 and on every interest payment date thereafter (exercisable with RBI approval).

9. Repurchase transactions

The following tables set forth for the periods indicated, the details of securities sold and purchased under repo and reverse repo transactions respectively including transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF).

₹ in million

Sr. No.	Particulars	Minimum outstanding balance during the	Maximum outstanding balance during the	Daily average outstanding balance during the	Outstanding balance at March 31, 2021
		Year ended March 31, 2021			
Securities sold under Repo, LAF and MSF					
i)	Government Securities	**-**	**535,934.0**	**336,865.4**	**4,831.6**
ii)	Corporate Debt Securities	**-**	**1,756.2**	**380.2**	**-**
iii)	Any other securities	**-**	**-**	**-**	**-**
Securities purchased under Reverse Repo and LAF					
i)	Government Securities	**41,890.0**	**750,500.0**	**457,958.6**	**352,340.0**
ii)	Corporate Debt Securities	**-**	**2,000.0**	**52.1**	**-**
iii)	Any other securities	**-**	**-**	**-**	**-**

1. Amounts reported are based on face value of securities under Repo and Reverse repo.
2. Amounts reported are based on lending/borrowing amount under LAF and MSF.
3. Includes tri-party repo transactions.

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₹ in million

Sr. No.	Particulars	Minimum outstanding balance during the	Maximum outstanding balance during the	Daily average outstanding balance during the	Outstanding balance at March 31, 2020
		Year ended March 31, 2020			
Securities sold under Repo, LAF and MSF					
i)	Government Securities	-	390,007.7	93,978.5	340,756.8
ii)	Corporate Debt Securities	-	-	-	-
iii)	Any other securities	-	-	-	-
Securities purchased under Reverse Repo and LAF					
i)	Government Securities	-	797,051.8	71,637.8	638,951.8
ii)	Corporate Debt Securities	-	1,000.0	27.3	-
iii)	Any other securities	-	-	-	-

1. Amounts reported are based on face value of securities under Repo and Reverse repo.
2. Amounts reported are based on lending/borrowing amount under LAF and MSF.
3. Includes tri-party repo transactions.

10. Investments

The following table sets forth, for the periods indicated, the details of investments and the movement of provision held towards depreciation on investments of the Bank.

₹ in million

Sr. No.	Particulars		At March 31, 2021	At March 31, 2020
1.	**Value of Investments**			
	i)	Gross value of investments		
		a) In India	**2,655,692.4**	2,472,213.9
		b) Outside India	**206,964.2**	81,130.3
	ii)	Provision for depreciation		
		c) In India	**(48,684.8)**	(56,623.2)
		d) Outside India	**(1,106.4)**	(1,406.2)
	iii)	Net value of investments		
		e) In India	**2,607,007.6**	2,415,590.7
		f) Outside India	**205,857.8**	79,724.1
2.	**Movement of provisions held towards depreciation on investments**			
	i)	Opening balance	**58,029.4**	49,936.6
	ii)	Add: Provisions made during the year	**5,630.4**	13,244.4
	iii)	Less: Write-off/write-back of excess provisions during the year	**(13,868.6)**	(5,151.6)
	iv)	Closing balance	**49,791.2**	58,029.4

During the year ended March 31, 2021 the Bank sold approximately 1.50% equity shares in ICICI Prudential Life Insurance Company Limited, 3.96% equity shares in ICICI Lombard General Insurance Company Limited and 4.21% equity shares in ICICI Securities Limited and made aggregate net gain of ₹ 36,699.4 million on these sales (year ended March 31, 2020: Nil).

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The following table sets forth, for the periods indicated, break-up of other investments in Schedule 8.

₹ in million

Investments		At March 31, 2021	At March 31, 2020
I.	**In India**		
	Pass through certificates	**90,726.1**	130,774.8
	Commercial paper	**52,592.4**	139,563.6
	Certificate of deposits	**2,980.3**	23,431.1
	Security receipts	**17,294.1**	19,253.3
	Venture funds	**3,419.6**	3,229.7
	Others	**382.7**	10,342.8
	Total	**167,395.2**	**326,595.3**
II.	**Outside India**		
	Certificate of deposits	**4,751.9**	4,918.2
	Shares	**1,595.3**	1,616.3
	Bonds	**8,916.6**	5,311.0
	Venture funds	**2,144.8**	2,142.1
	Total	**17,408.6**	**13,987.6**
Grand total		**184,803.8**	**340,582.9**

Details of category-wise investments at March 31, 2021

Category	HTM	AFS	HFT	Total
Government Securities	1,705,635.9	419,831.4	162,362.9	2,287,830.3
Other Approved Securities	-	-	-	-
Shares	-	29,467.3	319.2	29,786.4
Debentures and Bonds	14,262.0	208,376.3	5,475.6	228,113.9
Subsidiaries and Joint Ventures	85,764.5	11,801.2	-	97,565.7
Others	4,320.4	155,985.3	9,263.5	169,569.2
Total	**1,809,982.8**	**825,461.5**	**177,421.2**	**2,812,865.4**

Details of category-wise investments at March 31, 2020

Category	HTM	AFS	HFT	Total
Government Securities	1,399,164.6	432,280.3	80,783.5	1,912,228.4
Other Approved Securities	-	-	-	-
Shares	-	25,850.4	330.9	26,181.3
Debentures and Bonds	1,010.0	117,726.0	11,345.8	130,081.8
Subsidiaries and Joint Ventures	85,764.5	12,264.0	-	98,028.5
Others	4,462.2	190,967.2	133,365.4	328,794.8
Total	**1,490,401.3**	**779,087.9**	**225,825.6**	**2,495,314.8**

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11. Investment in securities, other than government and other approved securities (Non-SLR investments)

i) Issuer composition of investments in securities, other than government and other approved securities

The following table sets forth, the issuer composition of investments of the Bank in securities, other than government and other approved securities at March 31, 2021.

₹ in million

Sr. No.	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities[2,3]	Extent of 'unlisted' securities[2,3]
			(a)	(b)	(c)	(d)
1.	PSUs	**20,866.4**	**19,277.5**	**-**	**-**	**16,710.0**
2.	FIs	**130,279.4**	**75,684.4**	**817.9**	**181.8**	**-**
3.	Banks	**35,261.4**	**14,752.2**	**4,744.8**	**-**	**2,171.4**
4.	Private corporates	**170,179.6**	**74,283.9**	**4,361.0**	**1,644.8**	**10,475.8**
5.	Subsidiaries/Joint ventures	**97,565.8**	**.**	**.**	**.**	**-**
6.	Others[3,4]	**120,623.0**	**120,474.1**	**30,551.3[5]**	**-**	**6,642.3**
7.	Provision held towards depreciation	**(49,740.5)**	**N.A.**	**N.A.**	**N.A**	**N.A.**
	Total	**525,035.1**	**304,472.1**	**40,475.0**	**1,826.6**	**35,999.5**

1. Amounts reported under columns (a), (b), (c) and (d) above are not mutually exclusive.
2. Excludes equity shares, units of equity-oriented mutual fund, units of venture capital fund, pass through certificates, security receipts, commercial papers, certificates of deposit, non-convertible debentures (NCDs) with original or initial maturity up to one year issued by corporate (including NBFC), unlisted convertible debentures and securities acquired by way of conversion of debt.
3. Excludes investments in non-Indian government securities by overseas branches amounting to ₹ 151,622.3 million.
4. Excludes investments in non-SLR government of India securities amounting to ₹ 108.0 million.
5. Includes security receipts of ₹ 23,902.0 million and PTCs of ₹ 6,642.3 million.

The following table sets forth, the issuer composition of investments of the Bank in securities, other than government and other approved securities at March 31, 2020.

₹ in million

Sr. No.	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities[2,3]	Extent of 'unlisted' securities[2,3]
			(a)	(b)	(c)	(d)
1.	PSUs	114,845.8	93,987.6	-	-	36,150.0
2.	FIs	93,478.8	36,287.0	797.0	187.2	-
3.	Banks	34,411.7	29,214.6	-	-	-
4.	Private corporates	128,894.2	117,726.5	350.0	4,060.6	8,024.9
5.	Subsidiaries/Joint ventures	98,028.5	-	-	-	-
6.	Others[3,4]	171,377.4	171,288.4	26,128.3[5]	20.0	2,001.4
7.	Provision held towards depreciation	(57,950.0)	N.A.	N.A.	N.A.	N.A.
	Total	**583,086.4**	**448,504.1**	**27,275.3**	**4,267.8**	**46,176.3**

1. Amounts reported under columns (a), (b), (c) and (d) above are not mutually exclusive.
2. Excludes equity shares, units of equity-oriented mutual fund, units of venture capital fund, pass through certificates, security receipts, commercial papers, certificates of deposit, non-convertible debentures (NCDs) with original or initial maturity up to one year issued by corporate (including NBFC), unlisted convertible debentures and securities acquired by way of conversion of debt.
3. Excludes investments in non-Indian government securities by overseas branches amounting to ₹ 28,909.6 million.
4. Excludes investments in non-SLR government of India securities amounting to ₹ 121.5 million.
5. Includes security receipts of ₹ 24,146.9 million and PTCs of ₹ 1,981.4 million.

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ii) Non-performing investments in securities, other than government and other approved securities

The following table sets forth, for the periods indicated, the movement in gross non-performing investments in securities, other than government and other approved securities.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	**51,069.4**	44,287.2
Additions during the year	**7,393.6**	15,838.1
Reduction during the year	**(14,226.1)**	(9,055.9)
Closing balance	**44,236.9**	51,069.4
Total provision held	**40,399.0**	**46,722.8**

12. Sales and transfers of securities to/from Held to Maturity (HTM) category

During the year ended March 31, 2021 and year ended March 31, 2020, the value of sales/transfers of securities to/from HTM category (excluding one-time transfer of securities, sales to RBI under pre-announced open market operation auctions, repurchase of government securities by Government of India and repurchase of the state development loans by concerned state government, as permitted by RBI guidelines) did not exceed 5.0% of the book value of investments held in HTM category at the beginning of the year.

13. Derivatives

The Bank is a major participant in the financial derivatives market. The Bank deals in derivatives for balance sheet management, proprietary trading and market making purposes whereby the Bank offers derivative products to its customers, enabling them to hedge their risks.

Dealing in derivatives is carried out by identified groups in the treasury of the Bank based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Treasury Control and Services Group (TCSG) carries out an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, accounting, reporting and ensures compliance with various internal and regulatory guidelines.

The overall market risk limits are approved by the Board as a part of the Enterprise Risk Management – Risk Appetite Framework (ERM-RAF). The market making and the proprietary trading activities in derivatives are governed by the Investment Policy (which includes the Derivative Policy) of the Bank, which sets out the Value at Risk/stop loss, Net Overnight Open position limits as well as other risk limits. The Risk Management Group (RMG) is involved in formulation of the policies and methodology for computation and monitoring of risk. The Risk Committee of the Board (RCB) reviews the Bank's risk management policies in relation to various risks including credit and recovery policy, investment policy, derivative policy, asset liability management (ALM) policy and operational risk management policy. A review of treasury positions and the risk dashboard is presented periodically to the ALCO and RCB respectively.

The use of derivatives for hedging purposes is governed by the hedge policy approved by ALCO. Subject to prevailing RBI guidelines, the Bank deals in derivatives for hedging fixed rate, floating rate or foreign currency assets/liabilities. Transactions for hedging and market making purposes are recorded separately. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of the hedge itself. The effectiveness is assessed at the time of inception of the hedge and periodically thereafter. Hedge derivative transactions are accounted for pursuant to the principles of hedge accounting based on guidelines issued by RBI. At March 31, 2021, the Bank was primarily exposed to USD LIBOR and JPY LIBOR benchmarks in its hedging transactions. Derivatives for market making purpose are marked to market and the resulting gain/loss is recorded in the profit and loss account. The premium on option contracts is accounted for as per Foreign Exchange Dealers Association of India (FEDAI) guidelines.

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The Financial Stability Board recommended the reform of specified major interest rate benchmarks such as interbank offered rates (IBORs). Since then National Supervisors in many jurisdictions have taken steps to implement interest rate benchmark reform and have increasingly encouraged market participants to ensure timely progress towards the reform of interest rate benchmarks, including the replacement of interest rate benchmarks with alternative benchmark rates. The progress towards interest rate benchmark reform follows the expectation that some major interest rate benchmarks will cease to be published by the end of 2021. The Board of Directors has authorised the ALCO to review and approve matters, as applicable, pertaining to the LIBOR transition to alternate risk free rates. The Bank has constituted an internal working group which reviews the Bank's efforts towards this transition and also monitors the developments internationally, as well as work carried out in domestic market, including through Indian Banking Association (IBA). Further, The Bank had adhered to the ISDA 2020 IBOR Fallbacks Protocol on January 15, 2021 and has been encouraging its counterparties to adhere as well. Alternatively, for the existing derivative transactions with non-adhering counterparties, the Bank has been entering into bilateral agreements to ensure suitable fallbacks are agreed mutually in accordance with ISDA's recommendations. The Bank has been actively participating in the Working Group constituted by Indian Banks Association on formulating the alternate rate to the INR MIFOR rate.

Over the counter (OTC) derivative transactions are generally covered under International Swaps and Derivatives Association (ISDA) master agreements with the respective counter parties. The exposure on account of derivative transactions is computed as per RBI guidelines.

The following tables set forth, for the periods indicated, the details of derivative positions.

₹ in million

Sr. No.	Particulars		At March 31, 2021		At March 31, 2020	
			Currency derivative[1]	Interest rate derivative[2]	Currency derivative[1]	Interest rate derivative[2]
1.	Derivatives (Notional principal amount)					
	a)	For hedging	**-**	**163,798.0**	-	286,628.5
	b)	For trading	**1,102,082.5**	**15,643,967.7**	1,153,447.5	14,768,017.0
2.	Marked to market positions[3]					
	a)	Asset (+)	**21,967.6**	**47,823.8**	35,072.2	77,348.6
	b)	Liability (-)	**(14,965.3)**	**(58,021.6)**	(29,087.5)	(88,278.3)
3.	Credit exposure[4]		**83,923.2**	**187,715.7**	99,270.5	219,115.7
4.	Likely impact of one percentage change in interest rate (100*PV01)[5]					
	a)	On hedging derivatives[6]	**-**	**6,268.8**	-	8,875.3
	b)	On trading derivatives	**2,790.7**	**3,187.5**	3,305.3	3,262.6
5.	Maximum and minimum of 100*PV01 observed during the period					
	a)	On hedging[6]				
		Maximum	**-**	**9,025.6**	-	10,255.4
		Minimum	**-**	**6,227.2**	-	8,238.1
	b)	On trading				
		Maximum	**3,372.1**	**5,284.2**	3,333.3	6,018.0
		Minimum	**2,194.1**	**1,531.9**	1.7	7.3

1. *Exchange traded and OTC options, cross currency interest rate swaps and currency futures are included in currency derivatives.*
2. *OTC Interest rate options, Interest rate swaps, forward rate agreements, swaptions and exchange traded interest rate derivatives are included in interest rate derivatives.*
3. *For trading portfolio including accrued interest.*
4. *Includes accrued interest and has been computed based on current exposure method.*
5. *Amounts given are absolute values on a net basis, excluding options.*
6. *The swap contracts entered into for hedging purpose would have an opposite and off-setting impact with the underlying on-balance sheet items.*

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The following tables set forth, for the periods indicated, the details of forex contracts.

₹ in million

Sr. No.	Particulars	At March 31, 2021		At March 31, 2020	
		Trading	Non-trading	Trading	Non-trading
1.	Forex contracts (Notional principal amount)	**7,080,505.5**	**1,072,284.3**	7,017,268.9	424,190.6
2.	Marked to market positions				
	a) Asset (+)	**26,752.1**	**7,854.7**	30,575.3	1,776.5
	b) Liability (-)	**(22,730.1)**	**(805.7)**	(18,728.9)	(9,695.9)
3.	Credit exposure[1]	**205,195.1**	**35,598.4**	202,270.7	11,408.5
4.	Likely impact of one percentage change in interest rate (100*PV01)[2]	**66.1**	**94.1**	243.9	43.2

1. Computed based on current exposure method.
2. Amounts given are absolute values on a net basis.

As per the Master circular on Basel III Capital Regulations issued by RBI on July 1, 2015 on capital adequacy computation, 'banks in India are required to adopt a comprehensive approach, which allows fuller offset of collateral against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral'. Therefore, counterparty exposure has been fully off-set against the collateral received from the counterparty and the excess collateral posted over the net MTM payable is reckoned as exposure. Since, the collateral received is counterparty-wise and not product-wise, the derivative exposure reported above has not been adjusted for the collateral received/posted. At March 31, 2021, collateral utilised against the exposure was ₹ 7,385.2 million (March 31, 2020: ₹ 15,185.9 million), excess collateral posted over the exposure was ₹ 743.7 million (March 31, 2020: ₹ 348.6 million) and the net credit exposure on forex and derivatives, subsequent to collateral netting, was ₹ 505,790.8 million (March 31, 2020: ₹ 517,228.1 million).

The net overnight open position (NOOP) at March 31, 2021 (as per last NOOP value reported to RBI for the year ended March 31, 2021) was ₹ 4,200.2 million (March 31, 2020: ₹ 4,620.9 million).

The Bank has no exposure in credit derivative instruments (funded and non-funded) including credit default swaps (CDS) and principal protected structures at March 31, 2021 (March 31, 2020: Nil).

14. Exchange traded interest rate derivatives and currency derivatives

Exchange traded interest rate derivatives

The following table sets forth, for the periods indicated, the details of exchange traded interest rate derivatives.

₹ in million

Sr. No.	Particulars	At March 31, 2021	At March 31, 2020
1.	Notional principal amount of exchange traded interest rate derivatives undertaken during the year - 10 year Government Security Notional Bond	**64,748.8**	244,208.8
2.	Notional principal amount of exchange traded interest rate derivatives outstanding - 10 year Government Security Notional Bond	**20.0**	1,080.0
3.	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective'	**N.A.**	N.A.
4.	Mark-to-market value of exchange traded interest rate derivatives outstanding and not 'highly effective'	**N.A.**	N.A.

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Exchange traded currency derivatives

The following table sets forth, for the periods indicated, the details of exchange traded currency derivatives.

₹ in million

Sr. No.	Particulars	At March 31, 2021	At March 31, 2020
1.	Notional principal amount of exchange traded currency derivatives undertaken during the year	**3,515,146.1**	2,448,869.3
2.	Notional principal amount of exchange traded currency derivatives outstanding	**60,651.2**	88,225.0
3.	Notional principal amount of exchange traded currency derivatives outstanding and not 'highly effective'	**N.A.**	N.A.
4.	Mark-to-market value of exchange traded currency derivatives outstanding and not 'highly effective'	**N.A.**	N.A.

15. Forward rate agreement (FRA)/Interest rate swaps (IRS)/Cross currency swaps (CCS)

The Bank enters into FRA, IRS and CCS contracts for balance sheet management and market making purposes whereby the Bank offers derivative products to its customers to enable them to hedge their interest rate risk and currency risk within the prevalent regulatory guidelines.

A FRA is a financial contract between two parties to exchange interest payments for 'notional principal' amount on settlement date, for a specified period from start date to maturity date. Accordingly, on the settlement date cash payments based on contract rate and the settlement rate, which is the agreed bench-mark/reference rate prevailing on the settlement date, are made by the parties to one another. The benchmark used in the FRA contracts of the Bank is London Inter-Bank Offered Rate (LIBOR) of various currencies.

An IRS is a financial contract between two parties exchanging or swapping a stream of interest payments for a 'notional principal' amount on multiple occasions during a specified period. The Bank deals in interest rate benchmarks like Mumbai Inter-Bank Offered Rate (MIBOR), Indian Government Securities Benchmark Rate (INBMK), Mumbai Inter-Bank Forward Offer Rate (MIFOR) and LIBOR of various currencies.

A CCS is a financial contract between two parties exchanging interest payments and principal, wherein interest payments and principal in one currency would be exchanged for interest payments and principal in another currency.

These contracts are subject to the risks of changes in market interest rates and currency rates as well as the settlement risk with the counterparties.

The following table sets forth, for the periods indicated, the details of the FRA/IRS.

₹ in million

Sr. No.	Particulars	At March 31, 2021	At March 31, 2020
1.	Notional principal of FRA/IRS	**15,749,369.2**	14,991,626.2
2.	Losses which would be incurred if all counter parties failed to fulfil their obligations under the agreement[1]	**48,230.0**	78,846.5
3.	Collateral required by the Bank upon entering into FRA/IRS	**-**	-
4.	Concentration of credit risk[2]	**2,066.6**	6,197.7
5.	Fair value of FRA/IRS[3]	**(2,917.5)**	4,321.4

1. *For trading portfolio both mark-to-market and accrued interest have been considered and for hedging portfolio only accrued interest has been considered.*
2. *Credit risk concentration is measured as the highest net receivable under these contracts from a particular counter party.*
3. *Fair value represents mark-to-market including accrued interest.*

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The following table sets forth, for the periods indicated, the details of the CCS.

₹ in million

Sr. No.	Particulars	At March 31, 2021	At March 31, 2020
1.	Notional principal of CCS[1]	**481,715.7**	510,277.6
2.	Losses which would be incurred if all counter parties failed to fulfil their obligations under the agreement[2]	**19,157.0**	31,241.5
3.	Collateral required by the Bank upon entering into CCS	**-**	-
4.	Concentration of credit risk[3]	**8,033.9**	12,003.5
5.	Fair value of CCS[4]	**9,126.1**	11,127.6

1. *CCS includes cross currency interest rate swaps and currency swaps.*
2. *For trading portfolio both mark-to-market and accrued interest have been considered and for hedging portfolio only accrued interest has been considered.*
3. *Credit risk concentration is measured as the highest net receivable under these contracts from a particular counter party.*
4. *Fair value represents mark-to-market including accrued interest.*

The following tables set forth, for the periods indicated, the nature and terms of FRA and IRS.

Hedging

₹ in million

Benchmark	Type	At March 31, 2021		At March 31, 2020	
		Notional principal	No. of deals	Notional principal	No. of deals
JPY LIBOR	Fixed receivable v/s floating payable	**6,611.5**	**1**	10,451.2	2
USD LIBOR	Fixed receivable v/s floating payable	**157,186.5**	**19**	276,177.3	40
Total		**163,798.0**	**20**	**286,628.5**	**42**

Trading

₹ in million

Benchmark	Type	At March 31, 2021		At March 31, 2020	
		Notional principal	No. of deals	Notional principal	No. of deals
AUD LIBOR	Floating receivable v/s fixed payable	**501.3**	**1**	414.7	1
AUD LIBOR	Fixed receivable v/s floating payable	**532.5**	**17**	440.5	17
CAD CDOR	Fixed receivable v/s floating payable	**874.4**	**1**	903.1	1
CAD CDOR	Floating receivable v/s fixed payable	**887.8**	**2**	927.0	3
EURIBOR	Fixed receivable v/s floating payable	**14,570.4**	**39**	17,175.4	48
EURIBOR	Floating receivable v/s fixed payable	**15,034.6**	**24**	17,156.8	30
EURIBOR	Floating receivable v/s floating payable	**429.4**	**1**	415.2	1
GBP LIBOR	Fixed receivable v/s floating payable	**8,422.9**	**17**	12,974.3	23
GBP LIBOR	Floating receivable v/s fixed payable	**9,208.8**	**20**	13,161.8	28
INBMK	Floating receivable v/s fixed payable	**1,000.0**	**1**	12,310.3	17
INBMK	Fixed receivable v/s floating payable	**1,000.0**	**1**	4,000.0	7
JPY LIBOR	Fixed receivable v/s floating payable	**6,046.4**	**9**	6,432.3	9
JPY LIBOR	Floating receivable v/s fixed payable	**5,990.0**	**7**	6,671.9	8
MIBOR	Floating receivable v/s fixed payable	**5,967,573.3**	**7,629**	5,425,960.0	6,862
MIBOR	Fixed receivable v/s floating payable	**6,036,070.1**	**9,441**	5,287,644.4	7,891

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₹ in million

Benchmark	Type	At March 31, 2021 Notional principal	At March 31, 2021 No. of deals	At March 31, 2020 Notional principal	At March 31, 2020 No. of deals
MIFOR	Floating receivable v/s fixed payable	**860,800.0**	**1,061**	788,350.0	1,113
MIFOR	Fixed receivable v/s floating payable	**917,855.0**	**1,506**	854,735.0	1,435
USD LIBOR	Fixed receivable v/s floating payable	**704,400.4**	**672**	990,125.4	876
USD LIBOR	Floating receivable v/s fixed payable	**852,030.1**	**753**	1,152,420.8	854
USD LIBOR	Floating receivable v/s floating payable	**174,735.5**	**52**	108,722.9	61
USD SOFR	Fixed receivable v/s floating payable	**3,655.5**	**1**	-	-
USD SOFR	Floating receivable v/s fixed payable	**731.1**	**1**	-	-
Other	Fixed receivable v/s fixed payable	**3,221.6**	**4**	4,055.9	48
Total		**15,585,571.1**	**21,260**	**14,704,997.7**	**19,333**

The following tables set forth, for the periods indicated, the nature and terms of CCS.

Trading

₹ in million

Benchmark	Type	At March 31, 2021 Notional principal	At March 31, 2021 No. of deals	At March 31, 2020 Notional principal	At March 31, 2020 No. of deals
CAD CDOR	Floating receivable v/s fixed payable	**-**	**-**	5,319.6	1
EURIBOR	Fixed receivable v/s floating payable	**5,025.7**	**23**	2,235.1	16
EURIBOR V/s USD LIBOR	Floating receivable v/s floating payable	**6,998.7**	**6**	8,308.1	10
EURIBOR V/s USD LIBOR	Floating payable v/s floating receivable	**11,712.1**	**12**	12,945.1	13
GBP LIBOR V/s USD LIBOR	Floating receivable v/s floating payable	**2,952.3**	**5**	4,376.6	7
GBP LIBOR V/s USD LIBOR	Floating payable v/s floating receivable	**3,321.3**	**6**	3,907.3	8
JPY LIBOR	Floating receivable v/s fixed payable	**343.0**	**1**	331.1	1
JPY LIBOR	Fixed receivable v/s floating payable	**134.9**	**1**	361.9	4
JPY LIBOR V/s USD LIBOR	Floating receivable v/s floating payable	**7,976.6**	**8**	11,205.1	8
JPY LIBOR V/s USD LIBOR	Floating payable v/s floating receivable	**317.8**	**2**	1,293.6	3
MIFOR v/s USD LIBOR	Floating receivable v/s floating payable	**4,626.3**	**3**	4,626.3	3
SGD SOR V/s USD LIBOR	Floating receivable v/s floating payable	**438.7**	**1**	454.0	1
SGD SOR V/s USD LIBOR	Floating payable v/s floating receivable	**365.6**	**2**	378.3	2
USD LIBOR	Fixed receivable v/s floating payable	**159,880.7**	**195**	162,255.6	174
USD LIBOR	Floating receivable v/s fixed payable	**95,861.9**	**86**	91,440.3	99
Others	Fixed receivable v/s fixed payable	**181,760.1**	**189**	200,839.7	205
Total		**481,715.7**	**540**	510,277.7	555

1. Benchmark indicates floating leg of the fixed v/s floating CCS.

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16. Non-performing assets[1]

The following table sets forth, for the periods indicated, the details of movement of gross non-performing assets (NPAs), net NPAs and provisions.

₹ in million

Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1.	Net NPAs (funded) to net advances (%)	**1.24%**	1.54%
2.	Movement of NPAs (Gross)		
	a) Opening balance[2]	**408,290.9**	456,760.4
	b) Additions: Fresh NPAs during the year[3]	**160,482.2**	138,020.0
	Sub-total (1)	**568,773.1**	**594,780.4**
	c) Reductions during the year		
	1. Upgradations	**(17,546.2)**	(11,542.1)
	2. Recoveries (excluding recoveries made from upgraded accounts)	**(47,746.4)**	(65,428.8)
	3. Technical/prudential write-offs	**(91,414.9)**	(102,697.1)
	4. Write-offs other than technical/prudential write-offs	**(3,651.4)**	(6,821.5)
	Sub-total (2)	**(160,358.9)**	**(186,489.5)**
	d) Closing balance[2] (1)-(2)	**408,414.2**	408,290.9
3.	Movement of net NPAs		
	a) Opening balance[2]	**99,232.4**	134,497.2
	b) Additions during the year[3]	**80,171.9**	67,049.0
	c) Reductions during the year	**(88,227.7)**	(102,313.8)
	d) Closing balance[2]	**91,176.6**	99,232.4
4.	Movement of provision for NPAs (excluding provision on standard assets)		
	a) Opening balance[2]	**309,058.5**	322,263.2
	b) Addition during the year[3]	**133,515.3**	141,862.4
	Sub-total (1)	**442,573.8**	**464,125.6**
	c) Write-off/(write-back) of excess provisions		
	1. Write-back of excess provision on account of upgradations	**(3,940.9)**	(2,500.0)
	2. Write-back of excess provision on account of reduction in NPAs	**(26,922.0)**	(43,393.5)
	3. Provision utilised for write-offs	**(94,473.3)**	(109,173.6)
	Sub-total (2)	**(125,336.2)**	**(155,067.1)**
	d) Closing balance[2] (1)-(2)	**317,237.6**	309,058.5

1. *Represents loans and advances.*
2. *Net of write-off.*
3. *Includes effect of exchange rate fluctuation on loans in foreign currency.*

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The following table sets forth, for the periods indicated, the details of movement in technical/prudential write-off.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	**341,378.5**	238,659.6
Add: Technical/prudential write-offs during the year[1]	**82,688.5**	115,925.6
Sub-total (1)	**424,067.0**	**354,585.2**
Less: Recoveries made from previously technical/ prudential written-off accounts during the year	**(1,682.3)**	(3,395.6)
Less: Sacrifice made from previously technical/ prudential written-off accounts during the year	**(5,962.2)**	(9,811.1)
Sub-total (2)	**(7,644.5)**	**(13,206.7)**
Closing balance (1)-(2)	**416,422.5**	341,378.5

1. Includes effect of exchange rate fluctuation on loans in foreign currency.

Further, in accordance with RBI guidelines, the loans and advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the extant RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. At March 31, 2021, there was no loan and advance held at overseas branches that was identified as impaired as per host country regulations for reasons other than record of recovery, but which was standard as per the extant RBI guidelines (at March 31, 2020: ₹ 19,795.3 million with a provision of ₹ 10,305.8 million).

Divergence in asset classification and provisioning for NPAs

In terms of the RBI circular no. //DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019, 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 10% of the reported net profits before provisions and contingencies 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 condition mentioned in RBI circular, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2020 and for the year ended March 31, 2019.

17. Floating provision

During the year ended March 31, 2021, the Bank did not make any floating provision (March 31, 2020: Nil).

The following table sets forth, for the periods indicated, the movement in floating provision held by the Bank.

₹ in million

Particulars	At March 31, 2021	At March 31, 2020
Opening balance[1]	**1.9**	1.9
Add: Provision made during the year	**-**	-
Less: Provision utilised during the year	**-**	-
Closing balance[1]	**1.9**	1.9

1. Represents amount taken over from erstwhile Bank of Rajasthan upon amalgamation.

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18. General provision on standard assets

The general provision on standard assets (excluding Covid-19 related provision) held by the Bank at March 31, 2021 was ₹ 35,842.8 million (March 31, 2020: ₹ 33,745.2 million). The Bank made general provision on standard assets (excluding Covid-19 related provision) amounting to ₹ 2,288.3 million during the year ended March 31, 2021 (year ended March 31, 2020: ₹ 4,621.1 million) as per applicable RBI guidelines.

RBI, through its circular dated January 15, 2014 had advised banks to create incremental provision on standard loans and advances to entities with unhedged foreign currency exposure (UFCE). The Bank assesses the UFCEs of the borrowers through its credit appraisal and internal ratings process. The Bank also undertakes reviews of such exposures through thematic reviews evaluating the impact of exchange rate fluctuations on the Bank's portfolio on an yearly basis.

The Bank held provision amounting to ₹ 2,620.0 million (March 31, 2020: ₹ 2,500.0 million) on advances to entities with UFCE at March 31, 2021. During the year ended March 31, 2021, the Bank made provision amounting to ₹ 120.0 million on advances to entities with UFCE (year ended March 31, 2020 provision of ₹ 250.0 million). The Bank held incremental capital of ₹ 8,860.0 million at March 31, 2021 on advances to borrowers with UFCE (March 31, 2020: ₹ 7,752.5 million).

The Bank makes additional general provision on stressed sectors of the economy, as per RBI guidelines and as per the Board approved policy. During the year ended March 31, 2021, there was a write-back of provision amounting to ₹ 756.7 million (year ended March 31, 2020: provision of ₹ 911.9 million). At March 31, 2021, the Bank held provision amounting to ₹ 1,583.3 million (March 31, 2020: ₹ 2,340.0 million).

During the year ended March 31, 2021, the Bank made provision amounting to ₹ 205.9 million (year ended March 31, 2020: write-back of ₹ 20.8 million) towards advances to overseas step-down subsidiaries of Indian corporates. The Bank held provision amounting to ₹ 762.2 million at March 31, 2021 (March 31, 2020: ₹ 556.3 million).

RBI, through its circular dated August 25, 2016, required banks to make additional provision from the year ended March 31, 2019 on incremental exposure of the banking system in excess of normally permitted lending limit (NPLL) on borrowers classified as specified borrower. During the year ended March 31, 2021 the Bank made provision amounting to ₹ 248.5 million (year ended March 31, 2020: write-back of ₹ 42.7 million) on these specified borrowers. The Bank held provision amounting to ₹ 330.0 million at March 31, 2021 (March 31, 2020: ₹ 81.5 million).

19. Provision Coverage Ratio

The provision coverage ratio of the Bank at March 31, 2021 computed as per the extant RBI guidelines was 77.7% (March 31, 2020: 75.7%).

20. Priority Sector Lending Certificates (PSLCs)

The following table sets forth, for the periods indicated, details of PSLCs purchased and sold by the Bank.

₹ in million

Category	Year ended March 31, 2021		Year ended March 31, 2020	
	Bought	Sold	Bought	Sold
General	-	311,055.0	48,500.0	167,980.0
Agriculture	357,740.0	-	333,480.0	-
Micro enterprise	-	106,840.0	-	223,462.5
Total	**357,740.0**	**417,895.0**	**381,980.0**	**391,442.5**

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21. Securitisation

A. The Bank sells loans through securitisation and direct assignment. The following tables set forth, for the periods indicated, the information on securitisation and direct assignment activity of the Bank as an originator till May 7, 2012.

₹ in million, except number of loans securitised

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total number of loan assets securitised	**-**	-
Total book value of loan assets securitised	**-**	-
Sale consideration received for the securitised assets	**-**	-
Net gain/(loss) on account of securitisation[1]	**(56.1)**	8.3

1. Includes gain/(loss) on deal closures, gain amortised during the year and expenses relating to utilisation of credit enhancement.

₹ in million

Particulars	At March 31, 2021	At March 31, 2020
Outstanding credit enhancement (funded)	**1,425.8**	3,464.6
Outstanding liquidity facility	**0.1**	2.6
Net outstanding servicing asset/(liability)	**(7.6)**	(9.3)
Outstanding subordinate contributions	**-**	1,459.1

Outstanding liquidity facility in the form of guarantees amounted to ₹ 209.6 million at March 31, 2021 (March 31, 2020: ₹ 263.2 million).

The outstanding credit enhancement in the form of guarantees for third party originated securitisation transactions amounted to ₹ 3,524.2 million at March 31, 2021 (March 31, 2020: ₹ 5,065.1 million).

The following table sets forth, for the periods indicated, the details of provision for securitisation and direct assignment transactions.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	**845.6**	831.9
Additions during the year	**6.8**	16.7
Deductions during the year	**(831.9)**	(3.0)
Closing balance	**20.5**	845.6

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B. The information on securitisation and direct assignment activity of the Bank as an originator as per RBI guidelines 'Revisions to the Guidelines on Securitisation Transactions' dated May 7, 2012 is given below.

a. The Bank, as an originator, has not sold any loan through securitisation during the year ended March 31, 2021 (March 31, 2020: Nil).

b. The following table sets forth, for the periods indicated, the information on the loans sold through direct assignment.

₹ in million

Sr. No.	Particulars	At March 31, 2021	At March 31, 2020
1.	Number of SPVs sponsored by the bank for securitisation transactions	**-**	-
2.	Total amount of assets sold through direct assignment during the year	**-**	-
3.	Total amount of exposures retained by the Bank to comply with Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	• First loss	**-**	-
	• Others	**-**	-
	b) On-balance sheet exposures		
	• First loss	**-**	-
	• Others	**19.8**	19.8
4.	Amount of exposure to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisation		
	• First loss	**-**	-
	• Others	**-**	-
	ii) Exposure to third party securitisation		
	• First loss	**-**	-
	• Others	**-**	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisation		
	• First loss	**-**	-
	• Others	**-**	-
	ii) Exposure to third party securitisation		
	• First loss	**-**	-
	• Others	**-**	-

The overseas branches of the Bank, as originators, sold eight loans through direct assignment amounting to ₹ 12,745.2 million during the year ended March 31, 2021 (year ended March 31, 2020: six loans amounting to ₹ 6,886.3 million).

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22. Financial assets transferred during the year to securitisation company (SC)/reconstruction company (RC)

The Bank has transferred certain assets to Asset Reconstruction Companies (ARCs) in terms of the guidelines issued by RBI circular no. DBR.No.BP.BC.2/21.04.048/2015-16 dated July 1, 2015 during the year ended March 31, 2021. For the purpose of the valuation of the underlying security receipts issued by the underlying trusts managed by ARCs, the SRs are valued at their respective net asset values as advised by the ARCs.

The following table sets forth, for the periods indicated, the details of the assets transferred.

₹ in million, except number of accounts

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Number of accounts	**2**	5
Aggregate value (net of provisions) of accounts sold to SC/RC	**11.3**	7.8
Aggregate consideration	**81.0**	310.9
Additional consideration realised in respect of accounts transferred in earlier years	**-**	-
Aggregate gain/(loss) over net book value[1,2]	**69.7**	303.1
Excess provision reversed to profit and loss account on account of sale of NPAs	**69.7**	303.1

1. During the year ended March 31, 2021, the Bank made a gain of ₹ 69.7 million on sale of financial assets to ARCs (year ended March 31, 2020: gain of ₹ 303.1 million).

The following tables set forth, for the periods indicated, the details of investments in security receipts (SRs).

₹ in million

Particulars	At March 31, 2021	At March 31, 2020
Net book value of investments in SRs which are -		
- Backed by NPAs sold by the Bank as underlying[1]	**10,447.9**	10,547.6
- Backed by NPAs sold by other banks/financial institutions(FIs)/ non–banking financial companies (NBFCs) as underlying	**2.4**	10.5
Total	**10,450.3**	**10,558.1**

1. During the year ended March 31, 2021, security receipts were partly redeemed by ARCs (year ended March 31, 2020: two trusts were fully redeemed amounting to ₹ 1,138.7 million) and there was no gain/loss to the Bank (year ended March 31, 2020: Nil).

₹ in million

Sr. No.	Particulars	At March 31, 2021			
		SRs issued within past five years	SRs issued more than five years ago but within past eight years	SRs issued more than eight years ago	Total
1.	Book value of SRs backed by NPAs sold by the Bank as underlying	**12,371.0**	**560.2**	**-**	**12,931.2**
	Provision held against above	**2,385.8**	**97.5**	**-**	**2,483.3**
2.	Book value of SRs backed by NPAs sold by other banks/financial institutions/non-banking financial companies as underlying	**-**	**2.4**	**-**	**2.4**
	Provision held against above	**-**	**-**	**-**	**-**
Gross book value		**12,371.0**	**562.6**	**-**	**12,933.6**
Total provision held against above		**2,385.8**	**97.5**	**-**	**2,483.3**
Net book value		**9,985.2**	**465.1**	**-**	**10,450.3**

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₹ in million

Sr. No.	Particulars	At March 31, 2020			
		SRs issued within past five years	SRs issued more than five years ago but within past eight years	SRs issued more than eight years ago	Total
1.	Book value of SRs backed by NPAs sold by the Bank as underlying	12,819.1	211.7	-	13,030.8
	Provision held against above	2,483.2	-	-	2,483.2
2.	Book value of SRs backed by NPAs sold by other banks/financial institutions/non-banking financial companies as underlying	-	10.5	-	10.5
	Provision held against above	-	-	-	-
Gross book value		**12,819.1**	**222.2**	**-**	**13,041.3**
Total provision held against above		2,483.2	-	-	2,483.2
Net book value		**10,335.9**	**222.2**	**-**	**10,558.1**

23. Details of non-performing assets purchased/sold, excluding those sold to SC/RC

The Bank did not purchase any non-performing assets in terms of the guidelines issued by RBI circular no. DBR. No.BP.BC.2/21.04.048/2015-16 dated July 1, 2015 during the year ended March 31, 2021 (year ended March 31, 2020: Nil).

The following table sets forth, for the periods indicated, details of non-performing assets sold to banks, NBFCs and other financial institutions.

₹ in million, except number of accounts

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Number of accounts	**1**	2
Aggregate value (net of provisions) of accounts sold, excluding those sold to SC/RC	**473.7**	649.0
Aggregate consideration	**445.7**	995.9
Aggregate gain/(loss) over net book value	**(28.0)**	346.9

The following table sets forth, for the periods indicated, details of non-performing assets sold to entities other than banks, NBFCs and other financial institutions.

₹ in million, except number of accounts

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Number of accounts	**1**	-
Aggregate value (net of provisions) of accounts sold, excluding those sold to SC/RC	**-**	-
Aggregate consideration	**75.3**	-
Aggregate gain/(loss) over net book value	**75.3**	-

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24. Information in respect of restructured assets

The following table sets forth, for the year ended March 31, 2021, details of restructured loan assets under CDR AND SME Debt Restructuring mechanism.

₹ in million, except number of accounts

Sr. No.	Type of Restructuring	Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
	Asset Classification	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details	(a)	(b)	(c)	(d)	(e)	(a)	(b)	(c)	(d)	(e)
1.	Restructured accounts at April 1, 2020										
	No. of borrowers	4	-	10	18	32	-	-	-	-	-
	Amount outstanding	556.6	-	6,642.7	15,138.7	22,338.0	-	-	-	-	-
	Provision thereon	54.1	-	6,642.7	15,138.7	21,835.5	-	-	-	-	-
2.	Fresh restructuring during the year ended March 31, 2021										
	No. of borrowers	-	-	-	-	-	745	-	-	-	745
	Amount outstanding	-	-	-	-	-	10,306.8	-	-	-	10,306.8
	Provision thereon	-	-	-	-	-	129.9	-	-	-	129.9
3.	Upgradations to restructured standard category during the year ended March 31, 2021										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
4.	Increase/(decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2021[1]										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	(243.8)	-	(0.1)	55.6	(188.3)	-	-	-	-	-
	Provision thereon	212.3	-	(0.1)	55.6	267.8	-	-	-	-	-
5.	Restructured standard advances at April 1, 2020, which cease to attract higher provisioning and/or additional risk weight at March 31, 2021 and hence need not be shown as restructured standard advances at April 1, 2021										
	No. of borrowers	-	N.A.	N.A.	(1)	(1)	-	N.A.	N.A.	N.A.	-
	Amount outstanding	-	N.A.	N.A.	(131.0)	(131.0)	-	N.A.	N.A.	N.A.	-
	Provision thereon	-	N.A.	N.A.	(131.0)	(131.0)	-	N.A.	N.A.	N.A.	-
6.	Downgradations of restructured accounts during the year ended March 31, 2021										
	No. of borrowers	(1)	-	(9)	10	-	-	-	-	-	-
	Amount outstanding	(231.1)	-	(6,410.2)	5,613.5	(1,027.8)	-	-	-	-	-
	Provision thereon	(231.1)	-	(6,410.2)	5,613.5	(1,027.8)	-	-	-	-	-
7.	Write-offs/recovery/sale of restructured accounts during the year ended March 31, 2021										
	No. of borrowers	-	-	-	(5.0)	(5)	-	-	-	-	-
	Amount outstanding	-	-	-	(1,744.6)	(1,744.6)	-	-	-	-	-
	Provision thereon	-	-	-	(1,744.6)	(1,744.6)	-	-	-	-	-
8.	Restructured accounts at March 31, 2021										
	No. of borrowers	3	-	1	22	26	745	-	-	-	745
	Amount outstanding	81.7	-	232.4	18,932.2	19,246.3	10,306.8	-	-	-	10,306.8
	Provision thereon	35.3	-	232.4	18,932.2	19,199.9	129.9	-	-	-	129.9

1. *Increase/(decrease) in borrower level outstanding of restructured accounts is due to repayments, utilisation of cash credit facility, exchange rate fluctuation, accrued interest, fresh disbursement, non-fund based devolvement, conversion of loans into equity (including application money pending allotment) as part of restructuring scheme, etc.*

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The following table sets forth, for the year ended March 31, 2021, details of other and total restructured loan assets.

₹ in million, except number of accounts

Sr. No.	Type of Restructuring	Others					Total				
	Asset Classification	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details	(a)	(b)	(c)	(d)	(e)	(a)	(b)	(c)	(d)	(e)
1.	Restructured accounts at April 1, 2020										
	No. of borrowers	5,296	1,390	2,043	103	8,832	5,300	1,390	2,053	121	8,864
	Amount outstanding	2,537.3	264.7	58,900.6	305.0	62,007.6	3,093.9	264.7	65,543.3	15,443.7	84,345.6
	Provision thereon	177.5	150.0	51,088.5	305.0	51,721.0	231.6	150.0	57,731.2	15,443.7	73,556.5
2.	Fresh restructuring during the year ended March 31, 2021										
	No. of borrowers	2,408	3,655	616	36	6,715	3,153	3,655	616	36	7,460
	Amount outstanding	20,071.3	611.6	10,950.6	39.1	31,672.6	30,378.1	611.6	10,950.6	39.1	41,979.4
	Provision thereon	573.4	441.3	10,880.3	39.1	11,934.1	703.3	441.3	10,880.3	39.1	12,064.0
3.	Upgradations to restructured standard category during the year ended March 31, 2021										
	No. of borrowers	69	(5)	-	(64)	-	69	(5)	-	(64)	-
	Amount outstanding	76.6	(7.2)	8.4	(78.6)	(0.8)	76.6	(7.2)	8.4	(78.6)	(0.8)
	Provision thereon	2.3	(1.0)	5.5	(78.6)	(71.8)	2	(1.0)	5.5	(78.6)	(71.8)
4.	Increase/(decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2021[1]										
	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount outstanding	(19.7)	-	(1,578.7)	(0.2)	(1,598.6)	(263.5)	-	(1,578.8)	55.4	(1,786.9)
	Provision thereon	52.4	0.2	6,035.4	(0.2)	6,087.8	264.7	0.2	6,035.3	55.4	6,355.6
5.	Restructured standard advances at April 1, 2020, which cease to attract higher provisioning and/or additional risk weight at March 31, 2021 and hence need not be shown as restructured standard advances at April 1, 2021										
	No. of borrowers	-	N.A.	N.A.	N.A.	-	-	N.A.	N.A.	(1)	(1)
	Amount outstanding	-	N.A.	N.A.	N.A.	-	-	N.A.	N.A.	(131.0)	(131.0)
	Provision thereon	-	N.A.	N.A.	N.A.	-	-	N.A.	N.A.	(131.0)	(131.0)
6.	Downgradations of restructured accounts during the year ended March 31, 2021										
	No. of borrowers	(41)	(108)	(223)	372	-	(42)	(108)	(232)	382	-
	Amount outstanding	(91.1)	(16.5)	(3,125.6)	3,174.0	(59.2)	(322.2)	(16.5)	(9,535.8)	8,787.5	(1,087.0)
	Provision thereon	(67.7)	(3.2)	(3,129.1)	3,174.0	(26.0)	(298.8)	(3.2)	(9,539.3)	8,787.5	(1,053.8)
7.	Write-offs/recovery/sale of restructured accounts during the year ended March 31, 2021										
	No. of borrowers	(158)	(1,270)	(1,559)	(23)	(3,010)	(158)	(1,270)	(1,559)	(28)	(3,015)
	Amount outstanding	(274.6)	(210.2)	(2,559.3)	(191.2)	(3,235.3)	(274.6)	(210.2)	(2,559.3)	(1,935.8)	(4,979.9)
	Provision thereon	(6.6)	(136.0)	(2,423.9)	(191.2)	(2,757.7)	(6.6)	(136.0)	(2,423.9)	(1,935.8)	(4,502.3)
8.	Restructured Accounts at March 31, 2021										
	No. of borrowers	7,574	3,662	877	424	12,537	8,322	3,662	878	446	13,308
	Amount outstanding	22,299.8	642.4	62,596.0	3,248.1	88,786.3	32,688.3	642.4	62,828.4	22,180.3	118,339.4
	Provision thereon	731.3	451.3	62,456.7	3,248.1	66,887.4	896.5[3]	451.3[3]	62,689.1[3]	22,180.3[3]	86,217.2[3]

1. Increase/(decrease) in borrower level outstanding of restructured accounts is due to repayments, utilisation of cash credit facility, exchange rate fluctuation, accrued interest, fresh disbursement, non-fund based devolvement, conversion of loans into equity (including application pending allotment) as part of restructuring scheme, etc.

2. 'Others' mechanism also include cases restructured under Joint Lender Forum (JLF) mechanism.

3. The Bank additionally holds provision amounting to ₹ 3,924.2 million on these accounts.

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The following table sets forth, for the year ended March 31, 2020, details of restructured loan assets under CDR and SME Debt Restructuring mechanism.

₹ in million, except number of accounts

Sr. No.	Type of Restructuring	Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
	Asset Classification	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details	(a)	(b)	(c)	(d)	(e)	(a)	(b)	(c)	(d)	(e)
1.	Restructured accounts at April 1, 2019										
	No. of borrowers	5	-	23	8	**36**	1	-	-	-	**1**
	Amount outstanding	2,245.9	-	27,153.5	3,647.7	**33,047.1**	279.6	-	-	-	**279.6**
	Provision thereon	225.5	-	26,562.6	3,647.7	**30,435.8**	-	-	-	-	**-**
2.	Fresh restructuring during the year ended March 31, 2020										
	No. of borrowers	-	-	-	-	-	-	-	-	-	**-**
	Amount outstanding	-	-	-	-	-	-	-	-	-	**-**
	Provision thereon	-	-	-	-	-	-	-	-	-	**-**
3.	Upgradations to restructured standard category during the year ended March 31, 2020										
	No. of borrowers	-	-	-	-	-	-	-	-	-	**-**
	Amount outstanding	-	-	-	-	-	-	-	-	-	**-**
	Provision thereon	-	-	-	-	-	-	-	-	-	**-**
4.	Increase/(decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2020[1]										
	No. of borrowers	-	-	-	-	-	-	-	-	-	**-**
	Amount outstanding	1,163.9	-	(550.0)	(263.0)	**350.9**	-	-	-	-	**-**
	Provision thereon	2,681.8	-	40.9	(263.0)	**2,459.7**	-	-	-	-	**-**
5.	Restructured standard advances at April 1, 2019, which cease to attract higher provisioning and/or additional risk weight at March 31, 2020 and hence need not be shown as restructured standard advances at April 1, 2020										
	No. of borrowers	-	N.A.	N.A.	N.A.	-	-	N.A.	N.A.	N.A.	**-**
	Amount outstanding	-	N.A.	N.A.	N.A.	-	-	N.A.	N.A.	N.A.	**-**
	Provision thereon	-	N.A.	N.A.	N.A.	-	-	N.A.	N.A.	N.A.	**-**
6.	Downgradations of restructured accounts during the year ended March 31, 2020										
	No. of borrowers	(1)	-	(9)	10	**-**	-	-	-	-	**-**
	Amount outstanding	(2,853.2)	-	(15,439.8)	17,846.1	**(446.9)**	-	-	-	-	**-**
	Provision thereon	(2,853.2)	-	(15,439.8)	17,846.1	**(446.9)**	-	-	-	-	**-**
7.	Write-offs/recovery/sale of restructured accounts during the year ended March 31, 2020										
	No. of borrowers	-	-	(4)	-	**(4)**	(1)	-	-	-	**(1)**
	Amount outstanding	-	-	(4,521.0)	(6,092.1)	**(10,613.1)**	(279.6)	-	-	-	**(279.6)**
	Provision thereon	-	-	(4,521.0)	(6,092.1)	**(10,613.1)**	-	-	-	-	**-**
8.	Restructured accounts at March 31, 2020										
	No. of borrowers	4	-	10	18	**32**	-	-	-	-	**-**
	Amount outstanding	556.6	-	6,642.7	15,138.7	**22,338.0**	-	-	-	-	**-**
	Provision thereon	54.1	-	6,642.7	15,138.7	**21,835.5**	-	-	-	-	**-**

1. Increase/(decrease) in borrower level outstanding of restructured accounts is due to repayments, utilisation of cash credit facility, exchange rate fluctuation, accrued interest, fresh disbursement, non-fund based devolvement, conversion of loans into equity (including application money pending allotment) as part of restructuring scheme, etc.

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The following table sets forth, for the year ended March 31, 2020, details of other and total restructured loan assets.

₹ in million, except number of accounts

Sr. No.	Type of Restructuring	Others					Total				
	Asset Classification	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details	(a)	(b)	(c)	(d)	(e)	(a)	(b)	(c)	(d)	(e)
1.	Restructured accounts at April 1, 2019										
	No. of borrowers	235	1,005	2,023	92	**3,355**	241	1,005	2,046	100	**3,392**
	Amount outstanding	965.4	2,852.7	57,611.6	344.9	**61,774.6**	3,490.9	2,852.7	84,765.1	3,992.6	**95,101.3**
	Provision thereon	53.4	562.5	46,739.9	344.9	**47,700.7**	278.9	562.5	73,302.5	3,992.6	**78,136.5**
2.	Fresh restructuring during the year ended March 31, 2020										
	No. of borrowers	5,259	1,381	859	14	**7,513**	5,259	1,381	859	14	**7,513**
	Amount outstanding	2,040.5	250.8	20,305.2	39.3	**22,635.8**	2,040.5	250.8	20,305.2	39.3	**22,635.8**
	Provision thereon	159.6	142.7	12,810.5	39.3	**13,152.1**	159.6	142.7	12,810.5	39.3	**13,152.1**
3.	Upgradations to restructured standard category during the year ended March 31, 2020										
	No. of borrowers	1	4	(4)	(1)	**-**	1	4	(4)	(1)	**-**
	Amount outstanding	0.3	0.1	(0.1)	(0.4)	**(0.1)**	0.3	0.1	(0.1)	(0.4)	**(0.1)**
	Provision thereon	-	0.1	(0.1)	(0.4)	**(0.4)**	-	0.1	(0.1)	(0.4)	**(0.4)**
4.	Increase/(Decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2020[1]										
	No. of borrowers	-	-	-	-	**-**	-	-	-	-	**-**
	Amount outstanding	(412.3)	(147.7)	1,955.8	(58.9)	**1,336.9**	751.6	(147.7)	1,405.8	(321.9)	**1,687.8**
	Provision thereon	(32.4)	84.5	11,913.5	(58.9)	**11,906.7**	2,649.4	84.5	11,954.4	(321.9)	**14,366.4**
5.	Restructured standard advances at April 1, 2019, which cease to attract higher provisioning and/ or additional risk weight at March 31, 2020 and hence need not be shown as restructured standard advances at April 1, 2020										
	No. of borrowers	-	N.A.	N.A.	N.A.	**-**	-	N.A.	N.A.	N.A.	**-**
	Amount outstanding	-	N.A.	N.A.	N.A.	**-**	-	N.A.	N.A.	N.A.	**-**
	Provision thereon	-	N.A.	N.A.	N.A.	**-**	-	N.A.	N.A.	N.A.	**-**
6.	Downgradations of restructured accounts during the year ended March 31, 2020										
	No. of borrowers	(14)	(482)	481	15	**-**	(15)	(482)	472	25	**-**
	Amount outstanding	(11.8)	(126.1)	(145.5)	97.4	**(186.0)**	(2,865.0)	(126.1)	(15,585.3)	17,943.5	**(632.9)**
	Provision thereon	(1.1)	(68.7)	(166.6)	97.4	**(139.0)**	(2,854.3)	(68.7)	(15,606.4)	17,943.5	**(585.9)**
7.	Write-offs/recovery/sale of restructured accounts during the year ended March 31, 2020										
	No. of borrowers	(185)	(518)	(1,316)	(17)	**(2,036)**	(186)	(518)	(1,320)	(17)	**(2,041)**
	Amount outstanding	(44.8)	(2,565.1)	(20,826.4)	(117.3)	**(23,553.6)**	(324.4)	(2,565.1)	(25,347.4)	(6,209.4)	**(34,446.3)**
	Provision thereon	(2.0)	(571.1)	(20,208.7)	(117.3)	**(20,899.1)**	(2.0)	(571.1)	(24,729.7)	(6,209.4)	**(31,512.2)**
8.	Restructured Accounts at March 31, 2020										
	No. of borrowers	5,296	1,390	2,043	103	**8,832**	5,300	1,390	2,053	121	**8,864**
	Amount outstanding	2,537.3	264.7	58,900.6	305.0	**62,007.6**	3,093.9	264.7	65,543.3	15,443.7	**84,345.6**
	Provision thereon	177.5	150.0	51,088.5	305.0	**51,721.0**	231.6[3]	150.0[3]	57,731.2[3]	15,443.7[3]	**73,556.5[3]**

1. *Increase/(decrease) in borrower level outstanding of restructured accounts is due to repayments, utilisation of cash credit facility, exchange rate fluctuation, accrued interest, fresh disbursement, non-fund based devolvement, conversion of loans into equity (including application pending allotment) as part of restructuring scheme, etc.*
2. *Others' mechanism also include cases restructured under Joint Lender Forum (JLF) mechanism.*
3. *The Bank additionally holds provision amounting to ₹ 187.2 million on these accounts.*

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The following table sets forth, for the periods indicated, details of cases where scheme for Sustainable Structuring of Stressed Assets (S4A) is implemented.

₹ in million, except number of borrowers

Particulars	At March 31, 2021	At March 31, 2020
Number of borrowers where S4A has been applied	**6**	6
Total gross amount outstanding[1]		
- Standard	**-**	1,977.1[2]
- NPA	**7,881.7**	5,992.2
Gross amount outstanding in Part A		
- Standard	**-**	1,225.3[2]
- NPA	**4,521.8**	3,384.1
Gross amount outstanding in Part B		
- Standard	**-**	751.8[2]
- NPA	**3,359.8**	2,608.1
Provision held		
- Standard	**-**	455.6
- NPA	**6,531.3**	4,267.9

1. *Represents loans, credit substitutes and shares under S4A scheme.*
2. *Includes outstanding amounting to ₹ 1,225.3 million which was upgraded to standard from NPA on implementation of S4A and ₹ 751.8 million which was upgraded to standard from NPA on satisfactory performance during specified period.*

The Bank does not recognise any amount towards interest on the cases under S4A.

25. Accounts restructured under Micro, Small and Medium Enterprises (MSME) sector

The following table sets forth, for the periods indicated, the details of accounts restructured under MSME sector under RBI guidelines issued in January 2019.

₹ in million, except number of accounts

At March 31, 2021		At March 31, 2020	
Number of accounts restructured	Amount outstanding	Number of accounts restructured	Amount outstanding
746	**10,325.1**	-	-

26. Resolution of stressed assets

During the year ended March 31, 2021, the Bank has implemented resolution plan for three borrower amounting to ₹ 6,553.2 million (March 31, 2020: ₹ 24,631.9 million) under the prudential framework for stressed assets issued by RBI on June 7, 2019.

27. Classification and provisioning under RBI Covid-19 Regulatory Package

RBI through its circulars dated March 27, 2020, April 17, 2020 and May 23, 2020 on Covid-19 regulatory package permitted banks to grant a moratorium to their customers on the payment of instalments and/or interest, falling due between March 1, 2020 and August 31, 2020. The Bank had accordingly extended the moratorium option to its borrowers in accordance with its Board approved policies.

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The disclosure as required by RBI circular dated April 17, 2020 on Covid-19 regulatory package - asset classification and provisioning is given below:

Particulars	At March 31, 2021	At March 31, 2020
Respective amounts in SMA/overdue categories, where the moratorium/ deferment was extended in terms of paragraph 2 and 3 of the circular (At March 31, 2020)[1]	**145,641.5**	121,453.6
Of the above, respective amounts where asset classification benefits is extended at period-end	**3,908.6**	13,092.6
Provision made during the period[2]	**-**	27,250.0
Provisions adjusted against slippages during the period ended	**-**	-
Residual provision held at period-end[2]	**27,250.0**	27,250.0

1. *Represents borrowers which were overdue but standard at February 29, 2020 and continued to be overdue till March 31, 2020.*
2. *Total Covid-19 related provision held at March 31, 2021: ₹ 74,750.0 million (March 31, 2020: ₹ 27,250.0 million).*

28. Reliefs on interest

In accordance with RBI notification dated April 7, 2021, the Bank is required to refund/adjust ‘interest on interest’ to borrowers. As required by the RBI notification, the methodology for calculation of such interest on interest has been circulated by the Indian Banks’ Association. The Bank is in the process of suitably implementing this methodology. At March 31, 2021, the Bank has created a liability towards estimated interest relief amounting to ₹ 1,750.0 million and reduced the same from the interest income.

29. Resolution Framework for Covid-19 related Stress

The following table sets forth, the disclosure as required by RBI circular dated August 6, 2020 on Resolution Framework for Covid-19 related Stress for the year ended March 31, 2021.

₹ in million, except numbers

Type of borrower	No. of accounts where resolution plan has been implemented under this window (A)	Exposure to accounts mentioned at (A) before implementation of the plan (B)	Of (B), aggregate amount of debt that was converted into other securities (C)	Additional funding sanctioned, if any, including between invocation of the plan and implementation (D)	Increase in provisions on account of the implementation of the resolution plan (E)
Personal Loans	1,586	6,431.9	-	-	964.8
Corporate persons	30	13,232.8	-	-	2,159.8
Of which, MSMEs	-	-	-	-	-
Others	8	99.0	-	-	14.9
Total	**1,624**	**19,763.7**	**-**	**-**	**3,139.5**

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30. Concentration of Deposits, Advances, Exposures and NPAs

(I) Concentration of deposits, advances, exposures and NPAs

₹ in million

Concentration of deposits	**At March 31, 2021**	**At March 31, 2020**
Total deposits of 20 largest depositors	**501,242.3**	376,510.0
Deposits of 20 largest depositors as a percentage of total deposits of the Bank	**5.38%**	4.88%

₹ in million

Concentration of advances[1]	**At March 31, 2021**	**At March 31, 2020**
Total advances to 20 largest borrowers (including banks)	**1,870,624.9**	1,300,672.3
Advances to 20 largest borrowers as a percentage of total advances of the Bank	**13.77%**	10.96%

1. Represents credit exposure (funded and non-funded) including derivatives exposures as per RBI guidelines on exposure norms.

₹ in million

Concentration of exposures[1]	**At March 31, 2021**	**At March 31, 2020**
Total exposure to 20 largest borrowers/customers (including banks)	**2,058,661.7**	1,435,623.3
Exposures to 20 largest borrowers/customers as a percentage of total exposure of the Bank	**14.47%**	11.53%

1. Represents credit and investment exposures as per RBI guidelines on exposure norms.

₹ in million

Concentration of NPAs	**At March 31, 2021**	**At March 31, 2020**
Total exposure[1] to top four NPA accounts	**91,770.3**	96,544.6

1. Represents gross exposure (funded and non-funded).

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(II) Sector-wise advances

₹ in million, except percentages

Sr. No.	Particulars	At March 31, 2021		
		Outstanding advances	**Gross NPAs[1]**	**% of gross NPAs[1] to total advances in that sector**
A.	**Priority sector**			
1.	Agriculture and allied activities	**480,800.5**	**20,583.1**	**4.28%**
2.	Advances to industries sector eligible as priority sector lending	**546,536.4**	**8,801.7**	**1.61%**
3.	Services	**305,603.6**	**16,078.3**	**5.26%**
	of which:			
	Transport operators	**159,482.2**	**12,229.6**	**7.67%**
	Wholesale trade	**95,369.8**	**2,214.3**	**2.32%**
4.	Personal loans	**740,504.6**	**25,449.8**	**3.44%**
	of which:			
	Housing	**614,468.2**	**16,297.9**	**2.65%**
	Vehicle loans	**94,732.5**	**6,856.8**	**7.24%**
	Sub-total (A)	**2,073,445.1**	**70,912.9**	**3.42%**
B.	**Non-priority sector**			
1.	Agriculture and allied activities	**-**	**-**	**-**
2.	Advances to industries sector	**1,593,220.4**	**211,424.1**	**13.27%**
	of which:			
	Infrastructure	**491,261.9**	**60,460.9**	**12.31%**
	Basic metal and metal products	**173,798.4**	**7,827.9**	**4.50%**
	Construction	**153,547.8**	**54,262.3**	**35.34%**
	Chemicals and chemical products	**151,653.0**	**14,478.2**	**9.55%**
3.	Services	**1,400,763.5**	**59,334.5**	**4.24%**
	of which:			
	Commercial real estate	**389,985.6**	**19,479.1**	**4.99%**
	Wholesale trade	**209,439.8**	**7,840.2**	**3.74%**
	Non-banking financial companies	**383,460.3**	**269.4**	**0.07%**
4.	Personal loans[2]	**2,588,001.2**	**66,742.7**	**2.58%**
	of which:			
	Housing	**1,500,326.8**	**31,546.8**	**2.10%**
	Sub-total (B)	**5,581,985.1**	**337,501.3**	**6.05%**
	Total (A)+(B)	**7,655,430.2**	**408,414.2**	**5.33%**

1. *Represents loans and advances.*
2. *Excludes commercial business loans and dealer funding.*
3. *Sub-sectors have been disclosed where advances exceed 10% of total advances in that sector at reporting date.*

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₹ in million, except percentages

Sr. No.	Particulars	At March 31, 2020		
		Outstanding advances	**Gross NPAs[1]**	**% of gross NPAs[1] to total advances in that sector**
A.	**Priority sector**			
1.	Agriculture and allied activities	466,163.8	19,693.9	4.22%
2.	Advances to industries sector eligible as priority sector lending	507,974.3	5,782.1	1.14%
3.	Services	260,812.8	8,145.0	3.12%
	of which:			
	Transport operators	139,813.2	6,075.0	4.35%
	Wholesale trade	85,465.9	1,525.5	1.78%
4.	Personal loans	697,468.4	10,371.5	1.49%
	of which:			
	Housing	523,662.8	5,652.4	1.08%
	Vehicle loans	129,484.9	3,935.5	3.04%
	Sub-total (A)	**1,932,419.3**	**43,992.5**	**2.28%**
B.	**Non-priority sector**			
1.	Agriculture and allied activities	-	-	-
2.	Advances to industries sector	1,586,254.5	250,849.3	15.81%
	of which:			
	Infrastructure	495,101.2	81,811.5	16.52%
	Basic metal and metal products	207,853.8	14,039.3	6.75%
	Chemicals and chemical products	180,007.4	14,637.3	8.13%
3.	Services	1,212,242.9	82,495.3	6.81%
	of which:			
	Commercial real estate	373,138.0	20,254.3	5.43%
	Wholesale trade	149,574.5	17,834.3	11.92%
	Non-banking financial companies	179,949.4	2,500.1	1.39%
4.	Personal loans[2]	2,031,986.6	30,953.8	1.52%
	of which:			
	Housing	1,222,436.9	13,163.2	1.08%
	Sub-total (B)	**4,830,484.0**	**364,298.4**	**7.54%**
	Total (A)+(B)	**6,762,903.3**	**408,290.9**	**6.04%**

1. *Represents loans and advances.*
2. *Excludes commercial business loans and dealer funding.*
3. *Sub-sectors have been disclosed where advances exceed 10% of total advances in that sector at reporting date.*

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(III) Overseas assets, NPAs[1] and revenue

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total assets[2]	**858,033.1**	759,926.1
Total NPAs (net)	**10,972.5**	21,666.5
Total revenue[2]	**17,385.6**	33,259.2

1. Represents loans and advances.
2. Represents the total assets and total revenue of foreign operations as reported in Schedule 18 of the financial statements, note no. 5 on information about business and geographical segments.

(IV) Off-balance sheet special purpose vehicles (SPVs) sponsored (which are required to be consolidated as per accounting norms) for the year ended March 31, 2021

1. The following table sets forth, the names of SPVs/trusts sponsored by the Bank/subsidiaries which are consolidated.

Sr. No.	Name of the SPV sponsored[1]
A.	**Domestic**
	1. ICICI Strategic Investments Fund[2]
	2. India Advantage Fund-III[2]
	3. India Advantage Fund-IV[2]
B.	**Overseas**
	None

1. SPVs/Trusts which are consolidated and set-up/sponsored by the Bank/subsidiaries of the Bank.
2. The nature of business of the above entities is venture capital fund.

2. The following table sets forth, the names of SPVs/trusts which are not sponsored by the Bank/subsidiaries and are consolidated.

Sr. No.	Name of the SPV
A.	**Domestic**
	None
B.	**Overseas**
	None

31. Intra-group exposure

The following table sets forth, for the periods indicated, the details of intra-group exposure.

₹ in million

Sr. No.	Particulars	At March 31, 2021	At March 31, 2020
1.	Total amount of intra-group exposures	**143,907.8**	114,962.0
2.	Total amount of top 20 intra-group exposures	**143,907.6**	114,961.8
3.	Percentage of intra-group exposure to total exposures of the Bank on borrowers/customers	**1.01%**	0.92%
4.	Details of breach of limits on intra-group exposures and regulatory action thereon, if any	**Nil**	Nil

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32. Exposure to sensitive sectors

The Bank has exposure to sectors, which are sensitive to asset price fluctuations. The sensitive sectors include capital markets and real estate.

The following table sets forth, for the periods indicated, the position of exposure to capital market sector.

₹ in million

Sr. No.	Particulars	At March 31, 2021	At March 31, 2020
1.	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds, the corpus of which is not exclusively invested in corporate debt	**50,255.7**	71,562.0
2.	Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds	**1,823.5**	2,087.8
3.	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	**22,338.1**	36,919.0
4.	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures/units of equity oriented mutual funds does not fully cover the advances	**1,133.0**	-
5.	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stock brokers and market makers	**109,546.4**	109,641.9
6.	Loans sanctioned to corporate against the security of shares/ bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	**-**	-
7.	Bridge loans to companies against expected equity flows/issues	**-**	-
8.	Underwriting commitments taken up by the Bank in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	**-**	-
9.	Financing to stockbrokers for margin trading	**-**	-
10.	All exposures to venture capital funds (both registered and unregistered)	**9,413.0**	10,479.3
11.	Others	**-**	15,000.0
	Total exposure to capital market[1]	**194,509.7**	**245,690.0**

1. *At March 31, 2021, excludes investment in equity shares of ₹ 22,619.2 million (March 31, 2020: ₹ 24,310.4 million) exempted from the regulatory ceiling, out of which investments of ₹ 21,016.0 million (March 31, 2020: ₹ 22,707.1 million) were acquired under resolution schemes of RBI.*

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The following table sets forth, for the periods indicated, the summary of exposure to real estate sector.

₹ in million

Sr. No.	Particulars	At March 31, 2021	At March 31, 2020
I.	**Direct exposure**	**2,976,380.4**	**2,502,742.5**
	1. Residential mortgages	**2,355,904.4**	1,922,051.9
	of which: individual housing loans eligible for priority sector advances	**350,236.7**	292,905.8
	2. Commercial real estate[1]	**587,702.3**	541,521.0
	3. Investments in Mortgage Backed Securities (MBS) and other securitised exposure	**32,773.7**	39,169.6
	a. Residential	**28,270.4**	34,195.7
	b. Commercial real estate	**4,503.3**	4,973.9
II.	**Indirect exposure**	**246,635.7**	**207,157.4**
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	**246,635.7**	207,157.4
	Total exposure to real estate sector	**3,223,016.1**	**2,709,899.9**

1. *Commercial real estate exposure includes loans to individuals against non-residential premises, loans given to land and building developers for construction, corporate loans for development of special economic zone, loans to borrowers where servicing of loans is from a real estate activity and exposures to mutual funds/venture capital funds/private equity funds investing primarily in the real estate companies.*

33. Factoring business

At March 31, 2021, the outstanding receivables acquired by the Bank under factoring business were ₹ 31,268.6 million (March 31, 2020: ₹ 6,475.8 million).

34. Risk category-wise country exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table. The funded country exposure (net) of the Bank as a percentage of total funded assets for United States of America was 4.07% (March 31, 2020: 1.86%), for Singapore was 0.46% (March 31, 2020: 1.03%) and for United Kingdom was 1.28% (March 31, 2020: 0.78%). As the net funded exposure to United States of America and United Kingdom at March 31, 2021, exceeded 1.00% of total funded assets (March 31, 2020: United States of America and Singapore), the Bank held a provision of ₹ 565.0 million on country exposure at March 31, 2021 (March 31, 2020: ₹ 465.0 million) based on RBI guidelines.

The following table sets forth, for the periods indicated, the details of exposure (net) and provision held by the bank.

₹ in million

Risk category	Exposure (net) at March 31, 2021	Provision held at March 31, 2021	Exposure (net) at March 31, 2020	Provision held at March 31, 2020
Insignificant	**1,066,722.8**	**565.0**	902,891.2	465.0
Low	**300,160.1**	**-**	300,756.5	-
Moderately Low	**15,470.6**	**-**	954.6	-
Moderate	**16,142.0**	**-**	26,775.7	-
Moderately High	**1.6**	**-**	38.8	-
High	**-**	**-**	-	-
Very High	**-**	**-**	-	-
Total	**1,398,497.1**	**565.0**	**1,231,416.8**	**465.0**

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35. Details of Single Counterparty Limit and Group of Connected Counterparties Limit exceeded by the Bank

During the year ended March 31, 2021 and March 31, 2020, the Bank has complied with the relevant RBI guidelines on exposure limits to single counterparty and group of connected counterparties.

36. Unsecured advances against intangible assets

The Bank has not made advances against intangible collaterals of the borrowers, which are classified as 'Unsecured' in the financial statements at March 31, 2021 (March 31, 2020: Nil).

37. Revaluation of fixed assets

The Bank follows the revaluation model for its premises (land and buildings) other than improvements to leasehold property as per AS 10 – 'Property, Plant and Equipment'. As per the Bank's policy, annual revaluation is carried out through external valuers, using methodologies such as direct sales comparison method and income capitalisation method and the incremental amount has been taken to revaluation reserve. The revalued amount at March 31, 2021 was ₹ 56,451.6 million (March 31, 2020: ₹ 57,072.8 million) as compared to the historical cost less accumulated depreciation of ₹ 25,515.7 million (March 31, 2020: ₹ 25,924.1 million).

The revaluation reserve is not available for distribution of dividend.

38. Fixed Assets

The following table sets forth, for the periods indicated, the movement in software acquired by the Bank, as included in fixed assets.

₹ in million

Particulars	At March 31, 2021	At March 31, 2020
At cost at March 31 of preceding year	**19,879.4**	17,403.4
Additions during the year	**6,014.7**	2,682.7
Deductions during the year	**(351.2)**	(206.7)
Depreciation to date	**(18,447.1)**	(15,592.6)
Net block	**7,095.8**	4,286.8

39. Debt assets swap transactions

During the year ended March 31, 2021, the Bank did not acquire any non-banking assets under debt-asset swap transactions (year ended March 31, 2020: Nil).

During the year ended March 31, 2021, the Bank sold non-banking assets with book value of ₹ 942.4 million (year ended March 31, 2020: ₹ 1,317.4 million), which were fully provided, at a sale consideration of ₹ 1,263.0 million (year ended March 31, 2020: ₹ 1,632.0 million).

The net book value of non-banking assets acquired in satisfaction of claims by the Bank outstanding at March 31, 2021 was Nil (March 31, 2020: Nil), net of provision held of ₹ 29,575.4 million (March 31, 2020: ₹ 30,517.8 million).

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40. Lease

I. Assets taken under operating lease

Operating leases primarily comprise office premises which are renewable at the option of the Bank.

(i) The following table sets forth, for the periods indicated, the details of liability for premises taken on non-cancellable operating leases.

₹ in million

Particulars	At March 31, 2021	At March 31, 2020
Not later than one year	**141.6**	244.2
Later than one year and not later than five years	**52.1**	126.4
Later than five years	**9.9**	-
Total	**203.6**	**370.6**

(ii) Total of non-cancellable lease payments recognised in the profit and loss account for the year ended March 31, 2021 is ₹ 301.9 million (Year ended March 31, 2020 ₹ 428.2 million).

II. Assets taken under finance lease

The following table sets forth, for the periods indicated, the details of assets taken on finance leases.

₹ in million

Particulars	At March 31, 2021	At March 31, 2020
A. Total Minimum lease payments outstanding		
Not later than one year	**241.2**	112.6
Later than one year and not later than five years	**806.1**	369.0
Later than five years	**138.7**	-
Total	**1,186.0**	**481.6**
B. Interest cost payable		
Not later than one year	**97.4**	52.2
Later than one year and not later than five years	**186.2**	101.8
Later than five years	**9.2**	-
Total	**292.8**	**154.0**
C. Present value of minimum lease payments payable(A-B)		
Not later than one year	**143.7**	60.4
Later than one year and not later than five years	**619.9**	267.2
Later than five years	**129.6**	-
Total	**893.2**	**327.6**

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41. Description of contingent liabilities

The following table describes the nature of contingent liabilities of the Bank.

Sr. No.	Contingent liability	Brief Description
1.	Claims against the Bank, not acknowledged as debts	This item represents demands made in certain tax and legal matters against the Bank in the normal course of business and customer claims arising in fraud cases. In accordance with the Bank's accounting policy and AS 29, the Bank has reviewed and classified these items as possible obligations based on legal opinion/judicial precedents/assessment by the Bank.
2.	Liability for partly paid investments	This item represents amounts remaining unpaid towards liability for partly paid investments. These payment obligations of the Bank do not have any profit/loss impact.
3.	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts in the normal course of its business, to exchange currencies at a pre-fixed price at a future date. This item represents the notional principal amount of such contracts, which are derivative instruments. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
4.	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	This item represents the guarantees and documentary credits issued by the Bank in favour of third parties on behalf of its customers, as part of its trade finance banking activities with a view to augment the customers' credit standing. Through these instruments, the Bank undertakes to make payments for its customers' obligations, either directly or in case the customers fail to fulfill their financial or performance obligations.
5.	Currency swaps, interest rate swaps, currency options and interest rate futures	This item represents the notional principal amount of various derivative instruments which the Bank undertakes in its normal course of business. The Bank offers these products to its customers to enable them to transfer, modify or reduce their foreign exchange and interest rate risks. The Bank also undertakes these contracts to manage its own interest rate and foreign exchange positions. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
6.	Other items for which the Bank is contingently liable	Other items for which the Bank is contingently liable primarily include the amount of government securities bought/sold and remaining to be settled on the date of financial statements. This also includes amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF), commitment towards contribution to venture fund, the amount that the Bank is obligated to pay under capital contracts and letter of undertaking and indemnity letters. Capital contracts are job orders of a capital nature which have been committed.

42. Insurance business

The following table sets forth, for the periods indicated, the break-up of income derived from insurance business.

₹ in million

Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1.	Income from selling life insurance policies	**6,363.9**	8,499.9
2.	Income from selling non-life insurance policies	**1,152.3**	1,772.5
3.	Income from selling mutual fund/collective investment scheme products	**1,997.6**	1,548.8

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43. Employee benefits

Pension

The following tables set forth, for the periods indicated, movement of the present value of the defined benefit obligation, fair value of plan assets and other details for pension benefits.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening obligations	**19,914.3**	**16,540.3**
Service cost	**237.2**	226.1
Interest cost	**1,173.9**	1,147.4
Actuarial (gain)/loss	**1,256.2**	4,633.7
Liabilities extinguished on settlement	**(2,198.1)**	(2,518.0)
Benefits paid	**(117.9)**	(115.2)
Obligations at the end of year	**20,265.6**	**19,914.3**
Opening plan assets, at fair value	**16,972.1**	**15,438.8**
Expected return on plan assets	**1,350.8**	1,235.8
Actuarial gain/(loss)	**521.9**	741.1
Assets distributed on settlement	**(2,442.3)**	(2,797.7)
Contributions	**4,877.6**	2,469.3
Benefits paid	**(117.9)**	(115.2)
Closing plan assets, at fair value	**21,162.2**	**16,972.1**
Fair value of plan assets at the end of the year	**21,162.2**	16,972.1
Present value of the defined benefit obligations at the end of the year	**(20,265.6)**	(19,914.3)
Amount not recognised as an asset (limit in Para 59(b) of AS 15 on 'employee benefits')	**(304.8)**	-
Asset/(liability)	**591.8**	**(2,942.2)**
Cost[1]		
Service cost	**237.2**	226.1
Interest cost	**1,173.9**	1,147.4
Expected return on plan assets	**(1,350.8)**	(1,235.8)
Actuarial (gain)/loss	**734.3**	3,892.6
Curtailments & settlements (gain)/loss	**244.2**	279.7
Effect of the limit in para 59(b) of AS 15 on 'employee benefits'	**304.8**	-
Net cost	**1,343.6**	**4,310.0**
Actual return on plan assets	**1,872.7**	1,976.9
Expected employer's contribution next year	**2,000.0**	1,000.0
Investment details of plan assets		
Insurer managed funds	**-**	1.01%
Government of India securities	**50.15%**	50.33%
Corporate bonds	**44.81%**	44.85%
Equity securities in listed companies	**5.04%**	2.59%
Others	**-**	1.22%
Assumptions		
Discount rate	**5.75%**	6.00%
Salary escalation rate:		
On Basic pay	**1.50%**	1.50%
On Dearness relief	**7.00%**	7.00%
Estimated rate of return on plan assets	**7.50%**	8.00%

1. Included in line item 'Payments to and provision for employees' of Schedule-16 Operating expenses.

Estimated rate of return on plan assets is based on the expected average long-term rate of return on investments of the Fund during the estimated term of the obligations.

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Experience adjustment

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Plan assets	**21,162.2**	16,972.1	15,438.8	16,303.7	16,888.1
Defined benefit obligations	**(20,265.6)**	(19,914.3)	(16,540.3)	(15,391.1)	(16,686.9)
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**(304.8)**	-	-	(310.1)	(68.4)
Surplus/(deficit)	**591.8**	(2,942.2)	(1,101.5)	602.5	132.8
Experience adjustment on plan assets	**521.9**	741.1	(125.9)	(449.6)	589.5
Experience adjustment on plan liabilities	**613.4**	2,186.1	1,038.6	290.1	(80.0)

Gratuity

The following tables set forth, for the periods indicated, movement of the present value of the defined benefit obligation, fair value of plan assets and other details for gratuity benefits.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening obligations	**11,938.7**	**10,114.4**
Add: Adjustment for exchange fluctuation on opening obligations	**(6.5)**	14.3
Adjusted opening obligations	**11,932.2**	**10,128.7**
Service cost	**1,265.4**	1,051.4
Interest cost	**818.3**	772.8
Actuarial (gain)/loss	**(414.4)**	865.6
Past service cost	**(6.8)**	-
Liability transferred from/to other companies	**4.9**	(9.4)
Benefits paid	**(756.8)**	(870.4)
Obligations at the end of the year	**12,842.8**	**11,938.7**
Opening plan assets, at fair value	**10,877.1**	**9,821.2**
Expected return on plan assets	**842.4**	762.2
Actuarial gain/(loss)	**720.2**	(125.0)
Contributions	**1,247.0**	1,298.5
Asset transferred from/to other companies	**4.9**	(9.4)
Benefits paid	**(756.8)**	(870.4)
Closing plan assets, at fair value	**12,934.8**	**10,877.1**
Fair value of plan assets at the end of the year	**12,934.8**	10,877.1
Present value of the defined benefit obligations at the end of the year	**(12,842.8)**	(11,938.7)
Amount not recognised as an asset (limit in Para 59(b) of AS 15 on 'employee benefits')	**-**	-
Asset/(liability)	**92.0**	**(1,061.6)**

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₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cost[1]		
Service cost	**1,265.4**	1,051.4
Interest cost	**818.3**	772.8
Expected return on plan assets	**(842.4)**	(762.2)
Actuarial (gain)/loss	**(1,134.6)**	990.6
Past service cost	**(6.8)**	-
Exchange fluctuation loss/(gain)	**(6.5)**	14.3
Effect of the limit in para 59(b) of AS 15 on 'employee benefits'	**-**	-
Net cost	**93.4**	**2,066.9**
Actual return on plan assets	**1,562.6**	637.2
Expected employer's contribution next year	**800.0**	800.0
Investment details of plan assets		
Government of India securities	**36.52%**	27.64%
Corporate bonds	**45.49%**	54.49%
Special deposit schemes	**2.24%**	2.67%
Equity	**14.22%**	14.30%
Others	**1.54%**	0.89%
Assumptions		
Discount rate	**6.55%**	6.60%
Salary escalation rate	**7.00%**	7.00%
Estimated rate of return on plan assets	**7.50%**	8.00%

1. Included in line item 'Payments to and provision for employees' of Schedule-16 Operating expenses.

Estimated rate of return on plan assets is based on the expected average long-term rate of return on investments of the Fund during the estimated term of the obligations.

Experience adjustment

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Plan assets	**12,934.8**	10,877.1	9,821.2	8,979.9	8,559.0
Defined benefit obligations	**(12,842.8)**	(11,938.7)	(10,114.4)	(9,087.7)	(8,701.8)
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**-**	-	-	-	-
Surplus/(deficit)	**92.0**	(1,061.6)	(293.2)	(107.8)	(142.8)
Experience adjustment on plan assets	**720.2**	(125.0)	(60.3)	(115.9)	454.5
Experience adjustment on plan liabilities	**(484.5)**	181.3	118.4	162.0	125.2

The estimates of future salary increases, considered in actuarial valuation, take into consideration inflation, seniority, promotion and other relevant factors.

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Provident Fund (PF)

As there is no liability towards interest rate guarantee on exempt provident fund on the basis of actuarial valuation, the Bank has not made any provision for the year ended March 31, 2021 (year ended March 31, 2020: Nil).

The following tables set forth, for the periods indicated, movement of the present value of the defined benefit obligation, fair value of plan assets and other details for provident fund.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening obligations	**33,424.3**	**28,757.5**
Service cost	**1,656.3**	1,780.6
Interest cost	**2,210.2**	2,152.1
Actuarial (gain)/loss	**1,467.8**	(171.5)
Employees contribution	**3,379.4**	3,325.7
Liability transferred from/to other companies	**397.9**	490.7
Benefits paid	**(3,186.7)**	(2,910.8)
Obligations at end of the year	**39,349.2**	**33,424.3**
Opening plan assets	**33,424.3**	**28,757.5**
Expected return on plan assets	**3,147.4**	2,607.4
Actuarial gain/(loss)	**530.5**	(626.7)
Employer contributions	**1,656.4**	1,780.5
Employees contributions	**3,379.4**	3,325.7
Asset transferred from/to other companies	**397.9**	490.7
Benefits paid	**(3,186.7)**	(2,910.8)
Closing plan assets	**39,349.2**	**33,424.3**
Plan assets at the end of the year	**39,349.2**	33,424.3
Present value of the defined benefit obligations at the end of the year	**(39,349.2)**	(33,424.3)
Asset/(liability)	**-**	**-**
Cost[1]		
Service cost	**1,656.3**	1,780.6
Interest cost	**2,210.2**	2,152.1
Expected return on plan assets	**(3,147.4)**	(2,607.4)
Actuarial (gain)/loss	**937.3**	455.2
Net cost	**1,656.4**	**1,780.5**
Actual return on plan assets	**3,677.9**	1,980.7
Expected employer's contribution next year	**1,772.3**	1,905.3
Investment details of plan assets		
Government of India securities	**49.41%**	48.48%
Corporate bonds	**41.98%**	45.22%
Special deposit scheme	**1.37%**	1.62%
Others	**7.23%**	4.68%
Assumption		
Discount rate	**6.55%**	6.60%
Expected rate of return on assets	**8.59%**	9.16%
Discount rate for the remaining term to maturity of investments	**6.50%**	6.11%
Average historic yield on the investment	**8.54%**	8.68%
Guaranteed rate of return	**8.50%**	8.50%

1. *Included in line item 'Payments to and provision for employees' of Schedule-16 Operating expenses.*

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Experience adjustment

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Plan assets	**39,349.2**	33,424.3	28,757.5	25,524.4	22,596.8
Defined benefit obligations	**(39,349.2)**	(33,424.3)	(28,757.5)	(25,524.4)	(22,596.8)
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**-**	-	-	-	-
Surplus/(deficit)	**-**	-	-	-	-
Experience adjustment on plan assets	**530.5**	(626.7)	11.8	(35.6)	(26.8)
Experience adjustment on plan liabilities	**1,467.8**	(171.5)	402.6	412.4	252.8

The Bank has contributed ₹ 2,882.6 million to provident fund for the year ended March 31, 2021 (year ended March 31, 2020: ₹ 2,855.8 million), which includes compulsory contribution made towards employee pension scheme under Employees Provident Fund and Miscellaneous Provisions Act, 1952.

Superannuation Fund

The Bank has contributed ₹ 233.9 million for the year ended March 31, 2021 (year ended March 31, 2020: ₹ 230.8 million) to Superannuation Fund for employees who had opted for the scheme.

National Pension Scheme (NPS)

The Bank has contributed ₹ 182.7 million for the year ended March 31, 2021 (year ended March 31, 2020: ₹ 183.3 million) to NPS for employees who had opted for the scheme.

Compensated absence

The following table sets forth, for the periods indicated, movement in provision for compensated absence.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total actuarial liability	**3,052.7**	2,671.0
Cost[1]	**993.1**	891.5
Assumptions		
Discount rate	**6.55%**	6.60%
Salary escalation rate	**7.00%**	7.00%

1. Included in line item 'Payments to and provision for employees' of Schedule-16 Operating expenses.

44. Movement in provision for credit cards/debit cards/savings accounts and direct marketing agents reward points

The following table sets forth, for the periods indicated, movement in provision for credit cards/debit cards/savings accounts reward points.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening provision for reward points	**2,435.1**	2,085.9
Provision for reward points made during the year	**4,035.5**	1,667.1
Utilisation/write-back of provision for reward points	**(3,858.0)**	(1,317.9)
Closing provision for reward points[1]	**2,612.6**	2,435.1

1. The closing provision is based on the actuarial valuation of accumulated credit cards/debit cards/savings accounts reward points.

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The following table sets forth, for the periods indicated, movement in provision for reward points to direct marketing agents.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening provision for reward points	**134.5**	196.9
Provision for reward points made during the year	**152.4**	142.0
Utilisation/write-back of provision for reward points	**(114.7)**	(204.4)
Closing provision for reward points	**172.2**	134.5

45. Provisions and contingencies

The following table sets forth, for the periods indicated, the break-up of provisions and contingencies included in profit and loss account.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Provisions for depreciation of investments	**(1,578.2)**	13,114.7
Provision towards non-performing and other assets[1]	**107,991.3**	88,144.1
Provision towards income tax		
1. Current	**46,656.6**	37,460.3
2. Deferred	**(6,756.2)**	23,712.0
Covid-19 related provision[2]	**47,500.0**	27,250.0
Other provisions and contingencies[3]	**8,230.9**	12,023.5
Total provisions and contingencies	**202,044.4**	**201,704.6**

1. *Includes provision towards NPA amounting to ₹ 103,640.6 million (March 31, 2020: ₹ 88,726.2 million).*
2. *Net of utilisation of provision amounting to ₹ 18,000.0 million.*
3. *Includes general provision made towards standard assets, provision on fixed assets acquired under debt-asset swap and non-fund based facilities*

The Bank has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with the provisions of AS 29 on 'Provisions, Contingent Liabilities and Contingent Assets', the Bank recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible or the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Bank does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

The following table sets forth, for the periods indicated, the movement in provision for legal and fraud cases, operational risk and other contingencies.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening provision	**19,350.4**	20,618.7
Movement during the year (net)	**8,177.5**	(1,268.3)
Closing provision	**27,527.9**	19,350.4

1. *Excludes provision towards sundry expenses.*

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46. Provision for income tax

The provision for income tax (including deferred tax) for the year ended March 31, 2021 amounted to ₹ 39,900.3 million (March 31, 2020: ₹ 61,172.3 million).

The Bank has a comprehensive system of maintenance of information and documents required by transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. The Bank is of the opinion that all transactions with international related parties and specified transactions with domestic related parties are primarily at arm's length so that the above legislation does not have material impact on the financial statements.

47. Deferred tax

At March 31, 2021, the Bank has recorded net deferred tax assets of ₹ 87,444.7 million (March 31, 2020: ₹ 80,681.2 million), which have been included in other assets.

The following table sets forth, for the periods indicated, the break-up of deferred tax assets and liabilities into major items.

₹ in million

Particulars	At March 31, 2021	At March 31, 2020
Deferred tax assets		
Provision for bad and doubtful debts	**110,355.7**	97,674.9
Foreign currency translation reserve[2]	**(1,048.3)**	611.4
Others	**8,567.6**	10,240.4
Total deferred tax assets	**117,875.0**	**108,526.7**
Deferred tax liabilities		
Special reserve deduction	**26,674.0**	23,930.8
Depreciation on fixed assets	**3,641.0**	3,402.3
Interest on refund of taxes[2]	**115.3**	386.6
Others	**-**	125.8
Total deferred tax liabilities	**30,430.3**	**27,845.5**
Total net deferred tax assets/(liabilities)	**87,444.7**	**80,681.2**

1. *Tax rate of 25.168% is adopted based on Finance Act, 2020.*
2. *These items are considered in accordance with the requirements of Income Computation and Disclosure Standards (ICDS).*

48. Details of provisioning pertaining to fraud accounts

The following table sets forth, for the periods indicated, the details of provisioning pertaining to fraud accounts.

₹ in million, except number of frauds

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Number of frauds reported	**1,549**	2,817
Amount involved in frauds	**118,386.4**	94,728.7
Provision made[1]	**26,693.4**	10,832.5
Unamortised provision debited from balance in profit and loss account under 'Reserves and Surplus'	**-**	-

1. *Excludes amount written off and interest reversal.*

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49. Proposed dividend on equity shares

The Board of Directors at its meeting held on April 24, 2021 has recommended a dividend of ₹ 2 per equity share for the year ended March 31, 2021 (year ended March 31, 2020: Nil). The declaration and payment of dividend is subject to requisite approvals.

50. Related party transactions

The Bank has transactions with its related parties comprising subsidiaries, associates/joint ventures/other related entities, key management personnel and relatives of key management personnel.

I. Related parties

Subsidiaries, associates/joint ventures/other related entities

Sr. No.	Name of the entity	Nature of relationship
1.	ICICI Bank Canada	Subsidiary
2.	ICICI Bank UK PLC	Subsidiary
3.	ICICI Home Finance Company Limited	Subsidiary
4.	ICICI International Limited	Subsidiary
5.	ICICI Investment Management Company Limited	Subsidiary
6.	ICICI Lombard General Insurance Company Limited	Subsidiary
7.	ICICI Prudential Asset Management Company Limited	Subsidiary
8.	ICICI Prudential Life Insurance Company Limited	Subsidiary
9.	ICICI Prudential Pension Funds Management Company Limited	Subsidiary
10.	ICICI Prudential Trust Limited	Subsidiary
11.	ICICI Securities Holdings Inc.	Subsidiary
12.	ICICI Securities Inc.	Subsidiary
13.	ICICI Securities Limited	Subsidiary
14.	ICICI Securities Primary Dealership Limited	Subsidiary
15.	ICICI Trusteeship Services Limited	Subsidiary
16.	ICICI Venture Funds Management Company Limited	Subsidiary
17.	Arteria Technologies Private Limited	Associate
18.	India Advantage Fund-III	Associate
19.	India Advantage Fund-IV	Associate
20.	India Infradebt Limited	Associate
21.	ICICI Merchant Services Private Limited	Associate
22.	I-Process Services (India) Private Limited	Associate
23.	NIIT Institute of Finance, Banking and Insurance Training Limited	Associate
24.	ICICI Strategic Investments Fund	Consolidated as per Accounting Standard ('AS') 21
25.	Comm Trade Services Limited	Other related entity
26.	ICICI Foundation for Inclusive Growth	Other related entity
27.	Cheryl Advisory Private Limited (w.e.f. Q3-2021)	Other related entity

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Key management personnel

Sr. No.	Name of the Key management personnel	Relatives of the Key management personnel
1.	Mr. Sandeep Bakhshi	• Ms. Mona Bakhshi • Mr. Shivam Bakhshi • Ms. Esha Bakhshi • Ms. Minal Bakhshi • Mr. Sameer Bakhshi
2.	Ms. Vishakha Mulye	• Mr. Vivek Mulye • Ms. Vriddhi Mulye • Mr. Vighnesh Mulye • Dr. Gauresh Palekar • Ms. Shalaka Gadekar • Late Ms. Manisha Palekar
3.	Mr. Anup Bagchi	• Ms. Mitul Bagchi • Mr. Aditya Bagchi • Mr. Shishir Bagchi • Late Mr. Animesh Bagchi
4.	Mr. Sandeep Batra (w.e.f. December 23, 2020)	• Mr. Pranav Batra • Ms. Arushi Batra • Mr. Vivek Batra • Ms. Veena Batra (w.e.f. December 23, 2020)
5.	Mr. Vijay Chandok (upto May 6, 2019)	• Ms. Poonam Chandok • Ms. Saluni Chandok • Ms. Simran Chandok • Mr. C. V. Kumar • Ms. Shad Kumar • Ms. Sanjana Gulati (upto May 6, 2019)

II. Transactions with related parties

The following table sets forth, for the periods indicated, the significant transactions between the Bank and its related parties.

₹ in million

Items	Year ended March 31, 2021	Year ended March 31, 2020
Interest income	**964.8**	**650.5**
Subsidiaries	**401.9**	459.2
Associates/joint ventures/others	**553.7**	181.3
Key management personnel	**9.2**	10.0
Fee, commission and other income	**9,208.5**	**10,966.0**
Subsidiaries	**9,089.6**	10,929.6
Associates/joint ventures/others	**118.9**	36.4
Key management personnel	**0.0**[1]	0.0[1]
Relatives of key management personnel	**0.0**[1]	0.0[1]
Commission income on guarantees issued	**29.1**	**27.4**
Subsidiaries	**28.9**	27.3
Associates/joint ventures/others	**0.2**	0.1

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₹ in million

Items	Year ended March 31, 2021	Year ended March 31, 2020
Income from custodial services	**18.3**	**41.4**
Subsidiaries	**17.2**	36.4
Associates/joint ventures/others	**1.1**	5.0
Gain/(loss) on forex and derivative transactions (net)[2]	**1,472.1**	**1,164.3**
Subsidiaries	**1,472.1**	1,164.3
Dividend income	**12,446.4**	**12,844.4**
Subsidiaries	**12,339.9**	12,730.3
Associates/joint ventures/others	**106.5**	114.1
Insurance claims received	**315.8**	**197.7**
Subsidiaries	**315.8**	197.7
Recovery of lease of premises, common corporate and facilities expenses	**1,683.3**	**1,815.4**
Subsidiaries	**1,631.8**	1,764.6
Associates/joint ventures/others	**51.5**	50.8
Payment of lease of premises, common corporate and facilities expenses	**156.4**	**148.5**
Subsidiaries	**156.4**	148.5
Recovery for secondment of employees (net)	**17.8**	**30.5**
Subsidiaries	**7.1**	19.1
Associates/joint ventures/others	**10.7**	11.4
Reimbursement of expenses from related parties	**1.7**	**1.0**
Subsidiaries	**1.7**	1.0
Interest expense	**143.5**	**176.0**
Subsidiaries	**99.0**	123.1
Associates/joint ventures/others	**38.4**	50.8
Key management personnel	**5.6**	1.7
Relatives of key management personnel	**0.5**	0.4
Remuneration to wholetime directors[3]	**126.0**	**203.0**
Key management personnel	**126.0**	203.0
Reimbursement of expenses to related parties	**989.7**	**280.6**
Subsidiaries	**191.4**	67.0
Associates/joint ventures/others	**798.3**	213.6
Insurance premium paid	**8,899.9**	**9,038.6**
Subsidiaries	**8,899.9**	9,038.6
Brokerage, fee and other expenses	**11,503.3**	**13,165.4**
Subsidiaries	**906.2**	302.7
Associates/joint ventures/others	**10,597.1**	12,862.7
Donation given	**-**	**50.0**
Associates/joint ventures/others	**-**	50.0
Dividend paid	**-**	**1.4**
Key management personnel	**-**	1.4
Relatives of key management personnel	**-**	0.0[1]

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Accounts *(Contd.)*

₹ in million

Items	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of investments	**32,742.4**	**16,013.8**
Subsidiaries	**32,742.4**	16,013.8
Sale of investments	**16,692.8**	**53,007.6**
Subsidiaries	**16,692.8**	53,007.6
Redemption/buyback of investments	**213.2**	**200.7**
Associates/joint ventures/others	**213.2**	200.7
Sale of loans	**-**	**968.0**
Associates/joint ventures/others	**-**	968.0
Purchase of loans	**8,071.2**	**21,455.9**
Subsidiaries	**8,071.2**	21,455.9
Purchase of fixed assets	**6.9**	**2.5**
Subsidiaries	**0.3**	2.5
Associates/joint ventures/others	**6.6**	-
Sale of fixed assets	**0.4**	**4.6**
Subsidiaries	**0.4**	4.6
Purchase of consumer finance business[4]	**-**	**1,190.2**
Subsidiaries	**-**	1,190.2

1. *Insignificant amount.*
2. *The Bank undertakes derivative transactions with its subsidiaries, associates, joint ventures and other related entities. The Bank manages its foreign exchange and interest rate risks arising from these transactions by covering them in the market. While the Bank, within its overall position limits covers these transactions in the market, the above amounts represent only the transactions with its subsidiaries, associates, joint ventures and other related entities and not the offsetting/covering transactions.*
3. *Excludes the perquisite value on employee stock options exercised, contribution to gratuity fund and includes performance bonus paid during the period.*
4. *During the year ended March 31, 2020, the Bank purchased consumer finance business from ICICI Home Finance, including loan portfolio and IT assets, at a purchases consideration of ₹ 1,190.2 million.*

III. *Material transactions with related parties*

The following table sets forth, for the periods indicated, the material transactions between the Bank and its related parties. A specific related party transaction is disclosed as a material related party transaction wherever it exceeds 10% of all related party transactions in that category.

₹ in million

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Interest income			
1	India Infradebt Limited	**549.4**	177.6
2	ICICI Home Finance Company Limited	**335.8**	394.8
Fee, commission and other income			
1.	ICICI Prudential Life Insurance Company Limited	**6,458.0**	8,492.8
2.	ICICI Lombard General Insurance Company Limited	**1,269.7**	1,842.3
Commission income on guarantees issued			
1.	ICICI Bank UK PLC	**28.1**	25.7
Income from custodial services			
1.	ICICI Prudential Asset Management Company Limited	**14.9**	31.9

FINANCIAL STATEMENTS OF ICICI BANK LIMITED
SCHEDULES
forming part of the Accounts *(Contd.)*

₹ in million

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Gain/(loss) on forex and derivative transactions (net)[2]			
1.	ICICI Home Finance Company Limited	**1,059.4**	(245.0)
2.	ICICI Securities Primary Dealership Limited	**377.0**	1,456.0
3.	ICICI Bank UK PLC	**(16.6)**	(155.6)
Dividend income			
1.	ICICI Prudential Asset Management Company Limited	**4,240.2**	3,758.6
2.	ICICI Securities Limited	**3,712.9**	2,539.4
3.	ICICI Securities Primary Dealership Limited	**3,189.0**	1,200.5
4.	ICICI Lombard General Insurance Company Limited	**943.4**	1,776.9
5.	ICICI Bank Canada	**224.1**	1,626.3
6.	ICICI Prudential Life Insurance Company Limited	**-**	1,783.9
Insurance claims received			
1.	ICICI Prudential Life Insurance Company Limited	**264.5**	102.1
2.	ICICI Lombard General Insurance Company Limited	**51.3**	95.6
Recovery of lease of premises, common corporate and facilities expenses			
1.	ICICI Prudential Life Insurance Company Limited	**351.4**	320.5
2.	ICICI Bank UK PLC	**315.7**	287.0
3.	ICICI Securities Limited	**299.6**	294.2
4.	ICICI Lombard General Insurance Company Limited	**265.4**	278.1
5.	ICICI Bank Canada	**217.3**	190.0
6.	ICICI Home Finance Company Limited	**91.1**	305.3
Payment of lease of premises, common corporate and facilities expenses			
1.	ICICI Venture Funds Management Company Limited	**76.9**	78.2
2.	ICICI Home Finance Company Limited	**53.9**	66.7
3.	ICICI Investment Management Company Limited	**17.8**	-
Recovery for secondment of employees (net)			
1.	I-Process Services (India) Private Limited	**10.6**	11.4
2.	ICICI Securities Limited	**6.7**	10.7
3.	ICICI Prudential Life Insurance Company Limited	**(0.3)**	6.5
Reimbursement of expenses from related parties			
1.	ICICI Prudential Life Insurance Company Limited	**1.7**	-
2.	ICICI Investment Management Company Limited	**0.1**	1.0
Interest expense			
1.	ICICI Securities Limited	**84.9**	95.0
2.	ICICI Merchant Services Private Limited	**14.5**	40.4
3.	ICICI Bank UK PLC	**0.0[1]**	21.2
Remuneration to wholetime directors[3]			
1.	Mr. Sandeep Bakhshi	**3.8**	60.8
2.	Ms. Vishakha Mulye	**54.6**	70.3
3.	Mr. Anup Bagchi	**52.9**	63.9
4.	Mr. Sandeep Batra	**14.7**	-

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Accounts *(Contd.)*

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Reimbursement of expenses to related parties		
1. ICICI Foundation for Inclusive Growth	**798.3**	213.2
2. ICICI Home Finance Company Limited	**145.6**	-
3. ICICI Bank UK PLC	**29.1**	33.0
4. ICICI Bank Canada	**13.0**	34.1
Insurance premium paid		
1. ICICI Prudential Life Insurance Company Limited	**6,476.2**	6,925.2
2. ICICI Lombard General Insurance Company Limited	**2,423.7**	2,113.4
Brokerage, fee and other expenses		
1. I-Process Services (India) Private Limited	**6,402.6**	6,844.0
2. ICICI Merchant Services Private Limited	**4,169.1**	5,978.7
Donation given		
1. ICICI Foundation for Inclusive Growth	**-**	50.0
Dividend paid		
1. Mr. Sandeep Bakhshi	**-**	0.4
2. Ms. Vishakha Mulye	**-**	1.0
Purchase of investments		
1. ICICI Securities Primary Dealership Limited	**28,230.9**	14,750.5
Sale of investments		
1. ICICI Prudential Life Insurance Company Limited	**10,988.6**	19,324.6
2. ICICI Securities Primary Dealership Limited	**3,803.6**	26,407.1
3. ICICI Lombard General Insurance Company Limited	**1,547.0**	6,595.8
Redemption/buyback of investments		
1. ICICI Strategic Investments Fund	**133.0**	100.0
2. India Advantage Fund - III	**48.1**	57.1
3. India Advantage Fund - IV	**32.1**	43.5
Sale of loans		
1. India Infradebt Limited	**-**	968.0
Purchase of loans		
1. ICICI Home Finance Company Limited	**8,071.2**	21,455.9
Purchase of fixed assets		
1. Arteria Technologies Private Limited	**6.6**	-
2. ICICI Securities Limited	**0.3**	0.7
3. ICICI Prudential Life Insurance Company Limited	**-**	1.8
Sale of fixed assets		
1. ICICI Home Finance Company Limited	**0.4**	-
2. ICICI Securities Limited	**-**	4.6
Purchase of consumer finance business[4]		
1. ICICI Home Finance Company Limited	**-**	1,190.2

1. *Insignificant amount.*
2. *The Bank undertakes derivative transactions with its subsidiaries, associates, joint ventures and other related entities. The Bank manages its foreign exchange and interest rate risks arising from these transactions by covering them in the market. While the Bank, within its overall position limits covers these transactions in the market, the above amounts represent only the transactions with its subsidiaries, associates, joint ventures and other related entities and not the offsetting/covering transactions.*
3. *Excludes the perquisite value on employee stock options exercised, contribution to gratuity fund and includes performance bonus paid during the period.*
4. *During the year ended March 31, 2020, the Bank purchased consumer finance business from ICICI Home Finance, including loan portfolio and IT assets, at a purchases consideration of ₹ 1,190.2 million.*

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Accounts *(Contd.)*

IV. Related party outstanding balances

The following table sets forth, for the periods indicated, the balances payable to/receivable from related parties.

₹ in million

Items	At March 31, 2021	At March 31, 2020
Deposits with the Bank	**28,611.7**	**19,775.7**
Subsidiaries	**25,833.3**	13,470.8
Associates/joint ventures/others	**2,552.7**	6,236.1
Key management personnel	**156.4**	59.1
Relatives of key management personnel	**69.3**	9.7
Investments of related parties in the Bank	**3.4**	**2.6**
Key management personnel	**3.4**	2.6
Relatives of key management personnel	**0.0[1]**	0.0[1]
Payables[2]	**2,763.1**	**3,287.3**
Subsidiaries	**26.8**	0.7
Associates/joint ventures/others	**2,736.2**	3,286.6
Key management personnel	**0.1**	0.0[1]
Relatives of key management personnel	**0.0[1]**	0.0[1]
Deposits by the Bank	**682.7**	**2,327.7**
Subsidiaries	**682.7**	2,327.7
Investments of the Bank	**108,296.0**	**109,262.6**
Subsidiaries	**97,565.7**	98,028.5
Associates/joint ventures/others	**10,730.3**	11,234.1
Advances by the Bank	**2,689.4**	**5,270.3**
Subsidiaries	**2,400.2**	5,024.8
Associates/joint ventures/others	**42.8**	48.7
Key management personnel	**246.2**	196.7
Relatives of key management personnel	**0.2**	0.1
Receivables[2]	**2,947.9**	**1,736.7**
Subsidiaries	**2,631.8**	1,660.1
Associates/joint ventures/others	**316.1**	76.6
Guarantees/letters of credit/indemnity given by the Bank	**11,892.7**	**7,353.6**
Subsidiaries	**11,842.0**	7,341.8
Associates/joint ventures/others	**50.7**	11.8
Guarantees/letters of credit/indemnity issued by related parties	**9,416.6**	**6,260.3**
Subsidiaries	**9,416.6**	6,260.3
Swaps/forward contracts (notional amount)	**199,881.6**	**447,819.6**
Subsidiaries	**199,881.6**	447,819.6
Unfunded risk participation	**842.2**	**460.7**
Subsidiaries	**842.2**	460.7

1. *Insignificant amount.*
2. *Excludes mark-to-market on outstanding derivative transactions.*
3. *At March 31, 2021, 20,047,800 (March 31, 2020: 16,184,250) employee stock options for key management personnel were outstanding. Excludes stock options granted to key management personnel, which are pending regulatory approvals.*
4. *During the year ended March 31, 2021, 1,188,000 (year ended March 31, 2020: 1,173,000) employee stock options with total exercise price of ₹ 228.8 million (year ended March 31, 2020: ₹ 240.1 million) were exercised by the key management personnel.*

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forming part of the Accounts *(Contd.)*

V. *Related party maximum balances*

The following table sets forth, for the periods indicated, the maximum balances payable to/receivable from related parties.

₹ in million

Items	Year ended March 31, 2021	Year ended March 31, 2020
Deposits with the Bank	**47,441.4**	**35,005.0**
Subsidiaries	**36,178.8**	27,633.1
Associates/joint ventures/others	**10,918.7**	7,138.3
Key management personnel	**238.1**	167.6
Relatives of key management personnel	**105.8**	66.0
Investments of related parties in the Bank[2]	**3.7**	**1,588.2**
Subsidiaries	**-**	1,585.3
Key management personnel	**3.7**	2.9
Relatives of key management personnel	**0.0**[1]	0.0[1]
Repurchase transactions	**-**	**163.8**
Subsidiaries	**-**	163.8
Payables[2,3]	**2,910.9**	**3,393.7**
Subsidiaries	**26.8**	107.0
Associates/joint ventures/others	**2,884.0**	3,286.6
Key management personnel	**0.1**	0.1
Relatives of key management personnel	**0.0**[1]	0.0[1]
Deposits made by the Bank	**6,472.8**	**6,113.3**
Subsidiaries	**6,472.8**	6,113.3
Call/term money lent by the Bank	**10,000.0**	**10,500.0**
Subsidiaries	**10,000.0**	10,500.0
Investments of the Bank	**113,132.2**	**109,338.2**
Subsidiaries	**98,028.5**	98,028.5
Associates/joint ventures/others	**15,103.7**	11,309.7
Advances by the Bank	**24,733.7**	**22,418.3**
Subsidiaries	**24,426.1**	22,112.4
Associates/joint ventures/others	**59.4**	50.8
Key management personnel	**246.9**	254.2
Relatives of key management personnel	**1.3**	0.9
Receivables[3]	**3,568.9**	**3,034.5**
Subsidiaries	**3,052.7**	2,805.0
Associates/joint ventures/others	**516.2**	229.5
Guarantees/letters of credit/indemnity given by the Bank	**12,776.1**	**12,038.6**
Subsidiaries	**12,724.3**	12,026.8
Associates/joint ventures/others	**51.8**	11.8
Guarantees/letters of credit/indemnity issued by related parties[2]	**9,416.6**	**6,260.3**
Subsidiaries	**9,416.6**	6,260.3
Swaps/forward contracts (notional amount)	**545,163.5**	**455,450.3**
Subsidiaries	**545,163.5**	455,450.3
Unfunded risk participation[2]	**2,244.7**	**835.5**
Subsidiaries	**2,244.7**	835.5

1. *Insignificant amount.*
2. *Maximum balance is determined based on comparison of the total outstanding balances at each quarter end during the financial year.*
3. *Excludes mark-to-market on outstanding derivative transactions.*

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forming part of the Accounts *(Contd.)*

VI. Letters of comfort

The Bank has issued letters of comfort on behalf of its banking subsidiary ICICI Bank UK PLC to Financial Services Authority, UK (now split into two separate regulatory authorities, the Prudential Regulation Authority and the Financial Conduct Authority) to confirm that the Bank intends to financially support ICICI Bank UK PLC in ensuring that it meets all of its financial obligations as they fall due.

The Bank has issued an undertaking on behalf of ICICI Securities Inc. for Singapore dollar 10.0 million (March 31, 2020: Singapore dollar 10.0 million) equivalent to ₹ 543.5 million at March 31, 2021 (equivalent to ₹ 530.3 million at March 31, 2020) to the Monetary Authority of Singapore (MAS) and has executed indemnity agreements, on behalf of ICICI Bank Canada to its independent directors for a sum not exceeding Canadian dollar 2.5 million each (equivalent to ₹ 145.1 million), aggregating to Canadian dollar 12.5 million which is equivalent to ₹ 725.3 million at March 31, 2021 (March 31, 2020: Canadian dollar 12.5 million which was equivalent to ₹ 663.5 million). The aggregate amount of ₹ 1,268.8 million at March 31, 2021 (March 31, 2020: ₹ 1,193.8 million) is included in the contingent liabilities.

The letters of comfort in the nature of letters of awareness that were outstanding at March 31, 2021 issued by the Bank on behalf of its subsidiaries in respect of their borrowings made or proposed to be made, aggregated to ₹ 22,215.5 million (March 31, 2020: Nil).

In addition to the above, the Bank has also issued letters of comfort in the nature of letters of awareness on behalf of its subsidiaries for other incidental business purposes. These letters of awareness are in the nature of factual statements or confirmation of facts and do not create any financial impact on the Bank.

51. Details of amount transferred to The Depositor Education and Awareness Fund (the Fund) of RBI

The following table sets forth, for the periods indicated, the movement in amount transferred to the Fund.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	**10,352.8**	8,330.7
Add: Amounts transferred during the year	**1,940.5**	2,169.0
Less: Amounts reimbursed by the Fund towards claims during the year	**(109.3)**	(146.9)
Closing balance	**12,184.0**	10,352.8

52. Small and micro enterprises

The following table sets forth, for the periods indicated, details relating to enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

₹ in million

Sr. No.	Particulars	At March 31, 2021		At March 31, 2020	
		Principal	Interest	Principal	Interest
1.	The Principal amount and the interest due thereon remaining unpaid to any supplier	**-**	**-**	-	-
2.	The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	**-**	**-**	-	-
3.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	**N.A.**	**0.4**	N.A.	1.4
4.	The amount of interest accrued and remaining unpaid	**N.A.**	**0.4**	N.A.	1.4
5.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	**N.A.**	**-**	N.A.	-

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

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53. Penalties/fines imposed by RBI and other banking regulatory bodies

There was no penalty imposed by RBI and other banking regulatory bodies during the year ended March 31, 2021 (year ended March 31, 2020: Nil).

54. Disclosure on Remuneration

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 and 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 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 whole time/ 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, Material Risk takers (MRTs) and other employees, recommending to the Board the remuneration (including performance bonus, share-linked instruments and perquisites) to wholetime Directors (WTDs) and senior management, commission and fee payable to non- executive Directors subject to applicable regulations, approving the policy for and quantum of variable pay payable to members of the staff including senior management , key managerial personnel, material risk takers 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**

  During the year ended March 31, 2021, the Bank employed the services of a reputed consulting firm for market benchmarking in the area of compensation, including executive compensation.

- **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 by the BGRNC and the Board at their meetings held on April 10, 2020 and May 9, 2020 respectively, 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, 2021 was 97,488.

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.

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- o **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 variable pay based on the financial and strategic plan approved by the Board. The KPIs include both quantitative and qualitative aspects defined with sub parameters. The BGRNC assesses organisational performance and based on its assessment, it makes recommendations to the Board regarding compensation for WTDs, senior management and equivalent positions and variable pay for employees, including senior management, key management personnel.

- o **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. The Bank's employee stock option scheme aims at aligning compensation to long term performance through stock option grants that vest over a period of time. Compensation of staff in audit, compliance 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 the year ended March 31, 2021, the Bank's Compensation Policy was amended by the BGRNC and the Board at their meetings held on April 10, 2020 and May 9, 2020 respectively with the objective to align the policy to the RBI circular on 'Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff' dated November 4, 2019.

- **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 Audit, Risk and Compliance depends on their performance, which is based on achievement of the key goals 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 Enterprise Risk Management framework for the Bank. 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, thresholds/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 indicator in areas such as risk calibrated core operating profit (profit before provisions and tax excluding treasury income), performance indicators include aspects such as 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 and provisioning, risk management framework, stakeholder relationships and leadership development.

FINANCIAL STATEMENTS OF ICICI BANK LIMITED
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forming part of the Accounts *(Contd.)*

- **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 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 risk calibrated core operating profit, performance indicators include aspects such as 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 includes risk calibrated core operating profit (profit before provisions and tax, excluding treasury income) asset quality metrics (such as additions to non-performing loans and recoveries and upgrades), regulatory compliance, risk management processes and stakeholder relationships. 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 their achievements, which incorporates various aspects described earlier.

- **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/clawback on none, part or all of the relevant variable compensation

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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 variable compensation is in the form of share-linked instruments (including stock options) or cash or a mix of cash and share-linked instruments (including stock options). The quantum of variable pay for an employee does not exceed a certain percentage (as stipulated in the compensation policy) of the total fixed pay in a year. The proportion of variable pay to total compensation is higher at senior levels and lower at junior levels. Atleast 50% of the compensation is variable for WTDs, CEO and MRTs as a design. However, they can earn lesser variable pay based on various performance criteria. For WTDs, CEO and MRTs, a minimum of 60% of the total variable pay is under deferral arrangement (deferment). Additionally, atleast 50% of the cash component of the variable pay is under deferment. If the cash component is under ₹ 2.5 million, the deferment is not applicable.

- **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 pertaining to the assessment year or previous year/s (as defined in the policy) is subject to malus, under which the Bank prevents vesting of all or part or none of the unvested variable pay in the event of the assessed divergence in the Bank's provisioning for NPAs or in the event of a reasonable evidence of deterioration in financial performance or in the event of gross misconduct and/or other acts as mentioned in the policy. In such cases (other than assessed divergence), 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 variable compensation is in the form of employee stock options or cash or a mix of cash and stock options. The Bank pays performance linked retention pay (PLRP) to its front-line staff and junior 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 pays performance bonus and stock options to relevant employees in its middle and senior management. The variable pay payout schedules is sensitive to the time horizon of risks as defined in the policy.

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

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(B) Quantitative disclosures

The following table sets forth, for the period indicated, the details of quantitative disclosure for remuneration of WTDs (including MD & CEO) and other Material Risk Takers.

₹ in million, except numbers

	Particulars	Year ended March 31, 2021
1.	Number of meetings held by the BGRNC during the financial year	**6**
	Remuneration paid to its members during the financial year (sitting fees)	**1.2**
2.	Number of employees having received a variable remuneration award during the financial year[1]	**49**
3.	Number and total amount of sign-on/joining bonus made during the financial year	**-**
4.	Details of severance pay, in addition to accrued benefits, if any	**-**
5.	Breakdown of amount of remuneration awards for the financial year	
	Fixed[2]	**1,041.0**
	Variable[3]	**165.3**
	- Deferred	**-**
	- Non-deferred	**165.3**
	Share-linked instruments[3] (nos.)	**9,127,500.0**
	- Deferred (nos.)	**9,127,500.0**
	- Non-deferred (nos.)	**-**
6.	Total amount of deferred remuneration paid out during the year	
	- Bonus	**-**
	- Share-linked instruments[4] (nos.)	**9,370,230**
7.	Total amount of outstanding deferred remuneration	
	Cash	**N.A.**
	Shares (nos)	**-**
	Shares-linked instruments[5] (nos.)	**19,889,730**
	Other	**-**
8.	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments	
	- Bonus	**-**
	- Share-linked instruments (nos.)	**9,127,500**
9.	Total amount of reductions during the year due to ex-post explicit adjustments[6]	**N.A.**
10.	Total amount of reductions during the year due to ex-post implicit adjustments	**N.A.**
11.	Number of MRTs identified	**47**
12.	Number of cases where malus has been exercised	**-**
	Number of cases where clawback has been exercised[6]	**-**
	Number of cases where malus and clawback have been exercised	**-**

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₹ in million, except numbers

Particulars	Year ended March 31, 2021
13. The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay	
Mean pay of the bank[7]	**704,035**
Deviation - MD&CEO	**3,455,855**
Deviation - WTD1	**50,085,768**
Deviation - WTD2	**47,547,650**
Deviation - WTD3	**46,536,300**

1. *For the year ended March 31, 2021 includes MDCEO/WTDs/and other MRTs based on the revised criteria given by RBI in its guideline dated November 4, 2019. Also includes WTDs transferred to group companies. For the year ended on March 31, 2021 variable remuneration includes cash bonus and stock options based on the revised criteria given by RBI in its guideline dated November 4, 2019 that are paid/ granted/ vested during the year.*
2. *Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisite is calculated as cost to the Bank.*
3. *Variable and share-linked instruments represent amounts/ options awarded for the year ended March 31, 2020 as per RBI approvals wherever applicable.*
4. *Includes options vested during the year including for WTDs who were transferred to group companies.*
5. *Includes outstanding options unvested including for WTDs who were transferred to group companies .*
6. *Excludes ₹ 74.1 million variable pay to the former MD & CEO for past years which has been directed for claw-back in respect of which the Bank has filed a recovery suit against the former MD & CEO.*
7. *Mean pay is computed on annualised fixed pay that includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisite is calculated as cost to the Bank.*

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

₹ in million, except numbers

Particulars	Year ended March 31, 2020
Number of meetings held by the BGRNC	5
Remuneration paid to its members during the financial year (sitting fees)	1
Number of employees who received a variable remuneration award[1]	5
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	
Fixed[2]	214.8
Variable[1,3]	57.3
- Deferred	-
- Non-deferred	57.3
Share-linked instruments[3]	5,475,500
Total amount of deferred remuneration paid out during the year	-
Total amount of outstanding deferred remuneration	
Cash	N.A.
Shares (nos.)	-
Shares-linked instruments	4,690,430
Other forms	-

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₹ in million, except numbers

Particulars	Year ended March 31, 2020
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments	-
Total amount of reductions during the year due to ex-post explicit adjustments[4]	-
Total amount of reductions during the year due to ex-post implicit adjustments	-

1. *Includes WTDs transferred to group companies and who were paid bonus during the year.*
2. *Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund and gratuity fund by the Bank. The amounts mentioned in the above table correspond to the period of employment of WTDs in the Bank during the year ended March 31, 2020.*
3. *The variable (performance bonus) and share-linked instruments represent amounts paid/options awarded during the year, as per RBI approvals. Out of total options, 2,584,000 options pertain to fiscal 2018 and 2,891,500 options pertain to fiscal 2019.*
4. *Excludes ₹ 74.1 million variable pay to the former MD & CEO for past years which has been directed for claw-back in respect of which the Bank has filed a recovery suit against the former MD & CEO.*

Payment of compensation in the form of profit related commission to the non-executive directors

The Board at its meeting held on September 16, 2015 and the shareholders at their meeting held on July 11, 2016 approved the payment of profit related commission of ₹ 1.0 million per annum to be paid to each non-executive Director of the Bank (excluding government nominee and part-time Chairman) subject to the availability of net profits at the end of each financial year.

The Bank accordingly recognised an amount of ₹ 7.0 million as profit related commission payable to the non-executive Directors during the year ended March 31, 2021, subject to requisite approvals. During the year ended March 31, 2021, the Bank paid ₹ 7.0 million as profit related commission payable to the non-executive Directors for the year ended March 31, 2020.

55. Corporate Social Responsibility

The gross amount required to be spent by the Bank on Corporate Social Responsibility (CSR) related activities during the year ended March 31, 2021 was ₹ 1,845.3 million (March 31, 2020: ₹ 1,273.0 million).

The following table sets forth, for the periods indicated, the amount spent by the Bank on CSR related activities.

₹ in million

Sr. No.	Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
1.	Construction/acquisition of any asset	**-**	**-**	**-**	-	-	-
2.	On purposes other than (1) above	**1,885.8**	**119.2**	**2,005.0**	1,048.9	294.6	1,343.5

As required under the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, surplus of ₹ 138.6 million, arising out of CSR activities during the year ended March 31, 2021 has been transferred to unspent CSR Account.

The following table sets forth, for the periods indicated, the details of related party transactions pertaining to CSR related activities.

₹ in million

Sr. No.	Related Party	Year ended March 31, 2021	Year ended March 31, 2020
1.	ICICI Foundation	**798.3**	263.2
	Total	**798.3**	**263.2**

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56. Disclosure of customer complaints

The following table sets forth, for the periods indicated, the movement of complaints received by the Bank from its customers.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
No. of complaints pending at the beginning of the year	**28,549**	20,753
No. of complaints received during the year	**482,213**	508,434
No. of complaints disposed during the year	**480,666**	500,638
Of which, number of complaints rejected by the Bank	**135,531**	119,707
No. of complaints pending at the end of the year	**30,096**	28,549

1. Complaints do not include complaints redressed by the Bank within one working day.

2. Based on regulatory guidance issued to banking industry, the Bank has revised the manner of disclosure. The complaint numbers have been re-stated for the year ended March 31, 2020.

The following table sets forth, for the periods indicated, the details of maintainable complaints received.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i) Number of maintainable complaints received by the bank from Office of Banking Ombudsmans (OBOs)[1]	**15,579**	11,339
Of (i), number of complaints resolved in favour of the bank by Banking Ombudsmans (BOs)	**5,139**	4,239
Of (i), number of complaints resolved through conciliation/ mediation/advisories issued by BOs[2]	**10,440**	7,100
Of (i), number of complaints resolved after passing of Awards by BOs against the bank	-	-
(ii) Number of Awards unimplemented within the stipulated time (other than those appealed)	**-**	-

1. Maintainable complaints are as per data received from RBI.

2. Of these, BO has agreed to the representation given by the Bank in 10,036 complaints for the year ended March 31, 2021 (year ended March 31, 2020: 6,794).

The following table sets forth top five grounds of complaints received by the Bank from customers for the year ended March 31, 2021.

Grounds of complaints	No. of complaints pending at the beginning of the year	No. of complaints received during the year	% increase/ decrease in the no. of complaints received over previous year	No. of complaints pending at the end of the year	No. of complaints pending beyond 30 days
ATM/Debit Cards	**12,266**	**244,097**	**(20.0%)**	**11,760**	**4,173**
Credit Cards	**9,026**	**122,519**	**7.0%**	**10,107**	**2,612**
Internet/Mobile/ Electronic Banking	**5,165**	**42,104**	**33.3%**	**6,877**	**3,863**
Loans and advances	**290**	**14,664**	**56.8%**	**268**	**6**
Account opening/ difficulty in operation of accounts	**215**	**10,978**	**30.6%**	**257**	**0**
Others	**1,587**	**47,851**	**21.2%**	**827**	**74**
Total	**28,549**	**482,213**	**(5.2%)**	**30,096**	**10,728**

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The following table sets forth top five grounds of complaints received by the Bank from customers for the year ended March 31, 2020

Grounds of complaints	No. of complaints pending at the beginning of the year	No. of complaints received during the year	% increase/ decrease in the no. of complaints received over previous year	No. of complaints pending at the end of the year	No. of complaints pending beyond 30 days
ATM/Debit Cards	15,031	305,131	3.8%	12,266	1,534
Credit Cards	3,328	114,468	51.7%	9,026	2,676
Internet/Mobile/ Electronic Banking	1,244	31,589	141.5%	5,165	3,000
Loans and advances	200	9,352	(2.8%)	290	93
Account opening/ difficulty in operation of accounts	131	8,405	(15.1%)	215	65
Others	819	39,489	5.2%	1,587	446
Total	**20,753**	**508,434**	**15.6%**	**28,549**	**7,814**

57. Drawdown from reserves

As per the section 52 (2) (c) of the Companies Act 2013, securities premium account may be utilised for writing off the expenses/commission paid/discount allowed on, any issue of shares or debentures by a company. Further, as per RBI DBOD mailbox clarification dated October 9, 2007 on 'Prudential Norms - Utilisation of Share Premium Account', banks can utilise share premium account for meeting the direct expenses relating to the issue of shares.

Accordingly, during the year ended March 31, 2021, the Bank has utilised an amount of ₹ 701.7 million (year ended March 31, 2020: Nil) from securities premium for meeting the direct expenses relating to the issuance of equity shares through Qualified Institutions Placement.

As per the circular on 'Prudential Norms for Classification, Valuation and Operation of Investments Portfolio by Banks – Spreading of MTM losses and creation of Investment Fluctuation Reserve (IFR)' issued by RBI, the Bank can draw down balance available in IFR in excess of 2% of its HFT and AFS portfolio. Accordingly, during the year ended March 31, 2021, the Bank has transferred an amount of ₹ 2,495.8 million from IFR to Balance in Profit & Loss Account.

During the year ended March 31, 2021, the accumulated balance in Reserve Fund maintained under Sri Lankan Banking Act No. 30 of 1988 by Sri Lanka branch amounting to ₹ 77.6 million was transferred to Balance in Profit & Loss Account due to closure of the Branch.

58. Investor Education and Protection Fund

The unclaimed dividend amount, due for transfer to the Investor Education and Protection Fund (IEPF) during the year ended March 31, 2021 and March 31, 2020, has been transferred without any delay.

59. Impact of Covid-19 on the performance of the Bank

The Covid-19 pandemic has impacted most economies and banking systems globally, including India. The nation-wide lockdown in April-May 2020 substantially impacted economic activity. The easing of lockdown measures subsequently led to gradual improvement in economic activity and progress towards normalcy. For the banking sector, these developments resulted in lower demand for loans and fee-based services and regulatory measures like moratorium on payment of dues and standstill in asset classification to mitigate the economic consequences on borrowers. It also resulted in increase in provisioning reflecting higher actual and expected additions to non-performing loans following the cessation of moratorium and asset classification standstill. The current second wave of Covid-19 pandemic, where the number of new cases has increased significantly in India, has resulted in re-imposition of localised/regional lock-down measures in various parts of the country.

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The impact, including credit quality and provision, of the Covid-19 pandemic, on the Bank, is uncertain and will depend on the spread of Covid-19, the effectiveness of current and future steps taken by the governments and central bank to mitigate the economic impact, steps taken by the Bank and the time it takes for economic activities to return to pre-pandemic levels. The Bank's capital and liquidity position is strong and would continue to be a focus area for the Bank during this period.

In addition to Covid-19 related provision of ₹ 27,250.0 million made during the year ended March 31, 2020, during the year ended March 31, 2021, the Bank made additional Covid-19 related provision of ₹ 65,500.0 million (excluding contingency provision on borrower accounts not classified as non-performing pursuant to the Supreme Court interim order) and utilised ₹ 18,000.0 million of Covid-19 related provisions. Accordingly, at March 31, 2021, the Bank held aggregate Covid-19 related provision of ₹ 74,750.0 million.

60. Comparative figures

Figures of the previous year have been re-grouped to conform to the current year presentation.

Signatures to Schedules 1 to 18

As per our Report of even date.	For and on behalf of the Board of Directors		
For **Walker Chandiok & Co LLP** Chartered Accountants ICAI Firm Registration no.: 001076N/N500013	**Girish Chandra Chaturvedi** Chairman DIN-00110996	**Uday M. Chitale** Director DIN-00043268	**Sandeep Bakhshi** Managing Director & CEO DIN-00109206
Sudhir N. Pillai Partner Membership no.: 105782	**Vishakha Mulye** Executive Director DIN-00203578	**Anup Bagchi** Executive Director DIN-00105962	**Sandeep Batra** Executive Director DIN-03620913
	Rakesh Jha Group Chief Financial Officer	**Ranganath Athreya** Company Secretary	**Rajendra Khandelwal** Chief Accountant

Mumbai
April 24, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of
ICICI Bank Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of ICICI Bank Limited ('the Bank' or 'the Holding Company'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Profit and Loss Account, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the branches, subsidiaries, and associates, the aforesaid consolidated financial statements give the information required by the section 29 of the Banking Regulation Act, 1949, as well as the Companies Act, 2013 ('Act') and circulars and guidelines issued by the Reserve Bank of India, in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the consolidated state of affairs of the Group and its associates as at 31 March 2021, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI'), together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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 paragraphs 17 through 19 of the other matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Schedule 18.19 of the accompanying consolidated financial statements, which describes the uncertainties due to the outbreak of SARS-CoV-2 virus (COVID-19). The impact of these uncertainties on the Group's results is significantly dependent on future developments.

   Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

a. Information Technology ('IT') systems and controls impacting financial reporting in relation to the Bank

Key Audit Matter	How the key audit matter was addressed
The IT environment of the Bank is complex and involves a large number of, independent and inter-dependent IT systems used in the operations of the Bank for processing and recording a large volume of transactions at numerous locations. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Bank. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. The accuracy and reliability of the financial reporting process depends on the IT systems and the related control environment, including: ➢ IT general controls over user access management and change management across applications, networks, database, and operating systems; ➢ IT application controls. Due to the importance of the impact of the IT systems and related control environment on the Bank's financial reporting process, we have identified testing of such IT systems and related control environment as a key audit matter for the current year audit.	In assessing the integrity of the IT systems relevant for financial reporting, we involved our IT experts to obtain an understanding of the IT infrastructure and IT systems relevant to the Bank's financial reporting process for evaluation and testing of relevant IT general controls and IT application controls. Access rights were tested over applications, operating systems, networks, and databases, which are relied upon for financial reporting. We also assessed the operating effectiveness of controls over granting, removal and periodical review of access rights. We further tested segregation of duties, including preventive controls to ensure that access to change applications, the operating system or databases in the production environment were granted only to authorized personnel. Other areas that were assessed under the IT control environment, included password policies, security configurations, business continuity and controls around change management. We also evaluated the design and tested the operating effectiveness of key automated controls within various business processes. This included testing the integrity of system interfaces, the completeness and accuracy of data feeds, system reconciliation controls and automated calculations. Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

b. Identification and provisioning for non-performing assets ('NPAs') in relation to the Bank

As at 31 March 2021, the Group has reported total loans and advances (net of provisions) of ₹ 7,918,014 million (2020: ₹ 7,062,461 million) of which ₹ 7,337,291 million* (2020: ₹ 6,452,900 million*) relates to the Bank.

(Refer schedule 9)

** the amounts relating to the Bank are before consolidation adjustments including intercompany eliminations, if any.*

Key Audit Matter	How the key audit matter was addressed
The identification of NPAs and provisioning for advances is made in accordance with the extant RBI regulations or host country regulations, in the case of international branches. Based on our risk assessment, the following are significant in assessment of the NPA provisions: ➢ Recognition of defaults, in accordance with the criteria set out in the RBI Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances (IRAC norms) or in accordance with the host country regulations, as applicable. Further, the Bank is also required to identify NPAs by applying certain qualitative aspects; ➢ Implementation of the "COVID 19 Regulatory Package-Asset Classification and Provisioning" announced by the RBI on 17 April 2020 and RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 07 April 2021 (collectively referred to as 'the RBI circulars'), and "Resolution Framework for COVID-19 related Stress" (the 'Resolution Framework') issued by the RBI on 06 August 2020, which were collectively considered by the management in identification and provisioning of non-performing assets. On the basis of an estimate made by the management, a provision of ₹ 74,750 million was held by the Bank as at 31 March 2021 on account of likely increase in defaults due to the impact of COVID-19 on recoverability of loans and assets of the Bank. The Bank has also revised its internal provisioning policy of retail loans to address aforesaid risk. The basis of estimation of the additional provisions and the assumptions used for aforesaid additional provision are subject to periodic review by the Bank as these depend on future developments including the rate of spread of COVID-19, the effectiveness of current and future steps taken by the government and central banks to mitigate the economic impact and the time	We understood the process and controls and tested the design and operating effectiveness of key controls, including IT based controls, focusing on the following: ➢ Identification and classification of NPAs in line with RBI IRAC norms and certain qualitative aspects; ➢ Periodic internal reviews of asset quality; ➢ Assessment of adequacy of NPA provisions; ➢ Periodic valuation of collateral for NPAs; and ➢ Implementation of the RBI circulars. To test the identification of loans with default events and other triggers, we selected a sample of performing loans and independently assessed as to whether there was a need to classify such loans as NPAs. With respect to provisions recognised towards NPAs, we selected samples based on high risk industry sectors identified by the Bank, such as shipping, rigs, power, mining, and oil and gas exploration. For the samples selected, we re-performed the provision calculations including valuation of collaterals and compared our outcome to that prepared by the management and challenged various assumptions and judgements which were used by the management. We also held discussions with the management of the Bank on high risk industry sectors and measures taken by the management monitor to such assets. We read the RBI Annual Financial Inspection report for the financial year ended 2020 and other communication with regulators. With respect to those borrowers to whom a moratorium was granted in accordance with the RBI circulars, on a sample basis, we tested that such moratorium was granted and implemented in the systems in accordance with the board approved policy. On a test check basis, we tested the loans to ensure that identification of NPAs, provisions created, and asset classification were in accordance with the requirements of the RBI circulars. Further, with respect to the additional provisions made by the Bank on account of the impact of the COVID-19 pandemic, we understood and challenged the underpinning assumptions used by the Bank for such

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

it takes for the economic activities to return to pre-pandemic levels. ➢ The measurement of provision under RBI guidelines is also dependent on the ageing of overdue balances, secured / unsecured status of advances, stress and liquidity concerns in certain sectors and valuation of collateral. The provision on NPAs at certain overseas branches requires estimation of amounts and timing of expected future cash flows and exit values. Implementation of the RBI circulars also required the Bank to implement changes in its base Information Technology applications to extend the relief packages and moratorium period to the customers as announced by the Government. Considering the significance of the above matters to the financial statements, the heightened regulatory inspections, additional complexities in the current year on account of impact of COVID-19 and significant auditor attention required, we have identified this as a key audit matter for the current year audit	estimate by considering our understanding of the risk profiles of the customers of the Bank and other relevant publicly available macro-economic factors pertaining to impact of COVID-19. With respect to the Resolution Framework, ensured that the Bank's board approved policy was in accordance with the RBI requirements. On a test check basis, we ensured that the restructuring was approved and implemented, and provisions made on such restructured loans in accordance with the Bank's board approved policy and the Resolution Framework. We assessed the appropriateness and adequacy of disclosures against the relevant accounting standards and RBI requirements relating to NPAs including the additional disclosures required to be made in accordance with the RBI circulars.

c. Provisions for litigation and taxation and contingent liabilities in relation to the Bank

As at 31 March 2021, the Group has reported 'Claims against the Group not acknowledged as debts' of ₹ 88,167 million (2020: ₹ 73,591 million), of which the following relate to the Bank:

(₹ in million)

Particulars	Included under contingent liabilities	
	At 31.03.2021	At 31.03.2020
Legal cases	3,303	3,300
Taxes	70,465	59,940
Total claims against the Bank not acknowledged as debts	**73,768**	**63,240**

(Refer schedule 12)

Key Audit Matter	How the key audit matter was addressed
As at 31 March 2021, the Bank has ongoing legal and tax cases with varied degrees of complexities. This indicates that a significant degree of management judgement is involved in determining the appropriateness of provisions and related disclosures. Significant management judgement is needed in determining whether an obligation exists and whether a provision should be recognised as at the reporting date, in accordance with the accounting criteria set under Accounting Standard 29 - Provisions, Contingent Liabilities and Contingent	Our audit procedures included, but were not limited to, the following: We tested the design and operating effectiveness of the Bank's key controls over the estimation, monitoring and disclosure of provisions and contingent liabilities. For significant legal matters, we sought external confirmations and also reviewed the confirmations obtained by the management from external legal counsels and corroborated with management's documented conclusions on the assessment of outstanding litigations against the Bank.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

Assets ('AS 29'), or whether it needs to be disclosed as a contingent liability. Further, significant judgements are also involved in measuring such obligations, the most significant of which are: ➢ Assessment of liability: Judgement is involved in the determination of whether an outflow in respect of identified material matters are probable and can be estimated reliably; ➢ Adequacy of provisions: The appropriateness of assumptions and judgements used in the estimation of significant provisions; and ➢ Adequacy of disclosures of provision for liabilities and charges, and contingent liabilities. Considering the significance of the above matter to the financial statements, and significant auditor attention required to test such estimates, we have identified this as a key audit matter for current year audit.	In respect of taxation matters, we involved our tax specialists to gain an understanding of the current status of the outstanding tax litigations, including understanding of various orders / notices received by the Bank and the management's grounds of appeals before the relevant appellate authorities, and critically evaluated the management's assessment of the likelihood of the liability devolving upon the Bank, in accordance with the principles of AS 29. For the significant provisions made, we understood, assessed and challenged the adequacy of provisions recognised by the management. We also reviewed the historical accuracy of the provisions recognised to determine the efficacy of the process of estimation by the management. Further, we assessed whether the disclosures related to significant litigation and taxation matters were appropriate and adequate in terms of whether the potential liabilities and the significant uncertainties were fairly presented.

d. Valuation of derivatives in relation to the Bank

As at 31 March 2021, the Group has reported notional value of derivatives of ₹ 28,765,529 million (2020: ₹ 28,417,030 million), of which the following relate to the Bank:

(₹ in million)

Particulars	Included under	At 31.03.2021	At 31.03.2020
Notional value of derivatives	Contingent liabilities	25,062,638*	23,649,552*

(Refer schedule 12)

** the amounts relating to the Bank are before consolidation adjustments including intercompany eliminations, if any.*

Key Audit Matter	How our audit addressed the key audit matter
Derivatives are valued through models with external inputs. The derivatives portfolio of the Bank primarily includes transactions which are carried out on behalf of its clients (and are covered on a back-to-back basis) and transactions to hedge the Bank's interest and foreign currency risk. A significant degree of management judgement is involved in the application of valuation techniques through which the value of the Bank's derivatives is determined. The financial statement risk arises particularly with respect to complex valuation models, valuation parameters, and inputs that are used in determining fair values. Considering the significance of the above matter to the financial statements, significant management estimates and judgements, and auditor attention required to test such estimates and judgements, we have identified this as a key audit matter for current year audit.	Our audit procedures included, but were not limited to, the following: We included our valuation experts as a part of our audit team to obtain an understanding, evaluate the design, and test the operating effectiveness of the key controls over the valuation processes, including: ➢ independent price verification performed by a management expert; and ➢ model governance and validation. On a sample basis, our valuation experts performed an independent reassessment of the valuation of derivatives, to ensure compliance with the relevant RBI regulations, reasonableness of the valuation methodology and the inputs used. Further our valuation experts assisted us in challenging the appropriateness of significant models and methodologies used in valuation.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

7. The joint auditors, Walker Chandiok & Co. LLP, Chartered Accountants, and B S R & Co LLP, Chartered Accountants, of ICICI Prudential Life Insurance Company Limited, vide their audit report dated 19 April 2021, have expressed an unmodified opinion on the financial statements. Based on consideration of their report, we have determined the matters described below to be the key audit matters to be communicated in our report:

<table>
<tr><th colspan="2">a. Information technology systems relating to ICICI Prudential Life Insurance Company Limited</th></tr>
<tr><th>Key Audit Matter</th><th>How the key audit matter was addressed</th></tr>
<tr><td>The Company is highly dependent on information systems and controls to process and record large volume of transactions, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.

In addition, due to the COVID-19 situation, IT systems have been made accessible to employees on a remote basis which has resulted in increasing challenges around the data protection.

Due to the pervasive nature, complexity and importance of the impact of the IT systems and related control environment on the Company's financial reporting process, testing of such IT systems and related control environment has been identified as a key audit matter for the current year audit.</td><td>Involvement of IT specialists in assessment of the IT systems and controls over financial reporting, which included carrying out the following key audit procedures:

➢ Understood General IT Controls (GITC) over key financial accounting and reporting systems (referred to as "in-scope systems") which covered access controls, program/ system changes, program development and computer operations i.e. job processing, data/ system backup and incident management;

➢ Understood the IT infrastructure i.e. operating systems and databases and related data security controls in remote working scenario due to COVID-19;

➢ Tested controls over IT infrastructure covering user access including privilege users and system changes;

➢ Evaluated design and operating effectiveness for in-scope systems and application controls which covered segregation of duties, system interfaces, completeness and accuracy of data feeds and system reconciliation controls;

➢ Evaluated policies and strategies adopted by the Company in relation to operational security of key information infrastructure, data and client information management and monitoring and crisis management; and

➢ Assessed whether controls have remained unchanged during the year or were changed after considering controls around change management process.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

b. Valuation of Investments relating to ICICI Prudential Life Insurance Company Limited

As at 31 March 2021, ICICI Prudential Life Insurance Company Limited reported investments of ₹ 2,122,119 million* (2020: ₹ 1,512,562 million*).

(Refer schedule 8)

** the amounts relating to ICICI Prudential Life Insurance Company Limited are before consolidation adjustments including intercompany eliminations, if any.*

Key Audit Matter	How the key audit matter was addressed
The Company's investment portfolio consists of Policyholders investments (unit linked and non-linked) and Shareholders investments. The Company's investment portfolio represents 99 percent of the Company's total assets as at 31 March 2021. The investments are valued in accordance with the accounting policy framed as per Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (the "Investment Regulations") issued by IRDAI and / or policies approved by the Board of Directors of the Company (collectively 'the accounting policy'). Investments in unit linked portfolio of ₹ 1,385,492 million are valued based on observable inputs as per their accounting policy and gains/losses are recognized in Revenue account. These unit linked portfolio investments do not represent an area of higher risk of material misstatement, however, are considered as a key audit matter due to their materiality to the standalone financial statements. Investments in non-linked and shareholders portfolio of ₹ 736,627 million are valued as per their accounting policy, basis which: ➢ the unrealized gains/ losses arising due to changes in fair value of listed equity shares and mutual fund units are taken to the "Fair Value Change Account" in Balance Sheet; and ➢ debt securities and unlisted equity shares are valued at historical cost. Further, these investments in the non-linked and shareholders portfolio are assessed for impairment as per the Company's investment policy which involves significant management judgement. Further, there may be increased economic stress in various sectors due to the COVID-19 pandemic and which may have an impact on the valuation of investments, which is relevant in undertaking impairment assessment. Hence, the valuation of investments (including impairment assessment) was considered to be one of the areas which would require significant auditor attention and one of the matter of most significance in the standalone financial statements.	The following key audit procedures were carried out: ➢ Understood the Company's process and tested the controls on the valuation of investments; ➢ Tested the design, implementation and operating effectiveness of key controls over the valuation process, including the Company's assessment and approval of estimates and assumption used for valuation including key authorization and data input controls thereof; ➢ Assessed valuation methodologies with reference to Investment Regulations issued by IRDAI and the Company's own Board approved valuation policy; ➢ For selected samples of listed investments, performed independent price checks using external quoted prices and by agreeing the inputs which were used in the Company's valuation techniques to external data; ➢ For selected samples of cost measured investments, tested the Company's assessment of impairment and evaluated whether the same was in accordance with the Company's impairment policy; and ➢ Evaluated how the Company has factored in the impact of COVID-19 disruptions in the investment valuation process (including impairment assessment).

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

8. The joint auditors of ICICI Lombard General Insurance Company Limited, vide their audit report dated 17 April 2021, have expressed an unmodified opinion on the financial statements. Based on consideration of their report, we have determined the matter described below to be a key audit matter to be communicated in our report:

a. Information Technology Systems and Controls (IT Controls):

Key Audit Matter	How the key audit matter was addressed
The company is highly dependent on its complex IT architecture comprising hardware, software, multiple applications, automated interfaces and controls in systems for recording, storing and reporting financial transactions. Large volume of transactions that are processed on daily basis as part of its operations, which impacts key financial accounting and reporting items such as premium income, claims, commission expenses and investments among others. There exists a risk that, gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The controls implemented by the entity in its IT environment determine the integrity, accuracy, completeness, and the validity of the data that is processed by the applications and is ultimately used for financial reporting. These controls contribute to mitigating risk of potential misstatements caused by fraud or errors. The Audit approach relies on automated controls and therefore procedures are designed to test control over IT systems, segregation of duties, interface and system application controls over key financial accounting and reporting systems.	Key audit procedures included, but were not limited to the following: Obtained an understanding of the entity's IT related control environment. Furthermore, conducted a risk assessment and identified IT applications, databases and operating systems that are relevant for the Company's financial reporting. For the key IT systems relevant to reporting of financial information, areas of audit focus included access, program change management, automated transaction and interface controls: In particular: ➢ Obtained an understanding of the entity's IT environment and key changes if any during the audit period that may be relevant to the audit. ➢ Sample tested the design, implementation and operating effectiveness of the General IT controls over the key IT systems that are critical to financial reporting. This included evaluation of entity's controls to ensure segregation of duties and appropriate access rights. ➢ Controls over changes to software applications were evaluated to verify whether the changes were approved, tested in an environment that was segregated from operation and moved to production by appropriate users. ➢ Evaluated the design and tested the operating effectiveness of critical & key automated controls within various business processes. This included testing the integrity of system interfaces, the completeness and accuracy of data feeds, system reconciliation controls and automated calculations. ➢ Also reviewed the Information System Audit Reports to assess the impact of observations and management's response if any on financial reporting. Results of the tests has provided audit evidence which have been used to draw conclusions including reporting.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

b. Investments of ICICI Lombard General Insurance Company Limited

As at 31 March 2021, ICICI Lombard General Insurance Company Limited reported investments of ₹ 308,922 million* (2020: ₹ 263,267 million*).

(Refer schedule 8)

** the amounts relating to ICICI Lombard General Insurance Company Limited are before consolidation adjustments including intercompany eliminations, if any.*

Key Audit Matter	How the key audit matter was addressed
The Company's investments represent 71.1% of the assets as at March 31, 2021 which are to be valued in accordance with accounting policy framed as per the extant regulatory guidelines. The valuation of all investments should be as per the investment policy framed by the Company which in turn should be in line with IRDAI Investment Regulations and Preparation of Financial Statement Regulations. The valuation methodology specified in the regulation is to be used for each class of investment. The Company has a policy framework for Valuation and impairment of Investments. The Company performs an impairment review of its investments periodically and recognizes impairment charge when the investments meet the trigger/s for impairment provision as per the criteria set out in the investment policy of the Company. Further, the assessment of impairment involves significant management judgment. The classification and valuation of these investments was considered one of the matters of material significance in the financial statements due to the materiality of the total value of investments to the financial statements and further due to the market volatility impact caused due to global pandemic COVID-19 on the value of investments.	Audit procedures on Investments included the following: ➢ Understood Management's process and controls to ensure proper classification and valuation of Investment. ➢ Verified and obtained appropriate external confirmation for availability and ownership rights related to these investments. ➢ Tested the design, implementation, management oversight and operating effectiveness of key controls over the classification and valuation process of investments. ➢ Test-checked valuation of different class of investments to assess appropriateness of the valuation methodologies with reference to IRDAI Investment Regulations along with Company's own investment policy. ➢ Examining the rating downgrades by credit rating agencies and assessing the risk of impairments to various investments. ➢ Reviewed the Company's impairment policy and assessed the adequacy of its impairment charge on investments outstanding at the year end. Based on procedures above, found the company's impairment, valuation and classification of investments in its financial statements in all material respects to be fair.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

c. Scheme of demerger of Bharti Axa General Insurance Limited's insurance business ("Insurance Undertaking") to ICICI Lombard General Insurance Limited

(Refer Schedule 18.17)

Key Audit Matter	How the key audit matter was addressed
During the year, the Company has reported a Scheme of Demerger approved by Board of Directors of the Company between the company and Bharati Axa General Insurance Limited (Bharti Axa), whereby, the Insurance undertaking of Bharti Axa is demerged and merged with the Company from the Appointed Date i.e. April 1, 2020, subject to various regulatory approvals, which is under process at the year end. This transaction involving issue of 35,756,194 additional equity shares (7.9% of paid-up capital) of the company, is significant for suitable financial reporting.	Obtained an understanding of the regulatory framework involved in such large acquisition, the process adopted including the strength and reputation team of advisors, Audit procedures include following; ➢ Reviewed due diligence report, valuation reports and other expert advisory reports and manner in which these have been dealt with in decision making. ➢ Read the transaction documents, including approved Scheme of Demerger and identified pertinent terms relevant to the accounting and disclosure requirement for the transaction. Assessed and confirmed the Company's conclusion on proposed accounting and disclosure treatment of the Scheme and its compliance with Accounting Standard 14: Accounting for Amalgamations (AS-14). ➢ Read the minutes of meeting of Board of Directors, its Committees, and Members of the Company. ➢ Enquired about the progress of the transaction as at the year-end to confirm the appropriateness of treatment in the financial statement. ➢ Obtained and reviewed details of commitments and expenditure incurred related to the transaction for validating the accounting treatment thereof. Results of tests has provided audit evidence which have been used to draw conclusions including the reporting.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, Directors' Report, including annexures to the Directors' Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Bank, in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time. Further, in terms of the Act, the respective Board of Directors of the companies and the trustees of the trusts included in the Group and of its associates covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group and of 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 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. The respective Board of Directors of the companies and the trustees of trusts included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or its associates to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial results/ financial information/ financial statements of the entities within the Group and its associates, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

Other Matters

17. We did not audit the financial statements of 3 international branches of the Bank included in the consolidated financial statements, whose financial statements reflects total assets of ₹ 596,868.5 million as at 31 March 2021, and total revenue, total net loss after tax, and net cash inflows of ₹ 9,716.9 million , ₹ 6,068.9 million and ₹ 108,879.3 million respectively for the year ended on that date, as considered in the consolidated financial statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such branches, is based solely on the reports of their branch auditors.

18. We did not audit the financial statements of 13 subsidiaries, whose financial statements reflect total assets of ₹ 1,385,458.7 million as at 31 March 2021 and total revenues, total net profit after taxes, and net cash inflows of ₹ 202,972.6 million, ₹ 35,194.9 million, and ₹ 49,180.8 million, respectively, for the year ended on that date. The consolidated financial statements also include the Group's share of net profit of ₹ 1,231.9 million for the year ended 31 March 2021, in respect of 3 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors, whose reports have been furnished to us by the 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, is based solely on the reports of the other auditors.

19. We have jointly audited with another auditor, the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 2,170,346.2 million as at 31 March 2021 and total revenue, total net profit after tax, and net cash inflows of ₹ 436,218.0 million, ₹ 9,601.5 million, and ₹ 12,930.5 million, respectively, for the year ended on that date. For the purpose of our opinion on the consolidated financial statements, we have relied upon the work of such other auditors, to the extent of work performed by them.

20. The consolidated financial statements also include the Group's share of net profit of ₹ 211.0 million for the year ended 31 March 2021, in respect of 4 associates, whose financial statements/information have not been audited. These financial statements/information have been furnished to us by the management and our report on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on such management certified financial statements/information. In our opinion and according to the information and explanation given to us by the management, these financial statements/information are not material to the Group.

21. The joint auditors, Walker Chandiok & Co LLP, Chartered Accountants, and B S R & Co. LLP, Chartered Accountants, of ICICI Prudential Life Insurance Company Limited, vide their audit report dated 19 April 2021, have expressed an unmodified opinion and have reported in the 'Other Matter' section that, 'The actuarial valuation of liabilities for life policies in force and policies in respect of which premium has been discontinued but liability exists as at 31 March 2021 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 31 March 2021 has been duly certified by the Appointed Actuary and in her opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with the Authority'. The joint auditors have relied upon the Appointed Actuary's certificate in this regard for forming their 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 in the standalone financial statements of the Company.

22. The joint auditors of ICICI Lombard General Insurance Company Limited, vide their audit report dated 17 April 2021, have expressed an unmodified opinion and have reported in the 'Other Matter' section that, 'The actuarial valuation of liabilities in respect of Incurred But Not Reported (the "IBNR"), Incurred But Not Enough Reported (the "IBNER") and Premium Deficiency Reserve (the "PDR") is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities, that are estimated using statistical methods as at 31 March 2021 has been duly certified by the Appointed Actuary and in his opinion, the assumptions considered by him for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with IRDAI'. The joint auditors have relied upon the Appointed Actuary's certificate in this regard for forming their opinion on the valuation of liabilities for outstanding claims reserves and the PDR contained in the financial statements of the Company.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

23. Our opinion above 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 the management.

Report on Other Legal and Regulatory Requirements

24. The Consolidated Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Act, read with rule 7 of the Companies (Rules), 2014 (as amended).

25. As required by section 197(16) of the Act in relation to managerial remuneration, based on the information and explanations given to us, and on the consideration of the reports of the other auditors, referred to in paragraphs 17 through 19 of the other matters section above, on separate financial statements of the subsidiaries and associates, we report that in cases where the remuneration was paid, the subsidiaries and associates covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and the limits laid down under section 197 read with Schedule V to the Act, except in the case of one subsidiary, ICICI Home Finance Company Limited, where the auditors have reported that the managerial remuneration has exceeded the limits prescribed under section 197 of the Act and is subject to the approval of the shareholders of ICICI Home Finance Limited, by way of a special resolution, which will be sought in the ensuing annual general meeting. Further, for the 4 associates, as referred to paragraph 20 above, whose financial statements/information have not been audited, in absence of reporting by statutory auditors of such entities with respect to compliance of the provisions of section 197 read with Schedule V of the Act during the year ended 31 March 2021, we are unable to comment on such compliance for the said entities as required to be reported by us under section 197(16) of the Act. Further, since the Holding Company is a banking company, as defined under Banking Regulation Act, 1949, the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section, is not applicable.

26. Further, as required by section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associates, 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 our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law, relating to the presentation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

    c) the consolidated financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid consolidated financial statements comply with Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), to the extent they are not inconsistent with the accounting policies prescribed by RBI;

    e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 and taken on record by the Board of Directors of the Holding Company and the reports of statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and associate companies are disqualified as on 31 March 2021, 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 with reference to financial statements of the Holding Company, its subsidiary companies and associate companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

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 Auditors) Rules, 2014 (as amended), 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 Group and its associates, as detailed in schedule 18.6 to the consolidated financial statements;

   ii. provisions have been made in these consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, and on long-term contracts, including derivative contracts, as detailed in schedule 18.6 to the consolidated financial statements;

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, and associate companies during the year ended 31 March 2021;

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782
UDIN: 21105782AAAACP5030

Place: Mumbai
Date: 24 April 2021

ANNEXURE A to the Independent Auditor's Report of even date to the members of ICICI Bank Limited on the consolidated financial statements for the year ended 31 March 2021

Independent Auditor's Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of ICICI Bank Limited ('the Holding Company' or 'the Bank') and its subsidiaries (the Holding Company and its subsidiaries, together referred to as 'the Group'), and its associates as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, and its associate companies, which are companies covered under the Act, as at 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 covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 Institute of Chartered Accountants of India ('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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, and its associate companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, 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 paragraphs, below are sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, and its associate companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. An entity's internal financial controls with reference to financial statements 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. An entity's internal financial controls with reference to financial statements include 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

ANNEXURE A *(Contd.)*

entity; (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 entity are being made only in accordance with authorisations of management and directors of the entity; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Owing to the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies and associate companies, the Holding Company, its subsidiary companies, and its associate companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Group, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other matters

9. The auditors of ICICI Prudential Life Insurance Company Limited have reported, 'The actuarial valuation of liabilities for life policies in force and policies in respect of which premium has been discontinued but liability exists as at 31 March 2021 has been certified by the Appointed Actuary as per the IRDA Financial Statements Regulations, and has been relied upon by us, as mentioned in "Other Matters" of our audit report on the standalone financial statements for the year ended 31 March 2021. Accordingly, our opinion on the internal financial controls with reference to standalone financial statements does not include reporting on the design and operating effectiveness of the management's internal controls over the valuation and accuracy of the aforesaid actuarial valuation'.

10. The auditors of ICICI Lombard General Insurance Company Limited have reported, 'The actuarial valuation of liabilities in respect of Incurred But Not Reported (the "IBNR"), Incurred But Not Enough Reported (the "IBNER") and Premium Deficiency Reserve (the "PDR") is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities, that are estimated using statistical methods as at 31 March 2021 has been duly certified by the Appointed Actuary and in his opinion, the assumptions considered by him for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI.

    The said actuarial valuations of liabilities for outstanding claims reserves and the PDR have been relied upon by us as mentioned in "Other Matters" paragraph in our Audit Report on the financial statements for the year ended 31 March 2021. Accordingly, our opinion on the internal financial controls with reference to financial reporting does not include reporting on the adequacy and operating effectiveness of the internal financial controls over the valuation and accuracy of the aforesaid actuarial liabilities'.

11. We did not audit the internal financial controls with reference to financial statements in so far as it relates to 9 subsidiaries, which are companies covered under the Act, whose financials reflect total assets of ₹ 820,829.1 million as at 31 March 2021 and total revenue, total net profit after tax, and net cash inflows of ₹ 185,956.9 million, ₹ 32,907.6 million, and ₹ 30,778.0 million, respectively, for the year ended on that date.

ANNEXURE A *(Contd.)*

12. We have jointly audited with another auditor, the internal financial controls with reference to financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 2,170,346.2 million as at 31 March 2021 and total revenue, total net profit after tax, and net cash inflows of ₹ 436,218.0 million, ₹ 9,601.5 million, and ₹ 12,930.5 million, respectively, for the year ended on that date.

13. The consolidated financial statements also include the Group's share of net profit of ₹ 1,198.9 million for the year ended 31 March 2021, in respect of 1 associate, which is a company covered under the Act, whose internal financial controls with reference to financial statements has not been audited by us.

14. Our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies, and its associate companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, and associate company, is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of the matters with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782
UDIN: 21105782AAAACP5030

Place: Mumbai
Date: 24 April 2021

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

CONSOLIDATED BALANCE SHEET

at March 31, 2021

₹ in '000s

	Schedule	At 31.03.2021	At 31.03.2020
CAPITAL AND LIABILITIES			
Capital	1	**13,834,104**	12,947,649
Employees stock options outstanding		**31,010**	34,858
Reserves and surplus	2	**1,562,009,891**	1,216,618,065
Minority interest	2A	**95,883,393**	67,947,696
Deposits	3	**9,599,400,180**	8,007,844,610
Borrowings	4	**1,438,999,393**	2,138,517,821
Liabilities on policies in force		**2,031,800,413**	1,454,862,509
Other liabilities and provisions	5	**996,164,062**	874,149,115
TOTAL CAPITAL AND LIABILITIES		**15,738,122,446**	**13,772,922,323**
ASSETS			
Cash and balances with Reserve Bank of India	6	**463,022,049**	353,119,341
Balances with banks and money at call and short notice	7	**1,012,683,253**	925,409,876
Investments	8	**5,365,786,165**	4,434,726,298
Advances	9	**7,918,013,918**	7,062,461,122
Fixed assets	10	**108,092,581**	104,086,576
Other assets	11	**870,524,480**	893,119,110
TOTAL ASSETS		**15,738,122,446**	**13,772,922,323**
Contingent liabilities	12	**30,213,442,288**	30,030,535,324
Bills for collection		**548,463,817**	484,012,620
Significant accounting policies and notes to accounts	17 & 18		

The Schedules referred to above form an integral part of the Consolidated Balance Sheet.

As per our Report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

Girish Chandra Chaturvedi
Chairman
DIN-00110996

Uday M. Chitale
Director
DIN-00043268

Sandeep Bakhshi
Managing Director & CEO
DIN-00109206

Sudhir N. Pillai
Partner
Membership no.: 105782

Vishakha Mulye
Executive Director
DIN-00203578

Anup Bagchi
Executive Director
DIN-00105962

Sandeep Batra
Executive Director
DIN-03620913

Rakesh Jha
Group Chief Financial Officer

Ranganath Athreya
Company Secretary

Rajendra Khandelwal
Chief Accountant

Mumbai
April 24, 2021

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2021

₹ in '000s

		Schedule	Year ended 31.03.2021	Year ended 31.03.2020
I.	**INCOME**			
	Interest earned	13	**891,626,638**	848,357,730
	Other income	14	**721,738,138**	649,503,301
	TOTAL INCOME		**1,613,364,776**	**1,497,861,031**
II.	**EXPENDITURE**			
	Interest expended	15	**426,590,874**	446,655,222
	Operating expenses	16	**762,716,696**	715,178,988
	Provisions and contingencies (refer note 18.6)		**220,417,554**	223,772,141
	TOTAL EXPENDITURE		**1,409,725,124**	**1,385,606,351**
III.	**PROFIT/(LOSS)**			
	Net profit for the year		**203,639,652**	112,254,680
	Less: Minority interest		**19,796,467**	16,591,602
	Net profit after minority interest		**183,843,185**	**95,663,078**
	Profit brought forward		**267,999,958**	220,201,086
	TOTAL PROFIT/(LOSS)		**451,843,143**	**315,864,164**
IV.	**APPROPRIATIONS/TRANSFERS**			
	Transfer to Statutory Reserve		**40,482,000**	19,828,000
	Transfer to/(from) Reserve Fund		**(77,638)**	3,670
	Transfer to Capital Reserve		**1,302,300**	3,954,400
	Transfer to Capital Redemption Reserve		**-**	-
	Transfer to/(from) Investment Reserve Account		**-**	-
	Transfer to/(from) Investment Fluctuation Reserve		**(2,495,799)**	6,690,000
	Transfer to Special Reserve		**10,943,500**	7,966,300
	Transfer to/(from) Revenue and other reserves		**16,532,790**	686,312
	Dividend paid during the year		**-**	6,453,078
	Corporate dividend tax paid during the year		**-**	2,282,446
	Balance carried over to balance sheet		**385,155,990**	267,999,958
	TOTAL		**451,843,143**	**315,864,164**
Significant accounting policies and notes to accounts		17 & 18		
Earnings per share (refer note 18.1)				
	Basic (₹)		**27.26**	14.81
	Diluted (₹)		**26.83**	14.55
Face value per share (₹)			**2.00**	2.00

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account.

As per our Report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

Girish Chandra Chaturvedi
Chairman
DIN-00110996

Uday M. Chitale
Director
DIN-00043268

Sandeep Bakhshi
Managing Director & CEO
DIN-00109206

Sudhir N. Pillai
Partner
Membership no.: 105782

Vishakha Mulye
Executive Director
DIN-00203578

Anup Bagchi
Executive Director
DIN-00105962

Sandeep Batra
Executive Director
DIN-03620913

Rakesh Jha
Group Chief Financial Officer

Ranganath Athreya
Company Secretary

Rajendra Khandelwal
Chief Accountant

Mumbai
April 24, 2021

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2021

₹ in '000s

		Year ended 31.03.2021	Year ended 31.03.2020
Cash flow from/(used in) operating activities			
Profit/(loss) before taxes		**240,486,799**	169,294,471
Adjustments for:			
Depreciation and amortisation		**14,713,701**	13,696,381
Net (appreciation)/depreciation on investments[1]		**(22,476,697)**	21,809,159
Provision in respect of non-performing and other assets		**110,315,149**	89,627,398
General provision for standard assets		**49,069,050**	34,439,929
Provision for contingencies & others		**6,339,684**	7,936,906
(Profit)/loss on sale of fixed assets		**63,424**	(1,450)
Employees stock options grants		**77,611**	114,130
	(i)	**398,588,721**	**336,916,924**
Adjustments for:			
(Increase)/decrease in investments		**90,478,662**	(315,313,149)
(Increase)/decrease in advances		**(968,932,842)**	(692,434,146)
Increase/(decrease) in deposits		**1,591,555,570**	1,194,675,249
(Increase)/decrease in other assets		**4,276,368**	24,560,834
Increase/(decrease) in other liabilities and provisions		**302,522,352**	271,160,685
	(ii)	**1,019,900,110**	**482,649,473**
Refund/(payment) of direct taxes	(iii)	**(38,335,863)**	**(23,918,931)**
Net cash flow from/(used in) operating activities (i)+(ii)+(iii)	(A)	**1,380,152,968**	**795,647,466**
Cash flow from/(used in) investing activities			
Purchase of fixed assets		**(16,882,058)**	(18,734,522)
Proceeds from sale of fixed assets		**121,649**	255,374
(Purchase)/sale of held to maturity securities		**(613,108,700)**	(404,605,131)
Net cash flow from/(used in) investing activities	(B)	**(629,869,109)**	**(423,084,279)**
Cash flow from/(used in) financing activities			
Proceeds from issue of share capital (including ESOPs)		**154,600,321**	5,493,213
Proceeds from long-term borrowings		**294,215,131**	366,114,451
Repayment of long-term borrowings		**(527,734,115)**	(520,006,249)
Net proceeds/(repayment) of short-term borrowings		**(467,749,038)**	187,184,210
Dividend and dividend tax paid		**-**	(8,863,792)
Net cash flow from/(used in) financing activities	(C)	**(546,667,701)**	**29,921,833**
Effect of exchange fluctuation on translation reserve	(D)	**(6,440,073)**	**2,135,244**
Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C) + (D)		**197,176,085**	**404,620,264**
Cash and cash equivalents at beginning of the year		**1,278,529,217**	**873,908,953**
Cash and cash equivalents at end of the year		**1,475,705,302**	**1,278,529,217**

1. For the year ended March 31, 2021, includes gain on sale of a part of equity investment in the subsidiaries, ICICI Lombard General Insurance Company Limited, ICICI Prudential Life Insurance Company Limited and ICICI Securities Limited.

2. Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

As per our Report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership no.: 105782

Mumbai
April 24, 2021

For and on behalf of the Board of Directors

Girish Chandra Chaturvedi
Chairman
DIN-00110996

Uday M. Chitale
Director
DIN-00043268

Sandeep Bakhshi
Managing Director & CEO
DIN-00109206

Vishakha Mulye
Executive Director
DIN-00203578

Anup Bagchi
Executive Director
DIN-00105962

Sandeep Batra
Executive Director
DIN-03620913

Rakesh Jha
Group Chief Financial Officer

Ranganath Athreya
Company Secretary

Rajendra Khandelwal
Chief Accountant

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 1 - CAPITAL		
Authorised capital		
12,500,000,000 equity shares of ₹ 2 each (March 31, 2020: 12,500,000,000 equity shares of ₹ 2 each)	**25,000,000**	**25,000,000**
Equity share capital		
Issued, subscribed and paid-up capital		
6,472,765,203 equity shares of ₹ 2 each (March 31, 2020: 6,446,239,653 equity shares)	**12,945,530**	12,892,479
Add: 443,227,184[1] equity shares of ₹ 2 each (March 31, 2020: 26,525,550 equity shares) issued during the period	**886,455**	53,051
	13,831,985	**12,945,530**
Add: Forfeited equity shares[2]	**2,119**	2,119
TOTAL CAPITAL	**13,834,104**	**12,947,649**

1. *Represents 418,994,413 equity shares issued under Qualified Institutions Placement (QIP) and 24,232,771 equity shares issued (year ended March 31, 2020: 26,525,550 equity shares) pursuant to exercise of employee stock options during the year ended March 31, 2021.*

2. *On account of forfeiture of 266,089 equity shares of ₹ 10 each.*

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 2 - RESERVES AND SURPLUS		
I. Statutory reserve		
Opening balance	**257,205,519**	237,377,519
Additions during the year	**40,482,000**	19,828,000
Deductions during the year	**-**	-
Closing balance	**297,687,519**	**257,205,519**
II. Special reserve		
Opening balance	**107,706,000**	99,739,700
Additions during the year	**10,943,500**	7,966,300
Deductions during the year	**-**	-
Closing balance	**118,649,500**	**107,706,000**
III. Securities premium		
Opening balance	**335,899,406**	330,333,217
Additions during the year[1]	**154,497,014**	5,566,189
Deductions during the year[2]	**(701,689)**	-
Closing balance	**489,694,731**	**335,899,406**
IV. Investment reserve account		
Opening balance	**-**	-
Additions during the year	**-**	-
Deductions during the year	**-**	-
Closing balance	**-**	**-**
V. Investment fluctuation reserve		
Opening balance	**19,382,000**	12,692,000
Additions during the year[3]	**-**	6,690,000
Deductions during the year	**(2,495,799)**	-
Closing balance	**16,886,201**	**19,382,000**
VI. Unrealised investment reserve[4]		
Opening balance	**(270,042)**	114,773
Additions during the year	**243,797**	8,352
Deductions during the year	**(30,413)**	(393,167)
Closing balance	**(56,658)**	**(270,042)**

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2021	At 31.03.2020
VII. Capital reserve		
Opening balance	**132,740,016**	128,785,616
Additions during the year[5]	**1,302,300**	3,954,400
Deductions during the year	**-**	-
Closing balance[6]	**134,042,316**	**132,740,016**
VIII. Capital redemption reserve		
Opening balance	**3,500,000**	3,500,000
Additions during the year	**-**	-
Deductions during the year	**-**	-
Closing balance	**3,500,000**	**3,500,000**
IX. Foreign currency translation reserve		
Opening balance	**20,139,947**	18,004,703
Additions during the year	**607,130**	2,135,244
Deductions during the year	**(7,047,203)**	-
Closing balance	**13,699,874**	**20,139,947**
X. Revaluation reserve (refer note 18.14)		
Opening balance	**31,433,597**	30,699,986
Additions during the year[7]	**499,560**	1,430,661
Deductions during the year[8]	**(680,333)**	(697,050)
Closing balance	**31,252,824**	**31,433,597**
XI. Reserve fund		
Opening balance	**77,638**	73,968
Additions during the year[9]	**-**	3,670
Deductions during the year[9]	**(77,638)**	-
Closing balance	**-**	**77,638**
XII. Revenue and other reserves		
Opening balance	**40,804,026**	48,070,147
Additions during the year[10]	**30,834,944**	1,526,651
Deductions during the year[10]	**(141,376)**	(8,792,772)
Closing balance[11,12]	**71,497,594**	**40,804,026**
XIII. Balance in profit and loss account	**385,155,990**	267,999,958
TOTAL RESERVES AND SURPLUS	**1,562,009,891**	**1,216,618,065**

1. *Includes ₹ 5,257.4 million (year ended March 31, 2020: ₹ 5,452.1 million) on exercise of employee stock options and ₹ 149,162.0 million on account of equity shares issued under QIP.*
2. *Represents amount utilised towards direct expenses relating to the issuance of equity shares under QIP.*
3. *Represents amount transferred by the Bank to Investment Fluctuation Reserve (IFR) on net profit on sale of AFS and HFT investments during the period. As per the RBI circular, from the year ended March 31, 2019, an amount not less than the lower of net profit on sale of AFS and HFT category investments during the period or net profit for the period less mandatory appropriations is required to be transferred to IFR, until the amount of IFR is at least 2% of the HFT and AFS portfolio.*
4. *Represents unrealised profit/(loss) pertaining to the investments of venture capital funds.*
5. *Includes appropriations made by the Bank for profit on sale of investments in held-to-maturity category, net of taxes and transfer to Statutory Reserve and profit on sale of land and buildings, net of taxes and transfer to Statutory Reserve.*
6. *Includes capital reserve on consolidation amounting to ₹ 79.1 million (March 31, 2020: ₹ 79.1 million).*
7. *Represents gain on revaluation of premises carried out by the Bank and ICICI Home Finance Company Limited.*
8. *Represents amount transferred from Revaluation Reserve to General Reserve on account of incremental depreciation charge on revaluation, revaluation surplus on premises sold or loss on revaluation on account of certain assets which were held for sale.*
9. *Represents appropriations made to Reserve Fund in accordance with regulations applicable to Sri Lanka branch. Balance in reserve fund transferred to balance in profit and loss account due to closure of Sri Lanka branch during the year ended March 31, 2021.*
10. *Includes ₹ 10,725.6 million towards addition in fair value change account of insurance subsidiaries (March 31, 2020: reduction of ₹ 6,896.7 million).*
11. *Includes unrealised profit/(loss), net of tax, of ₹ 347.1 million (March 31, 2020: ₹ (2,441.5) million) pertaining to the investments in the available-for-sale category of ICICI Bank UK PLC.*
12. *Includes debenture redemption reserve amounting to ₹ 143.8 million (March 31, 2020: ₹ 154.8 million) of ICICI Lombard General Insurance Company Limited.*

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 2A - MINORITY INTEREST		
Opening minority interest	**67,947,696**	65,805,358
Subsequent increase/(decrease) during the year	**27,935,697**	2,142,338
CLOSING MINORITY INTEREST	**95,883,393**	**67,947,696**

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 3 - DEPOSITS		
A. I. Demand deposits		
i) From banks	**114,515,967**	64,802,599
ii) From others	**1,278,323,752**	985,082,977
II. Savings bank deposits	**3,039,179,239**	2,540,649,723
III. Term deposits		
i) From banks	**96,198,935**	202,585,695
ii) From others	**5,071,182,287**	4,214,723,616
TOTAL DEPOSITS	**9,599,400,180**	**8,007,844,610**
B. I. Deposits of branches in India	**9,223,157,524**	7,624,010,796
II. Deposits of branches/subsidiaries outside India	**376,242,656**	383,833,814
TOTAL DEPOSITS	**9,599,400,180**	**8,007,844,610**

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
i) Reserve Bank of India[1]	**1,000,000**	118,328,500
ii) Other banks	**48,045,578**	77,196,158
iii) Other institutions and agencies		
a) Government of India	**-**	-
b) Financial institutions[2]	**378,775,309**	583,971,583
iv) Borrowings in the form of		
a) Deposits	**35,194,448**	25,240,937
b) Commercial paper	**42,187,893**	32,372,198
c) Bonds and debentures (excluding subordinated debt)	**229,521,286**	223,537,229
v) Application money-bonds	**-**	-
vi) Capital instruments		
a) Innovative Perpetual Debt Instruments (IPDI) (qualifying as additional Tier 1 capital)	**101,200,000**	101,200,000
b) Hybrid debt capital instruments issued as bonds/debentures (qualifying as Tier 2 capital)	**-**	-
c) Unsecured redeemable debentures/bonds (subordinated debt included in Tier 2 capital)	**92,707,554**	122,224,946
TOTAL BORROWINGS IN INDIA	**928,632,068**	**1,284,071,551**

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet *(Contd.)*

₹ in '000s

			At 31.03.2021	At 31.03.2020
II.	**Borrowings outside India**			
	i)	Capital instruments		
		Unsecured redeemable debentures/bonds (subordinated debt included in Tier 2 capital)	**5,564,832**	16,635,263
	ii)	Bonds and notes	**186,163,655**	317,155,245
	iii)	Other borrowings	**318,638,838**	520,655,762
TOTAL BORROWINGS OUTSIDE INDIA			**510,367,325**	**854,446,270**
TOTAL BORROWINGS			**1,438,999,393**	**2,138,517,821**

1. *Includes borrowings made by the Bank amounting to ₹ 1,000.0 million (March 31, 2020: ₹ 86,810.0 million) under Liquidity Adjustment Facility (LAF).*
2. *Includes borrowings made by the Bank under repo and refinance.*
3. *Secured borrowings in I and II above amount to ₹ 231,664.8 million (March 31, 2020: ₹ 149,584.2 million) other than the borrowings under collateralised borrowing and lending obligation, market repurchase transactions (including tri-party repo) with banks and financial institutions and transactions under liquidity adjustment facility and marginal standing facility.*

₹ in '000s

		At 31.03.2021	At 31.03.2020
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS			
I.	Bills payable	**128,480,835**	57,142,223
II.	Inter-office adjustments (net)	**3,262,618**	7,439,584
III.	Interest accrued	**24,830,180**	30,710,476
IV.	Sundry creditors	**368,178,007**	350,493,422
V.	General provision for standard assets (refer note 18.6)[1]	**114,792,593**	66,235,813
VI.	Others (including provisions)[2]	**356,619,829**	362,127,597
TOTAL OTHER LIABILITIES AND PROVISIONS		**996,164,062**	**874,149,115**

1. *Includes COVID-19 related provision of the Bank amounting to ₹ 74,750.0 million (March 31, 2020: ₹ 27,250.0 million).*
2. *Includes specific provision for standard loans made by the Bank.*

₹ in '000s

		At 31.03.2021	At 31.03.2020
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA			
I.	Cash in hand (including foreign currency notes)	**71,416,989**	99,698,231
II.	Balances with Reserve Bank of India in current accounts	**391,605,060**	253,421,110
TOTAL CASH AND BALANCES WITH RESERVE BANK OF INDIA		**463,022,049**	**353,119,341**

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
i) Balances with banks		
a) In current accounts	**2,921,504**	3,641,937
b) In other deposit accounts	**41,875,163**	33,350,096
ii) Money at call and short notice		
a) With banks[1]	**352,190,000**	594,212,800
b) With other institutions[2]	**38,968,857**	81,925,266
TOTAL	**435,955,524**	**713,130,099**
II. Outside India		
i) In current accounts	**318,835,630**	139,090,607
ii) In other deposit accounts	**199,063,472**	25,420,683
iii) Money at call and short notice	**58,828,627**	47,768,487
TOTAL	**576,727,729**	**212,279,777**
TOTAL BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	**1,012,683,253**	**925,409,876**

1. *Includes lending by the Bank under Liquidity Adjustment Facility (LAF).*
2. *Includes lending by the Bank under reverse repo.*

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 8 - INVESTMENTS		
I. Investments in India [net of provisions]		
i) Government securities	**2,847,433,181**	2,426,824,439
ii) Other approved securities	**-**	-
iii) Shares (includes equity and preference shares)[1]	**181,089,061**	140,980,322
iv) Debentures and bonds	**503,180,423**	390,872,056
v) Assets held to cover linked liabilities of life insurance business	**1,385,491,431**	970,849,767
vi) Others (commercial paper, mutual fund units, pass through certificates, security receipts, certificate of deposits and other related investments)	**200,044,189**	363,865,046
TOTAL INVESTMENTS IN INDIA	**5,117,238,285**	**4,293,391,630**
II. Investments outside India [net of provisions]		
i) Government securities	**193,166,090**	76,815,873
ii) Others (equity shares, bonds and certificate of deposits)	**55,381,790**	64,518,795
TOTAL INVESTMENTS OUTSIDE INDIA	**248,547,880**	**141,334,668**
TOTAL INVESTMENTS	**5,365,786,165**	**4,434,726,298**

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet *(Contd.)*

₹ in '000s

		At 31.03.2021	At 31.03.2020
A.	**Investments in India**		
	Gross value of investments[2]	**5,126,563,887**	4,364,490,309
	Less: Aggregate of provision/depreciation/(appreciation)	**9,325,602**	71,098,679
	Net investments	**5,117,238,285**	**4,293,391,630**
B.	**Investments outside India**		
	Gross value of investments	**249,941,929**	145,190,661
	Less: Aggregate of provision/depreciation/(appreciation)	**1,394,049**	3,855,993
	Net investments	**248,547,880**	**141,334,668**
TOTAL INVESTMENTS		**5,365,786,165**	**4,434,726,298**

1. Includes cost of investment in associates amounting to ₹ 6,725.9 million (March 31, 2020: ₹ 6,975.4 million) and goodwill on consolidation of associates amounting to ₹ 163.1 million (March 31, 2020: ₹ 163.1 million).

2. Includes net appreciation amounting to ₹ 219,153.1 million (March 31, 2020: net depreciation amounting to ₹ 109,396.5 million) on investments held to cover linked liabilities of life insurance business.

₹ in '000s

					At 31.03.2021	At 31.03.2020
SCHEDULE 9 - ADVANCES [net of provisions]						
A.	i)	Bills purchased and discounted[1]			**342,046,090**	452,367,010
	ii)	Cash credits, overdrafts and loans repayable on demand			**1,877,224,405**	1,569,192,857
	iii)	Term loans			**5,698,743,423**	5,040,901,255
TOTAL ADVANCES					**7,918,013,918**	**7,062,461,122**
B.	i)	Secured by tangible assets (includes advances against book debts)			**5,823,869,908**	5,191,797,182
	ii)	Covered by bank/government guarantees			**112,777,379**	102,027,895
	iii)	Unsecured			**1,981,366,631**	1,768,636,045
TOTAL ADVANCES					**7,918,013,918**	**7,062,461,122**
C.	**I.**	**Advances in India**				
		i)	Priority sector		**2,031,797,475**	1,909,009,874
		ii)	Public sector		**451,897,529**	159,541,485
		iii)	Banks		**264,743**	4,468,311
		iv)	Others		**4,646,071,474**	3,983,772,642
TOTAL ADVANCES IN INDIA					**7,130,031,221**	**6,056,792,312**
	II.	**Advances outside India**				
		i)	Due from banks		**9,923,766**	7,567,003
		ii)	Due from others			
			a)	Bills purchased and discounted	**78,351,968**	169,229,147
			b)	Syndicated and term loans	**347,539,208**	572,197,077
			c)	Others	**352,167,755**	256,675,583
TOTAL ADVANCES OUTSIDE INDIA					**787,982,697**	**1,005,668,810**
TOTAL ADVANCES					**7,918,013,918**	**7,062,461,122**

1. Net of bills re-discounted amounting to Nil (March 31, 2020: Nil).

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2021	At 31.03.2020
SCHEDULE 10 - FIXED ASSETS		
I. Premises		
Gross block		
At cost at March 31 of preceding year	**94,289,893**	91,641,299
Additions during the year[1]	**1,891,104**	3,406,276
Deductions during the year	**(398,916)**	(757,682)
Closing balance	**95,782,081**	**94,289,893**
Depreciation		
At March 31 of preceding year	**19,790,481**	18,131,632
Charge during the year[2]	**2,347,909**	2,267,498
Deductions during the year	**(283,419)**	(608,649)
Total depreciation	**21,854,971**	**19,790,481**
Net block	**73,927,110**	**74,499,412**
II. Other fixed assets (including furniture and fixtures)		
Gross block		
At cost at March 31 of preceding year	**85,814,990**	72,962,862
Additions during the year	**15,086,502**	15,799,750
Deductions during the year	**(3,764,001)**	(2,947,622)
Closing balance	**97,137,491**	**85,814,990**
Depreciation		
At March 31 of preceding year	**58,967,593**	52,282,900
Charge during the year	**10,918,958**	9,430,440
Deductions during the year	**(3,627,482)**	(2,745,747)
Total depreciation	**66,259,069**	**58,967,593**
Net block	**30,878,422**	26,847,397
III. Lease assets		
Gross block		
At cost at March 31 of preceding year	**17,054,049**	16,714,629
Additions during the year	**681,172**	339,420
Deductions during the year	**-**	-
Closing balance[3]	**17,735,221**	**17,054,049**
Depreciation		
At March 31 of preceding year	**14,314,282**	14,300,031
Charge during the year	**133,890**	14,238
Deductions during the year	**-**	-
Total depreciation, accumulated lease adjustment and provisions	**14,448,172**	**14,314,282**
Net block	**3,287,049**	**2,739,767**
TOTAL FIXED ASSETS	**108,092,581**	**104,086,576**

1. *Includes revaluation gain amounting to ₹ 499.6 million (March 31, 2020: ₹ 1,430.7 million) on account of revaluation carried out by the Bank and its housing finance subsidiary.*
2. *Includes depreciation charge on account of revaluation of ₹ 680.3 million for the year ended March 31, 2021 (year ended March 31, 2020: ₹ 654.9 million)*
3. *Includes assets taken on lease by the Bank amounting to ₹ 1,020.6 million (March 31, 2020: ₹ 339.4 million).*

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet *(Contd.)*

₹ in '000s

		At 31.03.2021	At 31.03.2020
SCHEDULE 11 - OTHER ASSETS			
I.	Inter-office adjustments (net)	**-**	-
II.	Interest accrued	**110,626,009**	111,769,955
III.	Tax paid in advance/tax deducted at source (net)	**50,249,503**	73,879,871
IV.	Stationery and stamps	**178,896**	40,686
V.	Non-banking assets acquired in satisfaction of claims[1,2]	**-**	-
VI.	Advance for capital assets	**3,426,107**	3,393,922
VII.	Deposits	**28,023,381**	31,384,252
VIII.	Deferred tax asset (net) (refer note 18.9)	**93,350,216**	88,070,295
IX.	Deposits in Rural Infrastructure and Development Fund	**311,777,207**	287,570,782
X.	Others[3]	**272,893,161**	297,009,347
TOTAL OTHER ASSETS		**870,524,480**	**893,119,110**

1. *During the year ended March 31, 2021 the Bank has not acquired any assets (year ended March 31, 2020: Nil) in satisfaction of claims under debt-asset swap transactions. Assets amounting to ₹ 942.4 million were sold by the Bank during the year ended March 31, 2021 (year ended March 31, 2020: ₹ 1,317.4 million).*
2. *Net of provision held by the Bank amounting to ₹ 29,575.4 million (March 31, 2020: ₹ 30,517.8 million).*
3. *Includes goodwill on consolidation amounting to ₹ 1,076.7 million (March 31, 2020: ₹ 1,097.0 million).*

₹ in '000s

		At 31.03.2021	At 31.03.2020
SCHEDULE 12 - CONTINGENT LIABILITIES			
I.	Claims against the Group not acknowledged as debts	**88,166,723**	73,590,691
II.	Liability for partly paid investments	**10,625,388**	4,519,980
III.	Liability on account of outstanding forward exchange contracts[1]	**8,303,455,988**	7,598,623,656
IV.	Guarantees given on behalf of constituents		
	a) In India	**811,429,157**	872,909,267
	b) Outside India	**182,653,703**	223,256,667
V.	Acceptances, endorsements and other obligations	**321,874,588**	346,874,154
VI.	Currency swaps[1]	**485,717,363**	513,321,692
VII.	Interest rate swaps, currency options and interest rate futures[1]	**19,976,356,000**	20,305,084,769
VIII.	Other items for which the Group is contingently liable	**33,163,378**	92,354,448
TOTAL CONTINGENT LIABILITIES		**30,213,442,288**	**30,030,535,324**

1. *Represents notional amount.*

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED
SCHEDULES
forming part of the Consolidated Profit and Loss Account

₹ in '000s

		Year ended 31.03.2021	Year ended 31.03.2020
SCHEDULE 13 - INTEREST EARNED			
I.	Interest/discount on advances/bills	**602,616,872**	609,283,070
II.	Income on investments	**232,642,538**	209,712,041
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	**18,817,238**	9,074,114
IV.	Others[1,2]	**37,549,990**	20,288,505
TOTAL INTEREST EARNED		**891,626,638**	**848,357,730**

1. Includes interest on income tax refunds amounting to ₹ 2,569.7 million (March 31, 2020: ₹ 2,998.6 million).
2. Includes interest and amortisation of premium on non-trading interest rate swaps and foreign currency swaps.

₹ in '000s

		Year ended 31.03.2021	Year ended 31.03.2020
SCHEDULE 14 - OTHER INCOME			
I.	Commission, exchange and brokerage	**142,070,287**	141,948,800
II.	Profit/(loss) on sale of investments (net)[1]	**81,257,186**	36,883,852
III.	Profit/(loss) on revaluation of investments (net)	**(1,433,237)**	(4,507,654)
IV.	Profit/(loss) on sale of land, buildings and other assets (net)[2]	**(63,424)**	1,450
V.	Profit/(loss) on exchange/derivative transactions (net)	**19,721,169**	16,898,500
VI.	Premium and other operating income from insurance business	**479,230,586**	455,011,126
VII.	Miscellaneous income (including lease income)[3]	**955,571**	3,267,227
TOTAL OTHER INCOME		**721,738,138**	**649,503,301**

1. For the year ended March 31, 2021 includes gain on sale of a part of equity investment in the subsidiaries, ICICI Lombard General Insurance Company Limited, ICICI Prudential Life Insurance Company Limited and ICICI Securities Limited.
2. Includes profit/(loss) on sale of assets given on lease.
3. Includes share of profit/(loss) from associates of ₹ 1,442.9 million (March 31, 2020: ₹ 1,752.2 million).

₹ in '000s

		Year ended 31.03.2021	Year ended 31.03.2020
SCHEDULE 15 - INTEREST EXPENDED			
I.	Interest on deposits	**337,196,585**	332,242,790
II.	Interest on Reserve Bank of India/inter-bank borrowings	**12,001,131**	21,664,948
III.	Others (including interest on borrowings of erstwhile ICICI Limited)	**77,393,158**	92,747,484
TOTAL INTEREST EXPENDED		**426,590,874**	**446,655,222**

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Profit and Loss Account *(Contd.)*

₹ in '000s

		Year ended 31.03.2021	Year ended 31.03.2020
SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for employees	**110,509,051**	111,567,453
II.	Rent, taxes and lighting[1]	**13,829,516**	15,505,773
III.	Printing and stationery	**2,067,614**	2,659,297
IV.	Advertisement and publicity	**29,981,392**	27,773,081
V.	Depreciation on property	**13,266,867**	11,697,938
VI.	Depreciation (including lease equalisation) on leased assets	**133,877**	14,238
VII.	Directors' fees, allowances and expenses	**125,453**	128,167
VIII.	Auditors' fees and expenses	**295,992**	286,115
IX.	Law charges	**2,076,875**	1,881,787
X.	Postages, courier, telephones, etc.	**5,884,269**	6,079,798
XI.	Repairs and maintenance	**21,785,244**	20,160,035
XII.	Insurance	**9,893,192**	7,172,033
XIII.	Direct marketing agency expenses	**18,938,669**	19,656,229
XIV.	Claims and benefits paid pertaining to insurance business	**98,926,518**	88,931,563
XV.	Other expenses pertaining to insurance business[2]	**371,586,730**	336,654,949
XVI.	Other expenditure	**63,415,437**	65,010,532
TOTAL OPERATING EXPENSES		**762,716,696**	**715,178,988**

1. *Includes lease expense amounting to ₹ 11,087.3 million (March 31, 2020: ₹ 12,286.1 million).*
2. *Includes commission expenses and reserves for actuarial liabilities (including the investible portion of the premium on the unit-linked policies).*

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Accounts

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

Overview

ICICI Bank Limited, together with its subsidiaries, joint ventures and associates (collectively, the Group), is a diversified financial services group providing a wide range of banking and financial services including commercial banking, retail banking, project and corporate finance, working capital finance, insurance, venture capital and private equity, investment banking, broking and treasury products and services.

ICICI Bank Limited (the Bank), incorporated in Vadodara, India is a publicly held banking company governed by the Banking Regulation Act, 1949.

Principles of consolidation

The consolidated financial statements include the financials of ICICI Bank, its subsidiaries, associates and joint ventures.

Entities, in which the Bank holds, directly or indirectly, through subsidiaries and other consolidating entities, more than 50.00% of the voting rights or where it exercises control, over the composition of board of directors/governing body, are fully consolidated on a line-by-line basis in accordance with the provisions of AS 21 on 'Consolidated Financial Statements'. Investments in entities where the Bank has the ability to exercise significant influence are accounted for under the equity method of accounting and the pro-rata share of their profit/(loss) is included in the consolidated profit and loss account. Assets, liabilities, income and expenditure of jointly controlled entities are consolidated using the proportionate consolidation method. Under this method, the Bank's share of each of the assets, liabilities, income and expenses of the jointly controlled entity is reported in separate line items in the consolidated financial statements. The Bank does not consolidate entities where the significant influence/control is intended to be temporary or entities which operate under severe long-term restrictions that impair their ability to transfer funds to parent/investing entity. All significant inter-company accounts and transactions are eliminated on consolidation.

Basis of preparation

The accounting and reporting policies of the Group used in the preparation of the consolidated financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), National Housing Bank (NHB) from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable to relevant companies and practices generally prevalent in the banking industry in India. In the case of the foreign subsidiaries, Generally Accepted Accounting Principles as applicable to the respective foreign subsidiaries are followed. The Group follows the accrual method of accounting except where otherwise stated, and the historical cost convention. In case the accounting policies followed by a subsidiary or joint venture are different from those followed by the Bank, the same have been disclosed in the respective accounting policy.

The preparation of consolidated financial statements requires management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the consolidated financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could differ from these estimates. The impact of any revision in these estimates is recognised prospectively from the period of change.

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Accounts *(Contd.)*

The consolidated financial statements include the results of the following entities in addition to the Bank.

Sr. No.	Name of the entity	Country of incorporation	Nature of relationship	Nature of business	Ownership interest
1.	ICICI Bank UK PLC	United Kingdom	Subsidiary	Banking	100.00%
2.	ICICI Bank Canada	Canada	Subsidiary	Banking	100.00%
3.	ICICI Securities Limited	India	Subsidiary	Securities broking and merchant banking	75.00%
4.	ICICI Securities Holdings Inc.[1]	USA	Subsidiary	Holding company	100.00%
5.	ICICI Securities Inc.[1]	USA	Subsidiary	Securities broking	100.00%
6.	ICICI Securities Primary Dealership Limited	India	Subsidiary	Securities investment, trading and underwriting	100.00%
7.	ICICI Venture Funds Management Company Limited	India	Subsidiary	Private equity/venture capital fund management	100.00%
8.	ICICI Home Finance Company Limited	India	Subsidiary	Housing finance	100.00%
9.	ICICI Trusteeship Services Limited	India	Subsidiary	Trusteeship services	100.00%
10.	ICICI Investment Management Company Limited	India	Subsidiary	Asset management and Investment advisory	100.00%
11.	ICICI International Limited	Mauritius	Subsidiary	Asset management	100.00%
12.	ICICI Prudential Pension Funds Management Company Limited[2]	India	Subsidiary	Pension fund management and Points of Presence	100.00%
13.	ICICI Prudential Life Insurance Company Limited	India	Subsidiary	Life insurance	51.37%
14.	ICICI Lombard General Insurance Company Limited	India	Subsidiary	General insurance	51.88%
15.	ICICI Prudential Asset Management Company Limited	India	Subsidiary	Asset management	51.00%
16.	ICICI Prudential Trust Limited	India	Subsidiary	Trusteeship services	50.80%
17.	ICICI Strategic Investments Fund	India	Consolidated as per AS 21	Venture capital fund	100.00%
18.	I-Process Services (India) Private Limited[3]	India	Associate	Services related to back end operations	19.00%
19.	NIIT Institute of Finance Banking and Insurance Training Limited[3]	India	Associate	Education and training in banking, finance and insurance	18.79%
20.	ICICI Merchant Services Private Limited3	India	Associate	Merchant acquiring and servicing	19.01%
21.	India Infradebt Limited[3]	India	Associate	Infrastructure finance	42.33%
22.	India Advantage Fund-III[3]	India	Associate	Venture capital fund	24.10%
23.	India Advantage Fund-IV[3]	India	Associate	Venture capital fund	47.14%
24.	Arteria Technologies Private Limited[3]	India	Associate	Software company	19.98%

1. *ICICI Securities Holding Inc. is a wholly owned subsidiary of ICICI Securities Limited. ICICI Securities Inc. is a wholly owned subsidiary of ICICI Securities Holding Inc.*
2. *ICICI Prudential Pension Funds Management Company Limited is a wholly owned subsidiary of ICICI Prudential Life Insurance Company Limited.*
3. *These entities have been accounted as per the equity method as prescribed by AS 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements'.*

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Accounts *(Contd.)*

Comm Trade Services Limited has not been consolidated under AS 21, since the investment is temporary in nature. Falcon Tyres Limited, in which the Bank holds 26.39% equity shares has not been accounted as per equity method under AS 23, since the investment is temporary in nature.

SIGNIFICANT ACCOUNTING POLICIES

1. Translation of foreign currency items

The consolidated financial statements of the Group are reported in Indian rupees (₹), the national currency of India. Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Income and expenditure items of integral foreign operations (representative offices) are translated at daily closing rates, and income and expenditure items of non-integral foreign operations (foreign branches, offshore banking units, foreign subsidiaries) are translated at quarterly average closing rates.

Monetary foreign currency assets and liabilities of domestic and integral foreign operations are translated at closing exchange rates notified by Foreign Exchange Dealers' Association of India (FEDAI) relevant to the balance sheet date and the resulting gains/losses are recognised in the profit and loss account.

Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at relevant closing exchange rates notified by FEDAI at the balance sheet date and the resulting gains/losses from exchange differences are accumulated in the foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operations. Pursuant to RBI guideline, the Bank does not recognise the cumulative/proportionate amount of such exchange differences as income or expenses, which relate to repatriation of accumulated retained earnings from overseas operations.

Contingent liabilities on account of guarantees, endorsements and other obligations denominated in foreign currencies are disclosed at the closing exchange rates notified by FEDAI relevant to the balance sheet date.

2. Revenue recognition

a) Interest income is recognised in the profit and loss account as it accrues, including for cases where moratorium has been extended for payments of principal and/or interest as per RBI guideline dated March 27, 2020, except in the case of non-performing assets (NPAs) where it is recognised upon realisation, as per the income recognition and asset classification norms of RBI/NHB/other applicable guidelines.

b) Income on discounted instruments is recognised over the tenure of the instrument.

c) Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

d) Loan processing fee is accounted for upfront when it becomes due except in the case of foreign banking subsidiaries, where it is amortised over the period of the loan.

e) Project appraisal/structuring fee is accounted for on the completion of the agreed service.

f) Arranger fee is accounted for as income when a significant portion of the arrangement is completed and right to receive is established.

g) Commission received on guarantees and letters of credit issued is amortised on a straight-line basis over the period of the guarantee/letters of credit.

h) Fund management and portfolio management fees are recognised on an accrual basis.

i) The annual/renewal fee on credit cards and debit cards are amortised on a straight line basis over one year.

j) All other fees are accounted for as and when they become due where the Group is reasonably certain of ultimate collection.

k) Fees paid/received for priority sector lending certificates (PSLC) is amortised on straight- line basis over the period of the certificate.

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l) Income from securities brokerage activities is recognised as income on the trade date of the transaction. Brokerage income in relation to public or other issuances of securities is recognised based on mobilisation and terms of agreement with the client.

m) Life insurance premium for non-linked policies is recognised as income when due from policyholders. For unit linked business, premium is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are reinstated. Top-up premiums paid by unit linked policyholders' are considered as single premium and recognised as income when the associated units are created. Income from unit linked policies, which includes fund management charges, policy administration charges, mortality charges and other charges, if any, are recovered from the linked funds in accordance with the terms and conditions of the policy and are recognised when due.

n) In case of general insurance business, premium including reinsurance accepted (net of Goods & Services Tax) other than for long-term (with term more than one year) motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018 is recorded on receipt of complete information, for the policy period at the commencement of risk. For crop insurance, the premium is accounted based on management estimates that are progressively actualised on receipt of information. For installment cases, premium is recorded on installment due dates. Reinstatement premium is recorded as and when such premiums are recovered. Premium earned including reinstatement premium and re-insurance accepted is recognised as income over the period of risk or the contract period based on 1/365 method, whichever is appropriate on a gross basis other than instalment premiums received for group health policies, wherein the instalment premiums are recognised over the balance policy period. Any subsequent revisions to premium as and when they occur are recognised over the remaining period of risk or contract period, as applicable.

In case of long-term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018, premium received (net of Goods & Services Tax) for third party liability coverage is recognised equally over the policy period at the commencement of risk on 1/n basis where 'n' denotes the term of the policy in years and premium received for own damage coverage is recognised in accordance with movement of Insured Declared Value (IDV) over the period of risk, on receipt of complete information. Reinstatement premium is recorded as and when such premiums are recovered. Premium allocated for the year is recognised as income earned based on 1/365 method, on a gross basis. Reinstatement premium is allocated on the same basis as the original premium over the balance term of the policy. Any subsequent revisions to premium as and when they occur are recognised on the same basis as the original premium over the balance term of the policy. Adjustments to premium income arising on cancellation of policies are recognised in the period in which the policies are cancelled. Adjustments to premium income for corrections to area covered under crop insurance are recognised in the period in which the information is confirmed by the concerned government/nodal agency. Commission on reinsurance ceded is recognised as income in the period of ceding the risk. Profit commission under reinsurance treaties, wherever applicable, is recognised as income in the year of final determination of profits as confirmed by reinsurers and combined with commission on reinsurance ceded. Sliding scale commission under reinsurance treaties, wherever applicable, is determined at every balance sheet date as per terms of the respective treaties. Any reduction in the previously accrued commission is recognized immediately and any additional accrual is recognised on confirmation from reinsurers. Such commission is combined with commission on reinsurance ceded.

o) In case of life insurance business, reinsurance premium ceded/accepted is accounted in accordance with the terms of the relevant treaties/arrangements with the reinsurer/insurer. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

p) In case of general insurance business, insurance premium on ceding of the risk other than for long-term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018 is recognised simultaneously along with the insurance premium in accordance with reinsurance arrangements with the reinsurers. In case of long-term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018, reinsurance premium is recognised on the insurance premium allocated for the

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year simultaneously along with the recognition of the insurance premium in accordance with the reinsurance arrangements with the reinsurers. Any subsequent revision to premium ceded is recognised in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the period in which the policies are cancelled. Adjustments to reinsurance premium for corrections to area covered under crop insurance are recognised simultaneously along with related premium income.

q) In the case of general insurance business, premium deficiency is recognised when the sum of expected claim costs and related expenses and maintenance costs exceed the reserve for unexpired risks and is computed at a segmental revenue account level. The premium deficiency is calculated and duly certified by the Appointed Actuary.

3. Stock based compensation

The following entities within the group have granted stock options to their employees:

- ICICI Bank Limited
- ICICI Prudential Life Insurance Company Limited
- ICICI Lombard General Insurance Company Limited
- ICICI Securities Limited

The Employees Stock Option Scheme (the Scheme) of the Bank provides for grant of options on the Bank's equity shares to wholetime directors and employees of the Bank and its subsidiaries. The options granted vest in a graded manner and may be exercised within a specified period. ICICI Prudential Life Insurance Company, ICICI Lombard General Insurance Company and ICICI Securities Limited have also formulated similar stock option schemes for their employees for grant of equity shares of their respective companies.

The Group, except the overseas banking subsidiaries, follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date and amortised over the vesting period. The fair market price is the closing price on the stock exchange with the highest trading volume of the underlying shares of the Bank, ICICI Prudential Life Insurance Company, ICICI Lombard General Insurance Company and ICICI Securities Limited, immediately prior to the grant date. The banking subsidiaries namely, ICICI Bank UK and ICICI Bank Canada account for the cost of the options granted to employees by ICICI Bank using the fair value method based on binomial tree model.

4. Income taxes

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Group. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on Income respectively. Deferred tax adjustments comprise changes in the deferred tax assets or liabilities during the year and change in tax rate.

Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The impact of changes in the deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon the management's judgement as to whether their realisation is considered as reasonably certain. However, in case of domestic companies, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

In the consolidated financial statements, deferred tax assets and liabilities are computed at an individual entity level and aggregated for consolidated reporting.

Minimum Alternate Tax (MAT) credit is recognised as an asset to the extent there is convincing evidence that the Group will pay normal income tax during specified period, i.e., the period for which MAT credit is allowed to be carried forward as per prevailing provisions of the Income Tax Act 1961. In accordance with the recommendation contained in the guidance note issued by ICAI, MAT credit is to be recognised as an asset in the year in which it becomes eligible for set off against normal income tax. The Group reviews MAT credit entitlements at each balance sheet date and writes down the carrying amount to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

5. Claims and benefits paid

In the case of general insurance business, claims incurred comprise claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER). Further, claims incurred also include specific claim settlement costs such as survey/legal fees and other directly attributable costs. Claims (net of amounts receivable from re-insurers/co-insurers) are recognised on the date of intimation based on internal management estimates or on estimates from surveyors/insured in the respective revenue account. Estimated liability for outstanding claims at the balance sheet date is recorded net of claims recoverable from/payable to co-insurers/re-insurers and salvage to the extent there is certainty of realisation and includes provision for solatium fund. Salvaged stock is recognised at estimated net realisable value based on independent valuer's report. Estimated liability for outstanding claim is determined by the management on the basis of ultimate amounts likely to be paid on each claim based on the past experienceand in cases where claim payment period exceeds four years based on actuarial valuation. These estimates are progressively revalidated on availability of further information. Claims IBNR represent that amount of claims that may have been incurred during the accounting period but have not been reported or claimed. The claims IBNR provision also includes provision, if any, required for claims that have been incurred but are not enough reported (IBNER). The provision for claims IBNR/claims IBNER is based on an actuarial estimate duly certified by the Appointed/Panel Actuary of the entity. The actuarial estimate is derived in accordance with relevant IRDAI regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India.

In the case of life insurance business, benefits paid comprise policy benefits and claim settlement costs, if any. Death and rider claims are accounted for on receipt of intimation. Survival and maturity benefits are accounted when due. Withdrawals and surrenders under non linked policies are accounted on the receipt of intimation. Claim settlement cost, legal and other fees should also form part of claim cost wherever applicable. Reinsurance claims receivable are accounted for in the period in which the claim is intimated. Repudiated claims and other claims disputed before the judicial authorities are provided for on prudent basis as considered appropriate by the management.

6. Liability for life policies in force

In the case of life insurance business, the liabilities for life policies in force are calculated in accordance with accepted actuarial practice, requirements of Insurance Act, 1938 (amended by Insurance Laws (Amendment) Act, 2015) and regulations notified by the Insurance Regulatory and Development Authority of India and Actuarial Practice Standards of the Institute of Actuaries of India.

7. Reserve for unexpired risk

Reserve for unexpired risk is recognised net of re-insurance ceded and represents premium written that is attributable to, and is to be allocated to succeeding accounting periods. For fire, marine, cargo and miscellaneous business it is calculated on a daily pro-rata basis, except in the case of marine hull business which is computed at 100.00% of net premium written on all unexpired policies at balance sheet date.

8. Actuarial method and valuation

In the case of life insurance business, the actuarial liability on both participating and non-participating policies is calculated using the gross premium method, using assumptions for interest, mortality, morbidity, expense and inflation, and in the case of participating policies, future bonuses together with allowance for taxation and allocation of profits to shareholders. These assumptions are determined as prudent estimates at the date of valuation with allowances for adverse deviations.

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The liability for the unexpired portion of the risk for the non-unit liabilities of linked business and attached riders is the higher of liability calculated using discounted cash flows and unearned premium reserves.

The unit liability in respect of linked business has been taken as the value of the units standing to the credit of policyholders, using the Net Asset Value (NAV) prevailing at the valuation date.

An unexpired risk reserve and a reserve in respect of claims incurred but not reported are created, for one year renewable group term insurance.

The interest rates used for valuing the liabilities are in the range of 3.13% to 5.56% per annum (previous year – 4.25% to 6.59% per annum).

Mortality rates used are based on the published "Indian Assured Lives Mortality (2012-2014) Ult." mortality table for assurances and LIC 96-98 table for annuities, adjusted to reflect expected experience while morbidity rates used are based on CIBT 93 table, adjusted for expected experience, or on risk rates supplied by reinsurers.

Expenses are provided for at current levels, in respect of renewal expenses, with no allowance for future improvements but with an allowance for any expected worsening. Per policy renewal expenses for regular premium policies are assumed to inflate at 4.22% per annum (previous year – 4.05%).

9. Acquisition costs for insurance business

Acquisition costs are those costs that vary with and are primarily related to the acquisition of insurance contracts and are expensed in the period in which they are incurred except for commission on long term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018. In case of long term motor insurance policies for new cars and new two wheelers sold on or after September 1, 2018 commission is expensed at the applicable rates on the premium allocated for the year.

10. Employee benefits

Gratuity

The Group pays gratuity, a defined benefit plan, to employees who retire or resign after a minimum prescribed period of continuous service and in case of employees at overseas locations as per the rules in force in the respective countries. The Group makes contribution to recognised trusts which administer the funds on their own account or through insurance companies.

Actuarial valuation of the gratuity liability is determined by an actuary appointed by the Group. Actuarial valuation of gratuity liability is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognised in the profit and loss account.

Superannuation Fund and National Pension Scheme

The Bank has a superannuation fund, a defined contribution plan, which is managed and administered by insurance companies. The Bank contributes 15.0% of the total annual basic salary for certain employees to superannuation funds ICICI Prudential Life Insurance Company, ICICI Prudential Asset Management Company, and ICICI Venture Funds Management Company have accrued for superannuation liability based on a percentage of basic salary payable to eligible employees for the period of service.

The Group contributes upto 10.0% of the total basic salary of certain employees to National Pension Scheme (NPS), a defined contribution plan, which is managed and administered by pension fund management companies. The employees are given an option to receive the amount in cash in lieu of such contributions along with their monthly salary during their employment.

The amounts so contributed/paid by the Group to the superannuation fund and NPS or to employees during the year are recognised in the profit and loss account. The Group has no liability towards future benefits under superannuation fund and national pension scheme other than its annual contribution.

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Pension

The Bank provides for pension, a defined benefit plan covering eligible employees of erstwhile Bank of Madura, erstwhile Sangli Bank and erstwhile Bank of Rajasthan. The Bank makes contribution to a trust which administers the funds on its own account or through insurance companies. The plan provides for pension payment including dearness relief on a monthly basis to these employees on their retirement based on the respective employee's years of service with the Bank and applicable salary.

Actuarial valuation of the pension liability is determined by an actuary appointed by the Bank. Actuarial valuation of pension liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method.

The actuarial gains or losses arising during the year are recognised in the profit and loss account.

Employees covered by the pension plan are not eligible for employer's contribution under the provident fund plan.

Provident fund

The Group is statutorily required to maintain a provident fund, a defined benefit plan, as a part of retirement benefits to its employees. Each employee contributes a certain percentage of his or her basic salary and the Group contributes an equal amount for eligible employees. The Group makes contribution as required by The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to Employees' Pension Scheme administered by the Regional Provident Fund Commissioner and the balance contributions are transferred to funds administered by trustees. The funds are invested according to the rules prescribed by the Government of India. The Group recognises such contribution as an expense in the year in which it is incurred.

Interest payable on provident fund should not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. Actuarial valuation for the interest obligation on the provident fund balances is determined by an actuary appointed by the Group.

The actuarial gains or losses arising during the year are recognised in the profit and loss account.

The overseas branches of the Bank and its eligible employees contribute a certain percentage of their salary towards respective government schemes as per local regulatory guidelines. The contribution made by the overseas branches is recognised in profit and loss account at the time of contribution.

Compensated absences

The Group provides for compensated absences based on actuarial valuation conducted by an independent actuary.

11. Provisions, contingent liabilities and contingent assets

The Group estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available upto the date on which the consolidated financial statements are prepared. A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates of amounts required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made in the consolidated financial statements. In case of remote possibility, neither provision nor disclosure is made in the consolidated financial statements. The Group does not account for or disclose contingent assets, if any.

The Bank estimates the probability of redemption of customer loyalty reward points using an actuarial method by employing an independent actuary and accordingly makes provision for these reward points. Actuarial valuation is determined based on certain assumptions regarding mortality rate, discount rate, cancellation rate and redemption rate.

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12. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

13. Investments

i) Investments of the Bank are accounted for in accordance with the extant RBI guidelines on investment classification and valuation.

a. The Bank follows trade date method of accounting for purchase and sale of investments, except for government of India and state government securities where settlement date method of accounting is followed in accordance with RBI guidelines.

b. All investments are classified into 'Held to Maturity' (HTM), 'Available for Sale' (AFS) and 'Held for Trading' (HFT) on the date of purchase as per the extant RBI guidelines on investment classification and valuation. Reclassifications, if any, in any category are accounted for as per the RBI guidelines. Under each classification, the investments are further categorised as (a) government securities, (b) other approved securities, (c) shares, (d) bonds and debentures and (e) others.

c. Investments that are held principally for resale within 90 days from the date of purchase are classified as HFT securities. Investments which the Bank intends to hold till maturity are classified as HTM securities. Investments which are not classified in either of the above categories are classified under AFS securities.

d. Costs including brokerage and commission pertaining to investments paid at the time of acquisition and broken period interest (the amount of interest from the previous interest payment date till the date of purchase of instruments) on debt instruments are charged to the profit and loss account.

e. Securities are valued scrip-wise. Depreciation/appreciation on securities, other than those acquired by way of conversion of outstanding loans, is aggregated for each category. Net appreciation in each category under each investment classification, if any, being unrealised, is ignored, while net depreciation is provided for. The depreciation on securities acquired by way of conversion of outstanding loans is fully provided for. Non-performing investments are identified based on the RBI guidelines.

f. HTM securities are carried at their acquisition cost or at amortised cost, if acquired at a premium over the face value. Any premium over the face value of fixed rate and floating rate securities acquired is amortised over the remaining period to maturity on a constant yield basis and straight line basis respectively.

g. AFS and HFT securities are valued periodically as per RBI guidelines. Any premium over the face value of fixed rate and floating rate investments in government securities, classified as AFS, is amortised over the remaining period to maturity on constant yield basis and straight line basis respectively. Quoted investments are valued based on the closing quotes on the recognised stock exchanges or prices declared by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivatives Association (FIMMDA)/Financial Benchmark India Private Limited (FBIL), periodically.

h. The market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio (SLR) securities included in the 'AFS' and 'HFT' categories is as per the rates published by FIMMDA/FBIL. The valuation of other unquoted fixed income securities, including Pass Through Certificates, wherever linked to the Yield-to-Maturity (YTM) rates, is computed with a mark-up (reflecting associated credit risk) over the YTM rates for government securities published by FIMMDA. The sovereign foreign securities and non-INR India linked bonds are valued on the basis of prices published by the sovereign regulator or counterparty quotes.

i. Treasury bills, commercial papers and certificate of deposits being discounted instruments, are valued at carrying cost.

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j. The units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund. Unquoted equity shares are valued at the break-up value, if the latest balance sheet is available, or at ₹1, as per RBI guidelines.

k. At the end of each reporting period, security receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction companies are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting period end. The security receipts which are outstanding and not redeemed as at the end of the resolution period are treated as loss assets and are fully provided for.

l. Gain/loss on sale of investments is recognised in the Profit and Loss Account. Cost of investments is computed based on the First-In-First-Out (FIFO) method. The profit from sale of investment under HTM category, net of taxes and transfer to statutory reserve is transferred to “Capital Reserve” in accordance with the RBI Guidelines.

m. The Bank undertakes short sale transactions in dated central government securities in accordance with RBI guidelines. The short positions are categorised under HFT category and are marked-to-market. The mark-to-market loss is charged to profit and loss account and gain, if any, is ignored as per RBI guidelines.

n. Market repurchase, reverse repurchase and transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as borrowing and lending transactions in accordance with the extant RBI guidelines.

ii) The Bank’s consolidating venture capital fund carries investments at fair values, with unrealised gains and temporary losses on investments recognised as components of investors’ equity and accounted for in the unrealised investment reserve account. The realised gains and losses on investments and units in mutual funds and unrealised gains or losses on revaluation of units in mutual funds are accounted for in the profit and loss account. Provisions are made in respect of accrued income considered doubtful. Such provisions as well as any subsequent recoveries are recorded through the profit and loss account. Subscription to/purchase of investments are accounted at the cost of acquisition inclusive of brokerage, commission and stamp duty.

iii) The Bank’s primary dealership and securities broking subsidiaries classify the securities held with the intention of holding for short-term and trading as stock-in-trade which are valued at lower of cost or market value. The securities classified by primary dealership subsidiary as held-to-maturity, as permitted by RBI, are carried at amortised cost. Appropriate provision is made for other than temporary diminution in the value of investments. Commission earned in respect of securities acquired upon devolvement is reduced from the cost of acquisition.

iv) The Bank’s housing finance subsidiary classifies its investments as current investments and long-term investments. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments, which are carried at the lower of cost and net realisable value. All other investments are classified as long-term investments, which are carried at their acquisition cost or at amortised cost, if acquired at a premium over the face value. Any premium over the face value of the securities acquired is amortised over the remaining period to maturity on a constant yield basis. However, a provision for diminution in value is made to recognise any other than temporary decline in the value of such long-term investments.

v) The Bank’s overseas banking subsidiaries account for unrealised gain/loss, net of tax, on investment in ‘AFS’/ ’Fair Value Through Other Comprehensive Income’ (FVOCI) category directly in their reserves. Further unrealised gain/loss on investment in ‘HFT’/’Fair Value Through Profit and Loss’ (FVTPL) category is accounted directly in the profit and loss account. Investments in ‘HTM’/’amortised cost’ category are carried at amortised cost.

vi) In the case of life and general insurance businesses, investments are made in accordance with the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), the IRDA (Investment) Regulations, 2016, and various other circulars/notifications issued by the IRDAI in this context from time to time.

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In the case of life insurance business, valuation of investments (other than linked business) is done on the following basis:

a. All debt securities and redeemable preference shares are considered as ‘held to maturity’ and accordingly stated at historical cost, subject to amortisation of premium or accretion of discount over the period of maturity/holding on a constant yield basis.

b. Listed equity shares are stated at fair value being the last quoted closing price on the National Stock Exchange (NSE) (or BSE, in case the investments are not listed on NSE).

c. Mutual fund units are valued based on the previous day’s net asset value.

Unrealised gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken to ’Revenue and other reserves’ and ‘Liabilities on policies in force’ in the balance sheet for Shareholders’ fund and Policyholders’ fund respectively for life insurance business.

In the case of general insurance business, valuation of investments is done on the following basis:

a. All debt securities including government securities and non-convertible preference shares are considered as ‘held to maturity’ and accordingly stated at amortised cost determined after amortisation of premium or accretion of discount on a constant yield basis over the holding/maturity period.

b. Listed equities and convertible preference shares at the balance sheet date are stated at fair value, being the last quoted closing price on the NSE and in case these are not listed on NSE, then based on the last quoted closing price on the BSE.

c. Mutual fund investments (other than venture capital fund) are stated at fair value, being the closing net asset value at balance sheet date.

d. Investments other than mentioned above are valued at cost.

   Unrealised gains/losses arising due to changes in the fair value of listed equity shares, convertible preference shares and mutual fund units are taken to ’Revenue and other reserves’ in the balance sheet for general insurance business.

   Insurance subsidiaries assess at each balance sheet date whether there is any indication that any investment may be impaired. If any such indication exists, the carrying value of such investment is reduced to its recoverable amount and the impairment loss is recognised in the revenue(s)/profit and loss account. The previously impaired loss is also reversed on disposal/realisation of securities and results thereon are recognised.

The total proportion of investments for which subsidiaries have applied accounting policies different from the Bank as mentioned above, is approximately 23.59% of the total investments at March 31, 2021.

14. Provisions/write-offs on loans and other credit facilities

i) Loans and other credit facilities of the Bank are accounted for in accordance with the extant RBI guidelines as given below:

   a) The Bank classifies its loans and investments, including at overseas branches and overdues arising from crystallised derivative contracts, into performing and NPAs in accordance with RBI guidelines. Loans and advances held at the overseas branches that are identified as impaired as per host country regulations but which are standard as per the extant RBI guidelines, are classified as NPAs to the extent of amount outstanding in the respective host country. In accordance with the RBI circular dated April 17, 2020, the moratorium granted to certain borrowers is excluded from the determination of number of days past-due/out-of-order status for the purpose of asset classification. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Interest on non-performing advances is transferred to an interest suspense account and not recognised in profit and loss account until received.

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The Bank considers an account as restructured, where for economic or legal reasons relating to the borrower's financial difficulty, the Bank grants concessions to the borrower, that the Bank would not otherwise consider. The moratorium granted to the borrowers based on RBI guidelines is not accounted as restructuring of loan. The RBI guidelines on 'Resolution Framework for COVID-19-related Stress' provide a prudential framework for resolution plan of certain loans. The borrowers where resolution plan was implemented under these guidelines are classified as standard restructured.

In the case of corporate loans and advances, provisions are made for sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and the unsecured portion of doubtful assets are fully provided. For impaired loans and advances held in overseas branches, which are performing as per RBI guidelines, provisions are made as per the host country regulations. For loans and advances held in overseas branches, which are NPAs both as per RBI guidelines and host country guidelines, provisions are made at the higher of the provisions required under RBI regulations and host country regulations. Provisions on homogeneous non-performing retail loans and advances, subject to minimum provisioning requirements of RBI, are made on the basis of the ageing of the loan. The specific provisions on non-performing retail loans and advances held by the Bank are higher than the minimum regulatory requirements.

In respect of non-retail loans reported as fraud to RBI, the entire amount is provided for over a period not exceeding four quarters starting from the quarter in which fraud has been detected. In respect of non-retail loans where there has been delay in reporting the fraud to the RBI or which are classified as loss accounts, the entire amount is provided immediately. In case of fraud in retail accounts, the entire amount is provided immediately. In respect of borrowers classified as non-cooperative borrowers or willful defaulters, the Bank makes accelerated provisions as per RBI guidelines.

The Bank holds specific provisions against non-performing loans and advances, and against certain performing loans and advances in accordance with RBI directions, including RBI direction for provision on accounts referred to the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016.

b) Provision due to diminution in the fair value of restructured/rescheduled loans and advances is made in accordance with the applicable RBI guidelines.

   Non-performing and restructured loans are upgraded to standard as per the extant RBI guidelines or host country regulations, as applicable.

c) In terms of RBI guideline, the NPAs are written-off in accordance with the Bank's policy. Amounts recovered against bad debts written-off are recognised in the profit and loss account.

d) The Bank maintains general provision on performing loans and advances in accordance with the RBI guidelines, including provisions on loans to borrowers having unhedged foreign currency exposure, provisions on loans to specific borrowers in specific stressed sector, provision on exposures to step-down subsidiaries of Indian companies and provision on incremental exposure to borrowers identified as per RBI's large exposure framework. For performing loans and advances in overseas branches, the general provision is made at higher of aggregate provision required as per host country regulations and RBI requirement.

e) In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposures including indirect country risk (other than for home country exposure). The countries are categorised into seven risk categories namely insignificant, low, moderately low, moderate, moderately high, high and very high, and provisioning is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 25%. For exposures with contractual maturity of less than 180 days, provision is required to be held at 25% of the rates applicable to exposures exceeding 180 days. The indirect exposure is reckoned at 50% of the exposure. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is required on such country exposure.

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f) The Bank makes additional provisions as per RBI guidelines for the cases where viable resolution plan has not been implemented within the timelines prescribed by the RBI from the date of default. These additional provisions are written-back on satisfying the conditions for reversal as per RBI guidelines.

g) The Bank has granted moratorium towards the payment of principal and/or interest in case of certain borrowers in accordance with RBI guidelines. Further, the RBI guidelines on Resolution Framework for COVID-19-related Stress provide a prudential framework for resolution plan of certain loans. The Bank makes general provision on such loans at rates equal or higher than requirements stipulated in RBI circular. The Bank also makes additional Covid-19 related provision.

h) The Bank makes floating provision as per the Board approved policy, which is in addition to the specific and general provisions made by the Bank. The floating provision is utilised, with the approval of Board and RBI, in case of contingencies which do not arise in the normal course of business and are exceptional and non-recurring in nature and for making specific provision for impaired loans as per the requirement of extant RBI guidelines or any regulatory guidance/instructions. The floating provision is netted-off from advances.

i) Depreciation/provision on non-performing investments is made based on the RBI guidelines.

ii) In the case of the Bank's housing finance subsidiary, loans and other credit facilities are classified as per the NHB guidelines into performing and non-performing assets. Further, NPAs are classified into sub-standard, doubtful and loss assets based on criteria stipulated by NHB. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of management, increased provisions are necessary.

iii) In the case of the Bank's UK subsidiary, loans are stated net of allowance for credit losses. Loans are classified as impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition on the loan (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the loans that can be reliably estimated. An allowance for impairment losses is maintained at a level that management considers adequate to absorb identified credit related losses as well as losses that have occurred but have not yet been identified.

iv) The Bank's Canadian subsidiary measures impairment loss on all financial assets using expected credit loss (ECL) model based on a three-stage approach. The ECL for financial assets that are not credit-impaired and for which there is no significant increase in credit risk since origination, is computed using 12-month probability of default (PD), and represents the lifetime cash shortfalls that will result if a default occurs in next 12 months. The ECL for financial assets, that are not credit-impaired but have experienced a significant increase in credit risk since origination, is computed using a life time PD, and represents lifetime cash shortfalls that will result if a default occurs during the expected life of financial assets. A financial asset is considered credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. The allowance for credit losses for impaired financial assets is computed based on individual assessment of expected cash flows from such assets.

The total proportion of loans for which subsidiaries have applied accounting policies different from the Bank as mentioned above, is approximately 7.36% of the total loans at March 31, 2021.

15. Transfer and servicing of assets

The Bank transfers commercial and consumer loans through securitisation transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Bank surrenders the rights to benefits specified in the underlying securitised loan contract. Recourse and servicing obligations are accounted for net of provisions.

In accordance with the RBI guidelines for securitisation of standard assets, with effect from February 1, 2006, the profit/premium arising from securitisation is amortised over the life of the securities issued or to be issued by the special purpose vehicle to which the assets are sold. With effect from May 7, 2012, the RBI guidelines require the profit/premium arising from securitisation to be amortised based on the method prescribed in the guidelines. The Bank accounts for any loss arising from securitisation immediately at the time of sale.

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Net income arising from sale of loan assets through direct assignment with recourse obligation is amortised over the life of underlying assets sold and net income from sale of loan assets through direct assignment, without any recourse obligation, is recognised at the time of sale. Net loss arising on account of direct assignment of loan assets is recognised at the time of sale.

In accordance with RBI guidelines, in case of non-performing/special mention account-2 loans sold to securitisation company (SC)/reconstruction company (RC), the Bank reverses the excess provision in profit and loss account in the year in which amounts are received. Any shortfall of sale value over the net book value on sale of such assets is recognised by the Bank in the year in which the loan is sold.

The Canadian subsidiary has entered into securitisation arrangements in respect of its originated and purchased mortgages. ICICI Bank Canada either retains substantially all the risk and rewards or retains control over these mortgages, hence these arrangements do not qualify for de-recognition accounting under their local accounting standards. It continues to recognise the mortgages securitised as "Loans and Advances" and the amounts received through securitisation are recognised as "Other borrowings".

16. Fixed assets

Fixed assets, other than premises of the Bank and its housing finance subsidiary are carried at cost less accumulated depreciation and impairment, if any. In case of the Bank and its housing finance subsidiary, premises are carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Depreciation is charged over the estimated useful life of fixed assets on a straight-line basis. The useful life of the groups of fixed assets for domestic group companies is based on past experience and expectation of usage, which for some categories of fixed assets, is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.

Assets purchased/sold during the year are depreciated on a pro-rata basis for the actual number of days the asset has been capitalised.

In case of the Bank, assets individually costing up to ₹ 5,000/- are depreciated fully in the year of acquisition. Further, profit on sale of premises by the Bank is appropriated to capital reserve, net of transfer to Statutory Reserve and taxes, in accordance with RBI guidelines.

In case of revalued/impaired assets, depreciation is provided over the remaining useful life of the assets with reference to revised asset values. In case of premises, which are carried at revalued amounts, the depreciation on the excess of revalued amount over historical cost is transferred from Revaluation Reserve to General Reserve annually.

Non-banking assets

Non-banking assets (NBAs) acquired in satisfaction of claims are valued at the market value on a distress sale basis or value of loan, whichever is lower. Further, the Bank creates provision on these assets as per the extant RBI guidelines or specific RBI directions.

17. Foreign exchange and derivative contracts

The forward exchange contracts that are not intended for trading and are entered into to establish the amount of reporting currency required or available at the settlement date of a transaction are effectively valued at closing spot rate. The premium or discount arising on inception of such forward exchange contracts is amortised over the life of the contract. All other outstanding forward exchange contracts are revalued based on the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of interim maturities. The contracts of longer maturities where exchange rates are not notified by FEDAI are revalued based on the forward exchange rates implied by the swap curves in respective currencies. The resultant gains or losses are recognised in the profit and loss account.

The swap contracts entered to hedge on-balance sheet assets and liabilities are structured such that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of underlying assets and liabilities and accounted pursuant to the principles of hedge accounting. The Group identifies the hedged item (asset or liability) at the inception of the transaction itself. Hedge effectiveness is ascertained at the time of the inception of the hedge and periodically thereafter. Hedge swaps are accounted for on an accrual basis and are not marked to market unless their underlying transaction is marked to market, except in the case of the Bank's overseas banking subsidiaries. Gains or losses arising from hedge ineffectiveness, if any, are recognised in the Profit and Loss Account. Based on RBI circular issued on June 26, 2019, the accounting of hedge relationships established after June 26, 2019 is in accordance with the Guidance note on Accounting for Derivative Contracts issued by ICAI. In overseas subsidiaries, in case of fair value hedge, the hedging transactions and the hedged items (for the risks being hedged) are measured at fair value with changes recognised in the profit and loss account and in case of cash flow hedges, changes in the fair value of effective portion of the cash flow hedge are taken to 'Revenue and other reserves' and ineffective portion, if any, are recognised in the profit and loss account.

The derivative contracts entered into for trading purposes are marked to market and the resulting gain or loss is accounted for in the profit and loss account. Pursuant to RBI guidelines, any receivables under derivative contracts which remain overdue for more than 90 days and mark-to-market gains on other derivative contracts with the same counter-parties are reversed through the profit and loss account.

18. Impairment of assets

The immovable fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset is treated as impaired when its carrying amount exceeds its recoverable amount. The impairment is recognised by debiting the profit and loss account and is measured as the amount by which the carrying amount of the impaired assets exceeds their recoverable value. The Bank and its housing finance subsidiary follows revaluation model of accounting for its premises and the recoverable amount of the revalued assets is considered to be close to its revalued amount. Accordingly, separate assessment for impairment of premises is not required.

For assets other than premises, the Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the profit and loss account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

19. Lease transactions

Lease payments including cost escalations for assets taken on operating lease are recognised as an expense in the profit and loss account over the lease term on straight line basis. The leases of property, plant and equipment, where substantially all of the risks and rewards of ownership are transferred to the Bank are classified as finance lease. Minimum lease payments under finance lease are apportioned between the finance costs and outstanding liability.

20. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares issued by the group outstanding during the year, except where the results are anti-dilutive.

21. Bullion transaction

The Bank deals in bullion business on a consignment basis. The bullion is priced to the customers based on the price quoted by the supplier. The difference between price recovered from customers and cost of bullion is accounted for as commission at the time of sales to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest expense/income is accounted on accrual basis.

22. Share issue expenses

Share issue expenses are deducted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

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SCHEDULE 18

NOTES FORMING PART OF THE ACCOUNTS

The following additional disclosures have been made taking into account the requirements of Accounting Standards (ASs) and Reserve Bank of India (RBI) guidelines in this regard.

1. Earnings per share

Basic and diluted earnings per equity share are computed in accordance with AS 20 - Earnings per share. Basic earnings per equity share is computed by dividing net profit/(loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and weighted average number of dilutive potential equity shares outstanding during the year.

The following table sets forth, for the periods indicated, the computation of earnings per share.

₹ in million, except per share data

	Year ended March 31, 2021	Year ended March 31, 2020
Net profit/(loss) attributable to equity share holders	**183,843.2**	95,663.1
Nominal value per share (₹)	**2.00**	2.00
Basic earnings per share (₹)	**27.26**	14.81
Effect of potential equity shares (₹)	**(0.43)**	(0.26)
Diluted earnings per share (₹)[1]	**26.83**	14.55
Reconciliation between weighted shares used in computation of basic and diluted earnings per share		
Basic weighted average number of equity shares outstanding	**6,743,363,854**	6,460,003,715
Add: Effect of potential equity shares	**98,497,002**	106,767,566
Diluted weighted average number of equity shares outstanding	**6,841,860,856**	6,566,771,281

1. The dilutive impact is due to options granted to employees by the Group.

2. Related party transactions

The Group has transactions with its related parties comprising associates/other related entities and key management personnel and relatives of key management personnel.

I. Related parties

Associates/other related entities

Sr. No.	Name of the entity	Nature of relationship
1.	Arteria Technologies Private Limited	Associate
2.	India Advantage Fund-III	Associate
3.	India Advantage Fund-IV	Associate
4.	India Infradebt Limited	Associate
5.	ICICI Merchant Services Private Limited	Associate
6.	I-Process Services (India) Private Limited	Associate
7.	NIIT Institute of Finance, Banking and Insurance Training Limited	Associate
8.	Comm Trade Services Limited	Other related entity
9.	ICICI Foundation for Inclusive Growth	Other related entity
10.	Cheryl Advisory Private Limited (w.e.f. Q3-2021)	Other related entity

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Key management personnel

Sr. No.	Name of the Key management personnel	Relatives of the Key management personnel
1.	Mr. Sandeep Bakhshi	• Ms. Mona Bakhshi • Mr. Shivam Bakhshi • Ms. Esha Bakhshi • Ms. Minal Bakhshi • Mr. Sameer Bakhshi
2.	Ms. Vishakha Mulye	• Mr. Vivek Mulye • Ms. Vriddhi Mulye • Mr. Vighnesh Mulye • Dr. Gauresh Palekar • Ms. Shalaka Gadekar • Late Ms. Manisha Palekar
3.	Mr. Anup Bagchi	• Ms. Mitul Bagchi • Mr. Aditya Bagchi • Mr. Shishir Bagchi • Mr. Arun Bagchi • Late Mr. Animesh Bagchi
4.	Mr. Sandeep Batra (w.e.f. December 23, 2020)	• Mr. Pranav Batra • Ms. Arushi Batra • Mr. Vivek Batra • Ms. Veena Batra (w.e.f. December 23, 2020)
5.	Mr. Vijay Chandok (upto May 6, 2019)	• Ms. Poonam Chandok • Ms. Saluni Chandok • Ms. Simran Chandok • Mr. C. V. Kumar • Ms. Shad Kumar • Ms. Sanjana Gulati (upto May 6, 2019)

II. Transactions with related parties

The following table sets forth, for the periods indicated, the significant transactions between the Group and its related parties.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income	**729.1**	**366.4**
Associates/others	**719.9**	356.4
Key management personnel	**9.2**	10.0
Fee, commission and other income	**119.8**	**42.1**
Associates/others	**118.9**	41.4
Key management personnel	**0.6**	0.6
Relatives of key management personnel	**0.3**	0.1

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₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Commission income on guarantees issued	**0.2**	**0.1**
Associates/others	**0.2**	0.1
Income from custodial services	**0.1**	**3.7**
Associates/others	**0.1**	3.7
Insurance premium received	**54.1**	**24.2**
Associates/others	**16.1**	15.0
Key management personnel	**32.6**	3.9
Relatives of key management personnel	**5.4**	5.3
Dividend income	**106.5**	**114.1**
Associates/others	**106.5**	114.1
Recovery of lease of premises, common corporate and facilities expenses	**51.4**	**50.8**
Associates/others	**51.4**	50.8
Recovery of secondment of employees	**10.6**	**11.4**
Associates/others	**10.6**	11.4
Interest expense	**45.5**	**53.3**
Associates/others	**38.4**	50.8
Key management personnel	**5.6**	1.7
Relatives of key management personnel	**1.5**	0.8
Remuneration to wholetime directors[2]	**132.3**	**211.6**
Key management personnel	**132.3**	211.6
Reimbursement of expenses to related parties	**798.3**	**213.6**
Associates/others	**798.3**	213.6
Insurance claims paid	**4.9**	**8.0**
Associates/others	**3.9**	2.3
Key management personnel	**0.4**	0.0[1]
Relatives of key management personnel	**0.6**	5.7
Brokerage, fee and other expenses	**10,652.5**	**12,970.6**
Associates/others	**10,652.5**	12,970.6
Donation given	**304.0**	**682.8**
Associates/others	**304.0**	682.8
Dividend paid	**4.4**	**5.9**
Key management personnel	**1.4**	2.6
Relatives of key management personnel	**3.0**	3.3
Investments in the securities issued by related parties	**4,250.0**	**2,000.0**
Associates/others	**4,250.0**	2,000.0
Sale of investments	**-**	**250.0**
Associates/others	**-**	250.0
Redemption/buyback of investments	**858.2**	**331.1**
Associates/others	**858.2**	331.1
Sale of loan	**-**	**968.0**
Associates/others	**-**	968.0
Purchase of fixed assets	**6.6**	**-**
Associates/others	**6.6**	-

1. *Insignificant amount.*
2. *Excludes the perquisite value on employee stock options exercised, contribution to gratuity fund and includes performance bonus paid during the period.*

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III. *Material transactions with related parties*

The following table sets forth, for the periods indicated, the material transactions between the Group and its related parties. A specific related party transaction is disclosed as a material related party transaction wherever it exceeds 10% of all related party transactions in that category.

₹ in million

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Interest income			
1	India Infradebt Limited	**715.6**	352.7
Fee, commission and other income			
1	ICICI Merchant Services Private Limited	**97.3**	16.6
2	India Infradebt Limited	**19.9**	24.8
Commission income on guarantees issued			
1	ICICI Merchant Services Private Limited	**0.1**	-
2	NIIT Institute of Finance, Banking and Insurance Training Limited	**0.1**	0.1
Income from custodial services			
1	India Advantage Fund - III	**0.1**	2.2
2	India Advantage Fund - IV	**0.0**[1]	1.5
Insurance premium received			
1	ICICI Foundation for Inclusive Growth	**11.8**	11.0
2	Mr. Sandeep Bakhshi	**9.5**	0.7
3	Ms. Vishakha Mulye	**3.0**	3.0
4	Mr. Anup Bagchi	**20.0**	0.0[1]
5	Mr. Vivek Mulye	**5.1**	5.0
Dividend income			
1	India Infradebt Limited	**106.5**	106.5
Recovery of lease of premises, common corporate and facilities expenses			
1	ICICI Foundation for Inclusive Growth	**51.4**	50.7
Recovery of secondment of employees			
1	I-Process Services (India) Private Limited	**10.6**	11.4
Interest expense			
1	ICICI Merchant Services Private Limited	**14.5**	40.4
2	India Infradebt Limited	**10.8**	3.2
3	NIIT Institute of Finance, Banking and Insurance Training Limited	**5.5**	2.7
4	Arteria Technologies Private Limited	**5.3**	2.5
Remuneration to wholetime directors[2]			
1	Mr. Sandeep Bakhshi[3]	**10.1**	69.4
2	Ms. Vishakha Mulye	**54.6**	70.3
3	Mr. Anup Bagchi	**52.9**	63.9
4	Mr. Sandeep Batra	**14.7**	N.A.
5	Mr. Vijay Chandok	**N.A.**	8.0
Reimbursement of expenses to related parties			
1	ICICI Foundation for Inclusive Growth	**798.3**	213.2
Insurance claims paid			
1	ICICI Foundation for Inclusive Growth	**3.8**	2.0
2	Mr. Sandeep Bakhshi	**0.4**	0.0[1]
3	Mr. Vivek Mulye	**-**	5.7[4]
4	Dr. Gauresh Palekar	**0.6**	-

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₹ in million

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Brokerage, fee and other expenses			
1	I-Process Services (India) Private Limited	**6,402.6**	6,886.9
2	ICICI Merchant Services Private Limited	**4,224.5**	6,043.5
Donation given			
1	ICICI Foundation for Inclusive Growth	**304.0**	682.8
Dividend paid			
1	Mr. Sandeep Bakhshi	**0.2**	0.6
2	Ms. Vishakha Mulye	**1.1**	2.0
3	Mr. Anup Bagchi	**0.0**[1]	0.0[1]
4	Mr. Vijay Chandok	**N.A.**	0.0[1]
5	Mr. Shivam Bakhshi	**1.7**	1.9
6	Ms. Esha Bakhshi	**0.7**	0.7
7	Ms. Minal Bakhshi	**0.7**	0.7
Investments in the securities issued by related parties			
1	India Infradebt Limited	**4,250.0**	2,000.0
Sale of Investments			
1	India Infradebt Limited	**-**	250.0
Redemption/buyback of investments			
1	India Infradebt Limited	**600.0**	-
2	India Advantage Fund - IV	**147.9**	202.5
3	India Advantage Fund - III	**110.2**	128.6
Sale of loan			
1	India Infradebt Limited	**-**	968.0
Purchase of fixed assets			
1	Arteria Technologies Private Limited	**6.6**	-

1. *Insignificant amount.*
2. *Excludes the perquisite value on employee stock options exercised, contribution to gratuity fund and includes performance bonus paid during the period.*
3. *Includes remuneration received from ICICI Prudential Life Insurance Company Limited relating to the period of his service with that company.*
4. *Represents policy surrender value received from ICICI Prudential Life Insurance Company Limited.*

IV. *Related party outstanding balances*

The following table sets forth, for the periods indicated, the outstanding balances payable to/receivable from related parties.

₹ in million

Items	At March 31, 2021	At March 31, 2020
Deposits with the Group	**2,786.9**	**6,310.3**
Associates/others	**2,552.7**	6,236.0
Key management personnel	**156.4**	59.1
Relatives of key management personnel	**77.8**	15.2
Payables	**2,736.3**	**3,291.2**
Associates/others	**2,736.2**	3,291.2
Key management personnel	**0.1**	0.0[1]
Relatives of key management personnel	**0.0**[1]	0.0[1]

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₹ in million

Items	At March 31, 2021	At March 31, 2020
Investments of the Group	**12,472.1**	**13,679.4**
Associates/others	**12,472.1**	13,679.4
Investments of related parties in the Group	**13.8**	**14.7**
Key management personnel	**6.8**	5.9
Relatives of key management personnel	**7.0**	8.8
Advances by the Group	**289.2**	**245.5**
Associates/others	**42.8**	48.7
Key management personnel	**246.2**	196.7
Relatives of key management personnel	**0.2**	0.1
Receivables	**334.6**	**115.5**
Associates/others	**334.6**	115.5
Guarantees issued by the Group	**50.7**	**11.8**
Associates/others	**50.7**	11.8

1. *Insignificant amount.*
2. *At March 31, 2021, 20,047,800 (March 31, 2020: 16,184,250) employee stock options of the Bank for key management personnel were outstanding. Excludes stock options granted to key management personnel, which are pending regulatory approvals.*
3. *During the year ended March 31, 2021, 1,188,000 (year ended March 31, 2020: 1,173,000), employee stock options with total exercise price of ₹ 228.8 million (year ended March 31, 2020: ₹ 240.1 million) were exercised by the key management personnel.*
4. *At March 31, 2021, 536,600 (March 31, 2020: 420,500) employee stock options of ICICI Prudential Life Insurance Company Limited to key management personnel were outstanding.*

V. *Related party maximum balances*

The following table sets forth, for the periods indicated, the maximum balances payable to/receivable from related parties.

₹ in million

Items	Year ended March 31, 2021	Year ended March 31, 2020
Deposits with the Group		
Key management personnel	**238.1**	167.6
Relatives of key management personnel	**114.2**	71.3
Payables[2]		
Key management personnel	**0.1**	0.1
Relatives of key management personnel	**0.0**[1]	0.0[1]
Investments of related parties in the Group[2]		
Key management personnel	**7.1**	6.2
Relatives of key management personnel	**8.8**	9.5
Advances by the Group		
Key management personnel	**246.9**	254.2
Relatives of key management personnel	**1.3**	0.9

1. *Insignificant amount.*
2. *Maximum balance is determined based on comparison of the total outstanding balances at each quarter end during the financial year.*

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3. Employee Stock Option Scheme (ESOS)

ICICI Bank:

In terms of the ESOS, as amended, the maximum number of options granted to any eligible employee in a financial year shall not exceed 0.05% of the issued equity shares of the Bank at the time of grant of the options and aggregate of all such options granted to the eligible employees shall not exceed 10% of the aggregate number of the issued equity shares of the Bank on the date(s) of the grant of options in line with SEBI Regulations. Under the stock option scheme, eligible employees are entitled to apply for equity shares. In April 2016, exercise period was modified from 10 years from the date of grant or five years from the date of vesting, whichever is later, to 10 years from the date of vesting of options. In June 2017, exercise period was further modified to not exceed 10 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee to be applicable for future grants. In May 2018, exercise period was further modified to not exceed 5 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee to be applicable for future grants.

Options granted after March 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 grant other than certain options granted in April 2014 which vested to the extent of 50% on April 30, 2017 and the balance on April 30, 2018 and option granted in September 2015 which vested to the extent of 50% on April 30, 2018 and balance 50% vested on April 30, 2019. Options granted in January 2018 would vest at the end of four years from the date of grant. Certain options granted in May 2018, would vest to the extent of 50% on May 2021 and balance 50% would vest on May 2022.

Options granted prior to March 2014 except mentioned below, 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. Options granted in April 2009 vested in a graded manner over a five-year period with 20%, 20%, 30% and 30% of grant vesting each year, commencing from the end of 24 months from the date of grant. Options granted in September 2011 vested in a graded manner over a five-year period with 15%, 20%, 20% and 45% of grant vesting each year, commencing from the end of 24 months from the date of the grant.

The exercise price of the Bank's options, except mentioned below, is the last closing price on the stock exchange, which recorded highest trading volume preceding the date of grant of options. In February 2011, the Bank granted 16,692,500 options to eligible employees and whole-time Directors of the Bank and certain of its subsidiaries at an exercise price of ₹ 175.82. This exercise price was the average closing price on the stock exchange during the six months ended October 28, 2010. Of these options granted, 50% vested on April 30, 2014 and the balance 50% vested on April 30, 2015.

Based on intrinsic value of options, no compensation cost was recognised during the year ended March 31, 2021 (year ended March 31, 2020: Nil). If the Bank had used the fair value of options based on binomial tree model, compensation cost in the year ended March 31, 2021 would have been higher by ₹ 3,949.7 million (year ended March 31, 2020: ₹ 3,826.2 million) and proforma profit after tax would have been ₹ 157,977.1 million (year ended March 31, 2020: ₹ 75,481.9 million). On a proforma basis, the Bank's basic and diluted earnings per share would have been ₹ 23.43 (year ended March 31, 2020: ₹ 11.68) and ₹ 23.09 (year ended March 31, 2020: ₹ 11.49) respectively for the year ended March 31, 2021. The weighted average fair value of options granted during the year ended March 31, 2021 was ₹ 125.44 (year ended March 31, 2020: ₹ 149.62).

The following table sets forth, for the periods indicated, the key assumptions used to estimate the fair value of options granted.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Risk-free interest rate	**4.83% to 5.74%**	6.18% to 7.62%
Expected life	**3.45 to 5.45 years**	3.46 to 5.46 years
Expected volatility	**35.19% to 37.31%**	29.06% to 31.17%
Expected dividend yield	**0.26% to 0.30%**	0.19% to 0.37%

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Risk free interest rates over the expected term of the option are based on the government securities yield in effect at the time of the grant. The expected term of an option is estimated based on the vesting term as well as expected exercise behavior of the employees who receive the option. Expected exercise behavior is estimated based on the historical stock option exercise pattern of the Bank. Expected volatility during the estimated expected term of the option is based on historical volatility determined based on observed market prices of the Bank's publicly traded equity shares. Expected dividends during the estimated expected term of the option are based on recent dividend activity.

The following table sets forth, for the periods indicated, the summary of the status of the Bank's stock option plan.

₹ except number of options

Particulars	Stock options outstanding			
	Year ended March 31, 2021		Year ended March 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	**238,286,573[1]**	**261.89**	232,427,774	235.40
Add: Granted during the year	**33,417,700**	**337.73**	34,288,400[1]	402.16
Less: Lapsed during the year, net of re-issuance	**880,530**	**336.57**	1,904,051[2]	316.72
Less: Exercised during the year	**24,232,771**	**218.81**	26,525,550	207.09
Outstanding at the end of the year	**246,590,972[1]**	**276.14**	238,286,573[1]	261.89
Options exercisable	**177,136,942**	**247.45**	169,975,899	231.93

1. *Includes options pertaining to Whole-time Directors of ICICI Bank and its subsidiaries, which are pending for regulatory approval.*
2. *Includes options pertaining to Whole-time Directors adjusted after the subsequent RBI approval for a revised number of options.*

The following table sets forth, the summary of stock options outstanding at March 31, 2021.

Range of exercise price (₹ per share)	Number of shares arising out of options	Weighted average exercise price (₹ per share)	Weighted average remaining contractual life (Number of years)
60-99	**976,475**	**78.93**	**2.16**
100-199	**16,411,432**	**166.35**	**3.18**
200-299	**162,464,016**	**250.16**	**6.21**
300-399	**33,977,600**	**337.53**	**6.23**
400-499	**32,705,449**	**401.96**	**5.22**
500-599	**56,000**	**527.70**	**5.92**

The following table sets forth, the summary of stock options outstanding at March 31, 2020.

Range of exercise price (₹ per share)	Number of shares arising out of options	Weighted average exercise price (₹ per share)	Weighted average remaining contractual life (Number of years)
60-99	1,173,325	79.11	2.86
100-199	24,177,234	166.55	3.58
200-299	178,395,914	249.22	7.15
300-399	901,900	329.89	7.90
400-499	33,582,200	401.96	6.20
500-599	56,000	527.70	6.92

The options were exercised regularly throughout the period and weighted average share price as per National Stock Exchange price volume data during the year ended March 31, 2021 was ₹ 437.92 (year ended March 31, 2020: ₹ 451.25).

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ICICI Life:

ICICI Prudential Life Insurance Company has formulated ESOS for their employees. There is no compensation cost for the year ended March 31, 2021 based on the intrinsic value of options. If the entity had used the fair value approach for accounting of options, there would have been an incremental compensation cost of ₹ 331.5 million for the year ended March 31, 2021 (for the year ended March 31, 2020: ₹ 502.5 million).

The following table sets forth, for the periods indicated, a summary of the status of the stock option plan of ICICI Prudential Life Insurance Company

₹ except number of options

Particulars	Stock options outstanding			
	Year ended March 31, 2021		Year ended March 31, 2020	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at the beginning of the year	**12,361,107**	**383.64**	7,723,317	390.92
Add: Granted during the year	**5,147,200**	**401.07**	5,073,600	369.71
Less: Forfeited/lapsed during the year	**205,967**	**366.17**	357,700	386.87
Less: Exercised during the year	**126,640**	**359.19**	78,110	183.63
Outstanding at the end of the year	**17,175,700**	**389.25**	12,361,107	383.64
Options exercisable	**3,298,600**	**393.85**	1,031,617	407.76

The following table sets forth, summary of stock options outstanding of ICICI Prudential Life Insurance Company at March 31, 2021.

Range of exercise price (₹ per share)	Number of shares arising out of options	Weighted average exercise price (₹ per share)	Weighted average remaining contractual life (Number of years)
300-399	**11,498,800**	**379.84**	**5.1**
400-499	**5,626,900**	**407.49**	**6.4**
500-599	**50,000**	**501.90**	**6.9**

The following table sets forth, summary of stock options outstanding of ICICI Prudential Life Insurance Company at March 31, 2020.

Range of exercise price (₹ per share)	Number of shares arising out of options	Weighted average exercise price (₹ per share)	Weighted average remaining contractual life (Number of years)
100-299	29,067	130.00	0.1
300-399	11,725,140	379.87	6.1
400-499	606,900	468.60	9.4

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ICICI General:

ICICI Lombard General Insurance Company has formulated ESOS for their employees. There is no compensation cost for the year ended March 31, 2021 based on the intrinsic value of options. If the entity had used the fair value approach for accounting of options, there would have been an incremental compensation cost of ₹ 760.2 million for the year ended March 31, 2021 (for the year ended March 31, 2020: ₹ 597.3 million).

The following table sets forth, for the periods indicated, a summary of the status of the stock option plan of ICICI Lombard General Insurance Company.

₹ except number of options

Particulars	**Stock options outstanding**			
	Year ended March 31, 2021		**Year ended March 31, 2020**	
	Number of shares	**Weighted average exercise price**	**Number of shares**	**Weighted average exercise price**
Outstanding at the beginning of the year	**4,624,040**	**895.58**	2,645,500	684.37
Add: Granted during the year	**2,526,300**	**1,235.15**	2,345,900	1,086.85
Less: Forfeited/lapsed during the year	**17,370**	**1,056.89**	208,040	883.45
Less: Exercised during the year	**128,240**	**780.10**	159,320	220.72
Outstanding at the end of the year	**7,004,730**	**1,019.76**	4,624,040	895.58
Options exercisable	**1,060,000**	**932.19**	217,726	703.02

The following table sets forth, summary of stock options outstanding of ICICI Lombard General Insurance Company at March 31, 2021.

Range of exercise price (₹ per share)	**Number of shares arising out of options**	**Weighted average exercise price (₹ per share)**	**Weighted average remaining contractual life (Number of years)**
700 - 799	**2,272,220**	**715.15**	**2.3**
800 - 1100	**2,206,210**	**1,086.50**	**3.1**
1100 - 1300	**2,526,300**	**1,235.15**	**4.1**

The following table sets forth, summary of stock options outstanding of ICICI Lombard General Insurance Company at March 31, 2020.

Range of exercise price (₹ per share)	**Number of shares arising out of options**	**Weighted average exercise price (₹ per share)**	**Weighted average remaining contractual life (Number of years)**
100 - 200	4,400	114.00	0.1
700 - 799	2,367,940	715.15	3.3
1000 – 1090	2,251,700	1,086.85	4.1

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ICICI Securities:

ICICI Securities Limited has formulated ESOS for their employees. There is no compensation cost for the year ended March 31, 2021 based on the intrinsic value of options. If the entity had used the fair value approach for accounting of options, there would have been an incremental compensation cost of ₹ 110.3 million for the year ended March 31, 2021 (for the year ended March 31, 2020: ₹ 39.0 million).

The following table sets forth, for the periods indicated, a summary of the status of the stock option plan of ICICI Securities Limited.

₹ except number of options

Particulars	Stock options outstanding			
	Year ended March 31, 2021		Year ended March 31, 2020	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at the beginning of the year	**1,329,300**	**226.12**	176,700	256.55
Add: Granted during the year	**1,337,200**	**361.34**	1,152,600	221.45
Less: Forfeited/lapsed during the year	**47,350**	**314.58**	-	-
Less: Exercised during the year	**90,800**	**227.70**	-	-
Outstanding at the end of the year	**2,528,350**	**295.92**	1,329,300	226.12
Options exercisable	**345,250**	**230.58**	53,010	256.55

The following table sets forth, summary of stock options outstanding of ICICI Securities Limited at March 31, 2021.

Range of exercise price (₹ per share)	Number of shares arising out of options	Weighted average exercise price (₹ per share)	Weighted average remaining contractual life (Number of years)
200-249	**1,062,220**	**221.45**	**6.07**
250-299	**160,530**	**256.55**	**5.56**
349-399	**1,301,400**	**361.00**	**7.11**
449-499	**4,200**	**468.10**	**7.58**

The following table sets forth, summary of stock options outstanding of ICICI Securities Limited at March 31, 2020.

Range of exercise price (₹ per share)	Number of shares arising out of options	Weighted average exercise price (₹ per share)	Weighted average remaining contractual life (Number of years)
200-249	1,152,600	221.45	7.07
250-299	176,700	256.55	6.56

If the Group had used the fair value approach for accounting of options, the compensation cost for the year ended March 31, 2021 would have been higher by ₹ 4,519.5 million (March 31, 2020: ₹ 4,342.3 million) and proforma consolidated profit after tax would have been ₹ 179,323.7 million (March 31, 2020: ₹ 91,320.8 million). On a proforma basis, the Group's basic earnings per share would have been ₹ 26.59 (March 31, 2020: ₹ 14.14) and diluted earnings per share would have been ₹ 26.17 (March 31, 2020: ₹ 13.88).

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4. Fixed assets

The following table sets forth, for the periods indicated, the movement in software acquired by the Group, as included in fixed assets.

₹ in million

Particulars	At March 31, 2021	At March 31, 2020
At cost at March 31 of preceding year	**28,942.5**	23,606.4
Additions during the year	**7,015.9**	5,576.8
Deductions during the year	**(762.2)**	(240.7)
Depreciation to date	**(25,231.8)**	(21,551.6)
Net block	**9,964.4**	**7,390.9**

5. Assets on lease

5.1 Assets taken under operating lease

Operating leases primarily comprise office premises which are renewable at the option of the Group.

(i) The following table sets forth, for the periods indicated, the details of liability for premises taken on non-cancellable operating leases.

₹ in million

Particulars	At March 31, 2021	At March 31, 2020
Not later than one year	**696.8**	839.1
Later than one year and not later than five years	**1,274.3**	1,491.9
Later than five years	**440.9**	408.9
Total	**2,412.0**	**2,739.9**

The terms of renewal are those normally prevalent in similar agreements and there are no undue restrictions in the agreements.

(ii) Total of non-cancellable lease payments recognised in the profit and loss account for the year is ₹ 1,198.2 million (year ended March 31, 2020: ₹ 1,419.8 million).

5.2 Assets taken under finance lease

The following table sets forth, for the periods indicated, the details of assets taken on finance leases.

₹ in million

Particulars		At March 31, 2021	At March 31, 2020
A.	**Total Minimum lease payments outstanding**		
	Not later than one year	**241.2**	112.6
	Later than one year and not later than five years	**806.1**	369.0
	Later than five years	**138.7**	-
	Total	**1,186.0**	**481.6**
B.	**Interest cost payable**		
	Not later than one year	**97.4**	52.2
	Later than one year and not later than five years	**186.2**	101.8
	Later than five years	**9.2**	-
	Total	**292.8**	**154.0**
C.	**Present value of minimum lease payments payable (A-B)**		
	Not later than one year	**143.7**	60.4
	Later than one year and not later than five years	**619.9**	267.2
	Later than five years	**129.6**	-
	Total	**893.2**	**327.6**

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5.3 Assets given under finance lease

The following table sets forth, for the periods indicated, the details of finance leases.

₹ in million

Particulars	At March 31, 2021	At March 31, 2020
Future minimum lease receipts		
Present value of lease receipts	**723.0**	909.6
Unmatured finance charges	**32.6**	51.0
Sub total	**755.6**	**960.6**
Less: collective provision	**(1.2)**	(1.0)
Total	**754.4**	**959.6**
Maturity profile of future minimum lease receipts		
- Not later than one year	**303.3**	244.5
- Later than one year and not later than five years	**452.2**	716.1
- Later than five years	**-**	-
Total	**755.5**	**960.6**
Less: collective provision	**(1.2)**	(1.0)
Total	**754.3**	**959.6**

Maturity profile of present value of lease rentals

The following table sets forth, for the periods indicated, the details of maturity profile of present value of finance lease receipts.

₹ in million

Particulars	At March 31, 2021	At March 31, 2020
Maturity profile of future present value of finance lease receipts		
- Not later than one year	**286.6**	223.0
- Later than one year and not later than five years	**436.4**	686.6
- Later than five years	**-**	-
Total	**723.0**	**909.6**
Less: collective provision	**(1.2)**	(1.0)
Total	**721.8**	**908.6**

6. Provisions and contingencies

The following table sets forth, for the periods indicated, the break-up of provisions and contingencies included in the profit and loss account.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Provision for depreciation of investments	**(1,950.0)**	18,136.5
Provision towards non-performing and other assets	**110,815.2**	89,627.4
Provision towards income tax		
- Current	**62,611.8**	51,778.1
- Deferred	**(5,968.1)**	21,853.3
COVID-19 related provision[1]	**47,500.0**	27,250.0
Other provisions and contingencies[2]	**7,408.7**	15,126.8
Total provisions and contingencies	**220,417.6**	**223,772.1**

1. *Net of utilisation of provision amounting to ₹ 18,000.0 million by the Bank.*
2. *Includes general provision made towards standard assets, provision on fixed assets acquired under debt-asset swap and non-fund based facilities.*

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The Group has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with the provisions of Accounting Standard - 29 on ‘Provisions, Contingent Liabilities and Contingent Assets’, the Group recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible or the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. For insurance contracts booked in its life insurance subsidiary, reliance has been placed on the Appointed Actuary for actuarial valuation of ‘liabilities for policies in force’. The Appointed Actuary has confirmed that the assumptions used in valuation of liabilities for policies in force are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI.

7. Staff retirement benefits

Pension

The following tables set forth, for the periods indicated, movement of the present value of the defined benefit obligation, fair value of plan assets and other details for pension benefits.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening obligations	**19,914.3**	**16,540.3**
Service cost	**237.2**	226.1
Interest cost	**1,173.9**	1,147.4
Actuarial (gain)/loss	**1,256.2**	4,633.7
Liabilities extinguished on settlement	**(2,198.1)**	(2,518.0)
Benefits paid	**(117.9)**	(115.2)
Obligations at the end of year	**20,265.6**	**19,914.3**
Opening plan assets, at fair value	**16,972.1**	**15,438.8**
Expected return on plan assets	**1,350.8**	1,235.8
Actuarial gain/(loss)	**521.9**	741.1
Assets distributed on settlement	**(2,442.3)**	(2,797.7)
Contributions	**4,877.6**	2,469.3
Benefits paid	**(117.9)**	(115.2)
Closing plan assets, at fair value	**21,162.2**	**16,972.1**
Fair value of plan assets at the end of the year	**21,162.2**	16,972.1
Present value of the defined benefit obligations at the end of the year	**(20,265.6)**	(19,914.3)
Amount not recognised as an asset (limit in Para 59(b) of AS 15 on ‘employee benefits’)	**(304.8)**	-
Asset/(liability)	**591.8**	**(2,942.2)**
Cost[1]		
Service cost	**237.2**	226.1
Interest cost	**1,173.9**	1,147.4
Expected return on plan assets	**(1,350.8)**	(1,235.8)
Actuarial (gain)/loss	**734.3**	3,892.6
Curtailments & settlements (gain)/loss	**244.2**	279.7
Effect of the limit in para 59(b) of AS 15 on ‘employee benefits’	**304.8**	-
Net cost	**1,343.6**	**4,310.0**

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₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Actual return on plan assets	**1,872.7**	1,976.9
Expected employer's contribution next year	**2,000.0**	1,000.0
Investment details of plan assets		
Insurer managed funds	**-**	1.01%
Government of India securities	**50.15%**	50.33%
Corporate bonds	**44.81%**	44.85%
Equity securities in listed companies	**5.04%**	2.59%
Others	**-**	1.22%
Assumptions		
Discount rate	**5.75%**	6.00%
Salary escalation rate:		
On Basic pay	**1.50%**	1.50%
On Dearness relief	**7.00%**	7.00%
Estimated rate of return on plan assets	**7.50%**	8.00%

1. Included in line item 'Payments to and provision for employees' of Schedule 16- Operating expenses.

Estimated rate of return on plan assets is based on the expected average long-term rate of return on investments of the Fund during the estimated term of the obligations.

Experience adjustment

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Plan assets	**21,162.2**	16,972.1	15,438.8	16,303.7	16,888.1
Defined benefit obligations	**(20,265.6)**	(19,914.3)	(16,540.3)	(15,391.1)	(16,686.9)
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**(304.8)**	-	-	(310.1)	(68.4)
Surplus/(deficit)	**591.8**	(2,942.2)	(1,101.5)	602.5	132.8
Experience adjustment on plan assets	**521.9**	741.1	(125.9)	(449.6)	589.5
Experience adjustment on plan liabilities	**613.4**	2,186.1	1,038.6	290.1	(80.0)

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Gratuity

The following table sets forth, for the periods indicated, movement of the present value of the defined benefit obligation, fair value of plan assets and other details for gratuity benefits of the Group.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening obligations	**15,743.6**	**13,317.1**
Add: Adjustment for exchange fluctuation on opening obligation	**(6.5)**	14.3
Adjusted opening obligations	**15,737.1**	**13,331.4**
Service cost	**1,669.2**	1,394.9
Interest cost	**1,052.8**	1,004.5
Actuarial (gain)/loss	**(532.3)**	1,106.2
Past service cost	**(3.5)**	-
Exchange Difference on foreign plans	**(756.8)**	-
Obligations transferred from/to other companies	**33.4**	41.5
Benefits paid	**(245.4)**	(1,134.9)
Obligations at the end of the year	**16,954.5**	**15,743.6**
Opening plan assets, at fair value	**13,636.8**	**12,112.4**
Expected return on plan assets	**1,045.5**	931.7
Actuarial gain/(loss)	**886.4**	(167.4)
Asset distributed on settlement	**4.9**	-
Contributions	**1,942.2**	1,863.6
Assets transferred from/to other companies	**28.0**	31.4
Benefits paid	**(1,002.2)**	(1,134.9)
Closing plan assets, at fair value	**16,541.6**	**13,636.8**
Fair value of plan assets at the end of the year	**16,541.6**	**13,636.8**
Present value of the defined benefit obligations at the end of the year	**(16,954.5)**	(15,743.6)
Unrecognised past service cost	**-**	-
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**-**	-
Asset/(liability)	**(412.9)**	**(2,106.8)**
Cost for the year[1]		
Service cost	**1,669.2**	1,394.9
Interest cost	**1,052.8**	1,004.5
Expected return on plan assets	**(1,045.5)**	(931.7)
Actuarial (gain)/loss	**(1,418.7)**	1,273.6
Past service cost	**(3.5)**	-
Losses/(gains) on "Acquisition/Divestiture"	**-**	-
Exchange fluctuation loss/(gain)	**(6.5)**	14.3
Effect of the limit in para 59(b) of AS 15 on 'employee benefits'	**-**	-
Net cost	**247.8**	**2,755.6**
Actual return on plan assets	**1,931.9**	764.2
Expected employer's contribution next year	**1,130.1**	1,178.8

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₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Investment details of plan assets		
Insurer managed funds	**21.79%**	20.23%
Government of India securities	**28.55%**	22.05%
Corporate bonds	**35.57%**	43.46%
Special Deposit schemes	**1.75%**	2.13%
Equity	**11.12%**	11.42%
Others	**1.22%**	0.71%
Assumptions		
Discount rate	**5.20%-6.90%**	5.60%-6.85%
Salary escalation rate	**7.00%-10.00%**	7.00%-10.00%
Estimated rate of return on plan assets	**7.00%-8.00%**	0.00%-8.00%

1. Included in line item 'Payments to and provision for employees' of Schedule 16- Operating expenses.

Estimated rate of return on plan assets is based on the expected average long-term rate of return on investments of the Fund during the estimated term of the obligations.

Experience adjustment

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Plan assets	**16,541.6**	13,636.8	12,112.4	10,972.1	10,443.4
Defined benefit obligations	**(16,954.5)**	(15,743.6)	(13,317.1)	(11,846.6)	(11,172.6)
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**-**	-	-	-	-
Surplus/(deficit)	**(412.9)**	(2,106.8)	(1,204.7)	(874.5)	(729.2)
Experience adjustment on plan assets	**892.1**	(167.4)	(62.0)	(124.7)	542.2
Experience adjustment on plan liabilities	**(548.2)**	253.6	243.7	261.8	269.8

The estimates of future salary increases, considered in actuarial valuation, take into consideration inflation, seniority, promotion and other relevant factors.

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Provident Fund (PF)

The Group has a liability of ₹ 2.7 million towards interest rate guarantee on exempt provident fund on the basis of actuarial valuation at year ended March 31, 2021 (year ended March 31, 2020: ₹ 20.8 million).

The following tables set forth, for the periods indicated, movement of the present value of the defined benefit obligation, fair value of plan assets and other details for provident fund of the Group.

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening obligations	**38,703.4**	**33,282.4**
Service cost	**1,880.5**	2,007.5
Interest cost	**2,537.5**	2,473.4
Actuarial (gain)/loss	**1,690.5**	(116.7)
Employees contribution	**3,892.5**	3,841.6
Obligations transferred from/to other companies	**406.8**	435.2
Benefits paid	**(3,493.3)**	(3,220.0)
Obligations at end of the year	**45,617.9**	**38,703.4**
Opening plan assets	**38,682.6**	**33,282.4**
Expected return on plan assets	**3,582.2**	2,997.9
Actuarial gain/(loss)	**663.8**	(662.0)
Employer contributions	**1,880.6**	2,007.5
Employees contributions	**3,892.5**	3,841.6
Assets transfer from/to other companies	**406.8**	435.3
Benefits paid	**(3,493.3)**	(3,220.0)
Closing plan assets	**45,615.2**	**38,682.6**
Plan assets at the end of the year	**45,615.2**	38,682.6
Present value of the defined benefit obligations at the end of the year	**(45,617.9)**	(38,703.4)
Asset/(liability)	**(2.7)**	**(20.8)**
Cost for the year[1]		
Service cost	**1,880.5**	2,007.5
Interest cost	**2,537.5**	2,473.4
Expected return on plan assets	**(3,582.2)**	(2,997.9)
Actuarial (gain)/loss	**1,026.7**	545.3
Net cost	**1,862.5**	**2,028.3**
Actual return on plan assets	**4,246.0**	2,335.9
Expected employer's contribution next year	**2,013.6**	2,150.4
Investment details of plan assets		
Government of India securities	**50.06%**	49.52%
Corporate Bonds	**40.78%**	43.71%
Special deposit scheme	**1.33%**	1.41%
Others	**7.83%**	5.36%
Assumptions		
Discount rate	**5.70%-6.55%**	5.65%-6.60%
Expected rate of return on assets	**6.88%-8.59%**	6.31%-9.16%
Discount rate for the remaining term to maturity of investments	**6.30%-6.80%**	6.11%-6.80%
Average historic yield on the investment	**7.93%-8.54%**	7.16%-8.83%
Guaranteed rate of return	**8.50%-8.50%**	8.50%-8.50%

1. Included in line item 'Payments to and provision for employees' of Schedule 16- Operating expenses.

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Experience adjustment

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Plan assets	**45,615.2**	38,682.6	33,282.4	29,587.9	26,198.8
Defined benefit obligations	**(45,617.9)**	(38,703.4)	(33,282.4)	(29,587.9)	(26,198.8)
Amount not recognised as an asset (limit in para 59(b) AS 15 on 'employee benefits')	**-**	-	-	-	-
Surplus/(deficit)	**(2.7)**	(20.8)	-	-	-
Experience adjustment on plan assets	**663.8**	(662.0)	13.0	(15.1)	(8.3)
Experience adjustment on plan liabilities	**1,703.3**	(129.9)	447.4	501.6	310.5

The Group has contributed ₹ 3,918.8 million to provident fund including Government of India managed employees provident fund for the year ended March 31, 2021 (year ended March 31, 2020: ₹ 3,893.5 million), which includes compulsory contribution made towards employee pension scheme under Employees Provident Fund and Miscellaneous Provisions Act, 1952.

Superannuation Fund

The Group has contributed ₹ 248.7 million for the year ended March 31, 2021 (year ended March 31, 2020: ₹ 247.7 million) to Superannuation Fund for employees who had opted for the scheme.

National Pension Scheme (NPS)

The Group has contributed ₹ 246.0 million for the year ended March 31, 2021 (March 31, 2020: ₹ 247.3 million) to NPS for employees who had opted for the scheme.

Compensated absence

The following table sets forth, for the periods indicated, cost for compensated absence

₹ in million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total actuarial liability	**4,131.3**	3,290.4
Cost[1]	**1,586.6**	**1,067.0**
Assumptions		
Discount rate	**5.20%-6.90%**	5.60%-6.85%
Salary escalation rate	**7.00%-10.00%**	7.00%-10.00%

1. Included in line item 'Payments to and provision for employees' of schedule- 16 Operating expenses.

8. Provision for income tax

The provision for income tax (including deferred tax) for the year ended March 31, 2021 amounted to ₹ 56,643.7 million (March 31, 2020: ₹ 73,631.4 million).

The Group has a comprehensive system of maintenance of information and documents required by transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. The management is of the opinion that all transactions with international related parties and specified transactions with domestic related parties are primarily at arm's length so that the above legislation does not have material impact on the financial statements.

9. Deferred tax

At March 31, 2021, the Group has recorded net deferred tax asset of ₹ 93,350.2 million (March 31, 2020: ₹ 88,070.3 million), which has been included in other assets.

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The following table sets forth, for the periods indicated, the break-up of deferred tax assets and liabilities into major items.

₹ in million

Particulars	At March 31, 2021	At March 31, 2020
Deferred tax assets		
Provision for bad and doubtful debts	**111,990.0**	100,243.8
Foreign currency translation reserve[1]	**0.0**[2]	611.4
Others	**13,938.4**	16,223.8
Total deferred tax assets	**125,928.4**	**117,079.0**
Deferred tax liabilities		
Special reserve deduction	**27,449.2**	24,706.5
Foreign currency translation reserve[1]	**1,048.3**	-
Mark-to-market gains[1]	**-**	-
Depreciation on fixed assets	**3,717.6**	3,462.6
Interest on refund of taxes[1]	**115.3**	512.4
Others	**247.8**	327.2
Total deferred tax liabilities	**32,578.2**	**29,008.7**
Total net deferred tax assets/(liabilities)	**93,350.2**	**88,070.3**

1. *These items are considered in accordance with the requirements of Income Computation and Disclosure Standards (ICDS).*
2. *Insignificant amount.*

10. Information about business and geographical segments

A. *Business Segments*

The business segments of the Group have been presented as follows:

i. **Retail banking** includes exposures of the Bank which satisfy the four criteria of orientation, product, granularity and low value of individual exposures for retail exposures laid down in Basel Committee on Banking Supervision document "International Convergence of Capital Measurement and Capital Standards: A Revised Framework". This segment also includes income from credit cards, debit cards, third party product distribution and the associated costs.

ii. **Wholesale banking** includes all advances to trusts, partnership firms, companies and statutory bodies, by the Bank which are not included under Retail banking.

iii. **Treasury** includes the entire investment and derivative portfolio of the Bank and ICICI Strategic Investments Fund.

iv. **Other banking** includes leasing operations and other items not attributable to any particular business segment of the Bank. Further, it includes the Bank's banking subsidiaries i.e. ICICI Bank UK PLC and ICICI Bank Canada.

v. **Life insurance** represents results of ICICI Prudential Life Insurance Company Limited.

vi. **General insurance** represents results of ICICI Lombard General Insurance Company Limited.

vii. **Others** includes ICICI Home Finance Company Limited, ICICI Venture Funds Management Company Limited, ICICI International Limited, ICICI Securities Primary Dealership Limited, ICICI Securities Limited, ICICI Securities Holdings Inc., ICICI Securities Inc., ICICI Prudential Asset Management Company Limited, ICICI Prudential Trust Limited, ICICI Investment Management Company Limited, ICICI Trusteeship Services Limited and ICICI Prudential Pension Funds Management Company Limited.

viii. **Unallocated i**ncludes items such as tax paid in advance net of provision, deferred tax and provisions to the extent reckoned at the entity level.

Income, expenses, assets and liabilities are either specifically identified with individual segments or are allocated to segments on a systematic basis.

All liabilities of the Bank are transfer priced to a central treasury unit, which pools all funds and lends to the business units at appropriate rates based on the relevant maturity of assets being funded after adjusting for regulatory reserve requirements.

The transfer pricing mechanism of the Bank is periodically reviewed. The segment results are determined based on the transfer pricing mechanism prevailing for the respective reporting periods.

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The following table sets forth, the business segment results for the year ended March 31, 2021.

₹ in million

Sr. no.	Particulars	Retail banking	Wholesale banking	Treasury	Other banking business	Life insurance	General insurance	Others	Inter-segment adjustments	Total
1	Revenue	756,692.9	371,945.3	666,253.8	31,800.6	436,215.9	129,648.3	78,270.3	(857,462.3)	1,613,364.8
2	**Segment results[1]**	77,399.7	58,199.5	107,598.8	5,735.7	10,811.8	19,539.5	40,077.1	(11,578.8)	307,783.3
3	Unallocated expenses									47,500.0
4	Operating profit (2) – (3)[1]									260,283.3
5	Income tax expenses (net)/(net deferred tax credit)									56,643.7
6	**Net profit[2] (4) – (5)**									203,639.6
	Other information									
7	Segment assets	4,124,986.5	3,259,375.0	4,602,320.5	750,682.3	2,169,189.1	389,436.1	445,994.8	(147,461.6)	15,594,522.7
8	Unallocated assets									143,599.7
9	**Total assets (7) + (8)**									15,738,122.4
10	Segment liabilities	6,869,207.9	2,821,639.2	2,480,180.3[3]	639,123.3[3]	2,170,346.2[3]	392,588.7[3]	449,893.8[3]	(147,461.6)[3]	15,675,517.8
11	Unallocated liabilities									62,604.6
12	**Total liabilities (10) + (11)**									15,738,122.4
13	Capital expenditure	9,228.1	4,745.0	866.6	401.2	400.1	773.0	745.2	-	17,159.2
14	Depreciation	7,249.4	2,859.8	481.0	323.3	598.0	1,306.0	599.6	(16.4)	13,400.7

1. *Profit before tax and minority interest.*
2. *Includes share of net profit of minority shareholders.*
3. *Includes share capital and reserves and surplus.*

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The following table sets forth, the business segment results for the year ended March 31, 2020.

₹ in million

Sr. no.	Particulars	Retail banking	Wholesale banking	Treasury	Other banking business	Life insurance	General insurance	Others	Inter-segment adjustments	Total
1	Revenue	725,542.4	399,423.4	620,926.1	39,966.7	397,038.1	123,744.8	67,371.3	(876,151.8)	**1,497,861.0**
2	**Segment results[1]**	**89,930.2**	**9,272.3**	**51,710.8**	**10,867.9**	**10,684.0**	**16,968.9**	**23,852.7**	**(12,295.8)**	**200,991.0**
3	Unallocated expenses									**15,104.9**
4	Operating profit (2) – (3)[1]									**185,886.1**
5	Income tax expenses (net)/(net deferred tax credit)									**73,631.4**
6	**Net profit[2] (4) – (5)**									**112,254.7**
	Other information									
7	Segment assets	3,513,412.1	3,073,070.6	4,133,791.4	734,528.0	1,557,104.9	365,990.6	378,947.4	(145,872.9)	**13,610,972.1**
8	Unallocated assets									**161,950.2**
9	**Total assets (7) + (8)**									**13,772,922.3**
10	Segment liabilities	5,732,467.7	2,307,128.6	2,880,715.4[3]	670,469.0[3]	1,558,623.1[3]	370,420.9[3]	383,865.6[3]	(145,872.9)[3]	**13,757,817.4**
11	Unallocated liabilities									**15,104.9**
12	**Total liabilities (10) + (11)**									**13,772,922.3**
13	Capital expenditure	9,947.7	3,008.0	-	880.9	605.7	3,056.0	616.5	-	**18,114.8**
14	Depreciation	6,865.4	2,515.8	0.4	280.6	605.5	906.2	554.7	(16.4)	**11,712.2**

1. *Profit before tax and minority interest.*
2. *Includes share of net profit of minority shareholders.*
3. *Includes share capital and reserves and surplus.*

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B. *Geographical segments*

The Group has reported its operations under the following geographical segments.

- **Domestic operations** comprise branches and subsidiaries/joint ventures in India.
- **Foreign operations** comprise branches and subsidiaries/joint ventures outside India and offshore banking units in India.

The Group conducts transactions with its customers on a global basis in accordance with their business requirements, which may span across various geographies.

The following tables set forth, for the periods indicated, the geographical segment results.

₹ in million

Revenue	Year ended March 31, 2021	Year ended March 31, 2020
Domestic operations	**1,579,203.4**	1,442,222.4
Foreign operations	**34,161.4**	55,638.6
Total	**1,613,364.8**	**1,497,861.0**

₹ in million

Assets	At March 31, 2021	At March 31, 2020
Domestic operations	**14,216,048.7**	12,275,555.0
Foreign operations	**1,378,474.0**	1,335,417.1
Total	**15,594,522.7**	**13,610,972.1**

Note: Segment assets do not include tax paid in advance/tax deducted at source (net) and deferred tax assets (net).

The following table sets forth, for the periods indicated, capital expenditure and depreciation thereon for the geographical segments.

₹ in million

	Capital expenditure incurred during the		Depreciation provided during the	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Domestic operations	**16,866.4**	17,207.3	**13,120.0**	11,440.3
Foreign operations	**292.8**	907.5	**280.7**	271.9
Total	**17,159.2**	**18,114.8**	**13,400.7**	**11,712.2**

11. Penalties/fines imposed by banking regulatory bodies

There was no penalty imposed by RBI and other banking regulatory bodies during the year ended March 31, 2021 (year ended March 31, 2020: Nil).

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12. Additional information to consolidated accounts

Additional information to consolidated accounts at March 31, 2021 (Pursuant to Schedule III of the Companies Act, 2013)

₹ in million

Name of the entity	Net assets[1]		Share in profit or loss	
	% of total net assets	Amount	% of total net profit	Amount
Parent				
ICICI Bank Limited	**93.6%**	**1,475,091.9**	**88.1%**	**161,926.8**
Subsidiaries				
Indian				
ICICI Securities Primary Dealership Limited	**0.9%**	**14,409.7**	**3.5%**	**6,473.3**
ICICI Securities Limited	**1.1%**	**18,027.0**	**5.9%**	**10,933.0**
ICICI Home Finance Company Limited	**1.0%**	**16,085.9**	**0.4%**	**806.3**
ICICI Trusteeship Services Limited	**0.0%[2]**	**8.1**	**0.0%[2]**	**0.7**
ICICI Investment Management Company Limited	**0.0%[2]**	**83.0**	**(0.0%)[2]**	**(11.8)**
ICICI Venture Funds Management Company Limited	**0.2%**	**2,459.1**	**0.0%[2]**	**40.1**
ICICI Prudential Life Insurance Company Limited	**5.8%**	**91,188.6**	**5.2%**	**9,601.5**
ICICI Lombard General Insurance Company Limited	**5.1%**	**81,156.6**	**8.0%**	**14,730.5**
ICICI Prudential Trust Limited	**0.0%[2]**	**15.4**	**0.0%[2]**	**1.7**
ICICI Prudential Asset Management Company Limited	**1.0%**	**16,274.7**	**6.4%**	**11,795.0**
ICICI Prudential Pension Funds Management Company Limited	**0.0%[2]**	**288.5**	**(0.0%)[2]**	**(39.9)**
Foreign				
ICICI Bank UK PLC	**2.4%**	**37,047.9**	**0.6%**	**1,097.9**
ICICI Bank Canada	**2.2%**	**34,795.0**	**0.6%**	**1,126.1**
ICICI International Limited	**0.0%[2]**	**99.6**	**(0.0%)[2]**	**(11.8)**
ICICI Securities Holdings Inc.	**0.0%[2]**	**130.4**	**(0.0%)[2]**	**(1.3)**
ICICI Securities Inc.	**0.0%[2]**	**274.8**	**0.0%[2]**	**6.3**
Other consolidated entities				
Indian				
ICICI Strategic Investments Fund	**0.0%[2]**	**375.0**	**0.0%[2]**	**75.0**
Foreign				
NIL	-	-	-	-
Minority Interests	**(6.1%)**	**(95,883.4)**	**(10.8%)**	**(19,796.5)**
Associates				
Indian				
I-Process Services (India) Private Limited	-	-	**0.0%[2]**	**11.8**
NIIT Institute of Finance Banking and Insurance Training Limited	-	-	**0.0%[2]**	**0.5**
ICICI Merchant Services Private Limited	-	-	**0.1%**	**185.8**
India Infradebt Limited	-	-	**0.7%**	**1,198.8**
India Advantage Fund III	-	-	**0.0%[2]**	**13.8**
India Advantage Fund IV	-	-	**0.0%[2]**	**19.3**
Arteria Technologies Private Limited	-	-	**0.0%[2]**	**13.0**
Foreign				
NIL	-	-	-	-
Joint Ventures				
NIL	-	-	-	-
Inter-company adjustments	**(7.2%)**	**(116,052.8)**	**(8.9%)**	**(16,352.7)**
Total net assets/net profit	**100.0%**	**1,575,875.0**	**100.0%**	**183,843.2**

1. *Total assets minus total liabilities.*
2. *Insignificant.*

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Additional information to consolidated accounts at March 31, 2020 (Pursuant to Schedule III of the Companies Act, 2013)

Name of the entity	Net assets[1]		Share in profit or loss	
	% of total net assets	Amount	% of total net profit	Amount
Parent				
ICICI Bank Limited	94.7%	1,165,044.1	82.9%	79,308.1
Subsidiaries				
Indian				
ICICI Securities Primary Dealership Limited	0.9%	11,125.4	2.8%	2,657.2
ICICI Securities Limited	1.0%	11,828.5	5.7%	5,481.0
ICICI Home Finance Company Limited	1.2%	15,241.9	(1.2%)	(1,168.2)
ICICI Trusteeship Services Limited	0.0%[2]	7.4	0.0%[2]	0.4
ICICI Investment Management Company Limited	0.0%[2]	94.8	(0.0%)[2]	(18.6)
ICICI Venture Funds Management Company Limited	0.2%	2,449.5	0.1%	134.1
ICICI Prudential Life Insurance Company Limited	5.9%	72,186.2	11.2%	10,687.5
ICICI Lombard General Insurance Company Limited	4.7%	57,054.0	12.5%	11,937.6
ICICI Prudential Trust Limited	0.0%[2]	14.5	0.0%[2]	1.0
ICICI Prudential Asset Management Company Limited	1.0%	12,793.8	11.0%	10,494.1
ICICI Prudential Pension Funds Management Company Limited	0.0%[2]	328.4	(0.0%)[2]	(17.7)
Foreign				
ICICI Bank UK PLC	2.8%	34,301.4	1.7%	1,647.6
ICICI Bank Canada	2.5%	31,051.8	2.3%	2,161.5
ICICI International Limited	0.0%[2]	115.1	(0.0%)[2]	(3.0)
ICICI Securities Holdings Inc.	0.0%[2]	131.7	0.0%[2]	2.8
ICICI Securities Inc.	0.0%[2]	267.7	0.1%	50.0
Other consolidated entities				
Indian				
ICICI Strategic Investments Fund	0.0%[2]	156.9	(0.0%)[2]	(6.5)
Foreign				
NIL	-	-	-	-
Minority interests	**(5.5%)**	**(67,947.7)**	**(17.4%)**	**(16,591.6)**
Associates				
Indian				
I-Process Services (India) Private Limited	-	-	0.0%[2]	5.7
NIIT Institute of Finance Banking and Insurance Training Limited	-	-	(0.0%)[2]	(5.1)
ICICI Merchant Services Private Limited	-	-	0.2%	208.9
India Infradebt Limited	-	-	1.1%	1,096.5
India Advantage Fund III	-	-	0.2%	186.6
India Advantage Fund IV	-	-	0.3%	267.6
Arteria Technologies Private Limited	-	-	0.0%[2]	6.4
Foreign				
NIL	-	-	-	-
Joint Ventures				
NIL	-	-	-	-
Inter-company adjustments	**(9.4%)**	**(116,644.8)**	**(13.5%)**	**(12,860.8)**
Total net assets/net profit	**100.0%**	**1,229,600.6**	**100.0%**	**95,663.1**

1. *Total assets minus total liabilities.*
2. *Insignificant.*

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13. Sale of equity shareholding in subsidiaries

During the year ended March 31, 2021, the Bank sold approximately 1.50% of its shareholding in ICICI Prudential Life Insurance Company Limited, 3.96% of its shareholding in ICICI Lombard General Insurance Company Limited and 4.21% of its shareholding in ICICI Securities Limited and made a net gain of ₹ 32,970.5 million on these sales (year ended March 31, 2020: Nil).

14. Revaluation of fixed assets

The Bank and its housing finance subsidiary follow the revaluation model for their premises (land and buildings) other than improvements to leasehold property as per AS 10 – 'Property, Plant and Equipment'. The Bank had initially revalued its premises at March 31, 2016 and its housing finance subsidiary revalued its premises at March 31, 2017. In accordance with the policy, annual revaluation is carried out through external valuers, using methodologies such as direct sales comparison method and income generation method and the incremental amount has been taken to revaluation reserve. The revalued amount at March 31, 2021 was ₹ 57,271.4 million (March 31, 2020: ₹ 57,871.0 million) as compared to the historical cost less accumulated depreciation of ₹ 26,018.6 million (March 31, 2020: ₹ 26,427.8 million).

The revaluation reserve is not available for distribution of dividend.

15. Proposed dividend on equity shares

The Board of Directors at its meeting held on April 24, 2021 has recommended a dividend of ₹ 2 per equity share for the year ended March 31, 2021 (year ended March 31, 2020: Nil). The declaration and payment of dividend is subject to requisite approvals.

16. Divergence in asset classification and provisioning for NPAs

In terms of the RBI circular no. //DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019, 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 10% of the reported net profits before provisions and contingencies 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 condition mentioned in RBI circular, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended March 31, 2020 and for the year ended March 31, 2019.

17. Demerger of Bharti AXA General Insurance Company Limited into ICICI Lombard General Insurance Company Limited

In August 2020, the Board of Directors of ICICI Lombard General Insurance Company Limited and Bharti AXA General Insurance Company Limited at their respective meetings approved entering into definitive agreements for demerger of Bharti AXA's general insurance business and transferring the same into ICICI Lombard General Insurance Company through a Scheme of Arrangement. Based on the share exchange ratio recommended by independent valuers and accepted by the respective boards of ICICI Lombard General Insurance Company and Bharti AXA General Insurance Company, the shareholders of Bharti AXA General Insurance Company shall receive two shares of ICICI Lombard General Insurance Company for every 115 shares of Bharti AXA General Insurance Company held by them as on the date on which the Scheme of Arrangement was approved by the Board of Directors of ICICI Lombard General Insurance Company and Bharti AXA General Insurance Company. The conclusion of the proposed transaction is subject to compliance with various conditions, including approvals from various regulators. On the conclusion of the proposed transaction, the equity shareholding of the Bank in ICICI Lombard General Insurance Company will come down to below 50.0%. In September 2020, the Central Government, on the recommendation of RBI, has issued a notification exempting ICICI Bank from the provisions of Section 19(2) of the Banking Regulation Act, 1949 with respect to shareholding above 30.0% in ICICI Lombard General Insurance Company Limited, for a period of three years.

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Accounts *(Contd.)*

18. Reliefs on interest

In accordance with RBI notification dated April 7, 2021, the Group is required to refund/adjust 'interest on interest' to borrowers. As required by the RBI notification, the methodology for calculation of such interest on interest has recently been circulated by the Indian Banks' Association. The Group is in the process of suitably implementing this methodology. At March 31, 2021, the Group has created a liability towards estimated interest relief amounting to ₹ 1,820.0 million and reduced the same from the interest income.

19. Impact of Covid-19 on the performance of the Group

The Covid-19 pandemic has impacted most economies and banking systems globally, including India. The nation-wide lockdown in April-May 2020 substantially impacted economic activity. The easing of lockdown measures subsequently led to gradual improvement in economic activity and progress towards normalcy. For the banking sector, these developments resulted in lower demand for loans and fee-based services and regulatory measures like moratorium on payment of dues and standstill in asset classification to mitigate the economic consequences on borrowers. It also resulted in increase in provisioning reflecting higher actual and expected additions to non-performing loans following the cessation of moratorium and asset classification standstill. The current second wave of Covid-19 pandemic, where the number of new cases has increased significantly in India, has resulted in re-imposition of localised/regional lock-down measures in various parts of the country.

The impact, including credit quality and provision of the Covid-19 pandemic, on the Group, is uncertain and will depend on the spread of Covid-19, the effectiveness of current and future steps taken by the governments and central bank to mitigate the economic impact, steps taken by the Group and the time it takes for economic activities to return to pre-pandemic levels. The Group's capital and liquidity position is strong and would continue to be a focus area for the Group during this period.

In addition to Covid-19 related provision of ₹ 27,250.0 million made in FY2020, during FY2021, the Bank made additional Covid-19 related provision of ₹ 65,500.0 million (excluding contingency provision on borrower accounts not classified as non-performing pursuant to the Supreme Court interim order) and utilised ₹ 18,000.0 million of Covid-19 related provisions. Accordingly, at March 31, 2021, the Bank held aggregate Covid-19 related provision of ₹ 74,750.0 million.

20. Additional disclosure

Additional statutory information disclosed in the separate financial statements of the Bank and subsidiaries having no material bearing on the true and fair view on the consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements.

21. Comparative figures

Figures of the previous year have been re-grouped to conform to the current year presentation.

Signatures to Schedules 1 to 18

As per our Report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration no.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership no.: 105782

For and on behalf of the Board of Directors

Girish Chandra Chaturvedi
Chairman
DIN-00110996

Uday M. Chitale
Director
DIN-00043268

Sandeep Bakhshi
Managing Director & CEO
DIN-00109206

Vishakha Mulye
Executive Director
DIN-00203578

Anup Bagchi
Executive Director
DIN-00105962

Sandeep Batra
Executive Director
DIN-03620913

Rakesh Jha
Group Chief Financial Officer

Ranganath Athreya
Company Secretary

Rajendra Khandelwal
Chief Accountant

Mumbai
April 24, 2021

STATEMENT PURSUANT TO SECTION 129 OF COMPANIES ACT, 2013

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

Part "A": Subsidiaries

₹ in million

Particulars	ICICI Securities Primary Dealership Limited[2]	ICICI Securities Limited[2]	ICICI Securities Holdings Inc.[1, 2]	ICICI Securities Inc.[1, 2]	ICICI Home Finance Company Limited[2]	ICICI Trusteeship Services Limited	ICICI Investment Management Company Limited	ICICI Venture Funds Management Company Limited	ICICI Prudential Life Insurance Company Limited	ICICI Lombard General Insurance Company Limited	ICICI International Limited[3]	ICICI Bank UK PLC[3]	ICICI Bank Canada[4,5]	ICICI Prudential Trust Limited	ICICI Prudential Asset Management Company Limited[2]	ICICI Prudential Pension Funds Management Company Limited[1]
The date since when subsidiary was acquired	September 15, 1993	March 9, 1995	June 12, 2000	June 13, 2000	November 1, 1999	September 1, 1999	March 9, 2000	March 25, 1998	October 1, 2000	July 1, 2001	February 27, 1998	August 19, 2003	October 13, 2003	August 26, 2005	August 26, 2005	April 22, 2009
Paid-up share capital[6]	1,563.4	1,611.1	728.2	571.7	10,987.5	0.5	100.0	10.0	14,359.7	4,545.9	65.8	30,713.2	26,908.2	1.0	176.5	390.0
Reserves & Surplus	12,845.1	16,426.8	(597.8)	(300.0)	6,883.9	7.6	(17.0)	2,449.5	76,828.9	76,610.6	33.8	6,334.7	7,440.8	14.4	17,448.1	(101.5)
Total assets	197,196.2	81,557.3	131.1	364.6	155,101.5	9.2	121.8	2,914.7	2,172,281.0	392,978.3	102.8	216,211.5	352,824.1	16.9	21,435.8	320.1
Total liabilities (excluding capital and reserves)	182,787.7	63,519.4	0.7	92.9	137,230.1	1.1	38.8	455.2	2,081,092.4	311,821.7	3.2	179,163.6	318,475.0	1.5	3,811.2	31.7
Investments (including investment in subsidiaries)[7]	157,679.6	4,814.1	94.5	Nil	4,381.9	7.7	71.3	1,357.6	2,122,118.6	308,921.8	#	39,387.7	39,698.5	15.5	17,715.0	285.6
Turnover (Gross income from operations)	13,852.9	25,854.4	Nil	182.8	16,064.8	1.9	64.7	375.0	357,328.8	143,203.3	17.6	6,910.0	10,599.8	5.2	22,298.7	8.7
Profit/(loss) before taxation	7,606.6	14,307.7	(2.5)	2.7	326.4	0.9	(11.8)	33.1	10,814.0	19,539.5	(11.7)	1,281.2	621.3	2.1	16,577.8	(39.9)
Provision for taxation	1,925.4	3,632.2	1.2	(0.4)	109.7	0.2	Nil	(7.0)	1,212.5	4,809.0	Nil	199.8	176.7	0.4	4,124.1	#
Profit/(loss) after taxation	5,681.2	10,675.5	(1.3)	3.1	216.7	0.7	(11.8)	40.1	9,601.5	14,730.5	(11.7)	1,081.4	444.6	1.7	12,453.7	(39.9)
Dividend (including corporate dividend tax)[8]	3,189.0	4,752.1	Nil	Nil	Nil	Nil	Nil	30.0	Nil	1,818.3	Nil	Nil	1,728.0	0.8	8,314.1	Nil
% of shareholding	100.00%	75.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	51.37%	51.88%	100.00%	100.00%	100.00%	50.80%	51.00%	100.00%

amount less than 0.1 million

Notes:

1. *ICICI Securities Holdings Inc. is a wholly owned subsidiary of ICICI Securities Limited. ICICI Securities Inc. is a wholly owned subsidiary of ICICI Securities Holdings Inc.*
   ICICI Prudential Pension Funds Management Company Limited is a wholly owned subsidiary of ICICI Prudential Life Insurance Company Limited.
2. *Financial information as per respective entity Ind AS financial statements pursuant to migration to Ind AS by these entities.*
3. *The financial information of ICICI Bank UK PLC and ICICI International Limited has been translated into Indian Rupees at the closing rate at March 31, 2021 of 1 USD = ₹ 73.1100.*
4. *The financial information of ICICI Bank Canada is for the period January 1, 2020 to December 31, 2020, being their financial year.*
5. *The financial information of ICICI Bank Canada has been translated into Indian Rupees at the closing rate at December 31, 2020 of 1 CAD = ₹ 57.3125.*
6. *Paid-up share capital does not include share application money.*
7. *Investments include securities held as stock in trade.*
8. *Represents dividend on equity shares paid during the year.*
9. *Names of subsidiaries which are yet to commence operations: None*
10. *Names of subsidiaries which have been liquidated or sold during the year: None*

STATEMENT PURSUANT TO SECTION 129 OF COMPANIES ACT, 2013

Part "B": Associate companies and joint ventures

₹ in million

	Name of associate companies/joint ventures	I-Process Services (India) Private Limited	NIIT Institute of Finance Banking and Insurance Training Limited	ICICI Merchant Services Private Limited	India Infradebt Limited	Arteria Technologies Private Limited	Falcon Tyres Limited
1	Latest audited balance sheet date	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2016
2	Date on which the Associate or Joint Venture was associated or acquired	October 4, 2005	August 7, 2006	December 31, 2009	November 27, 2012	May 29, 2018	December 4, 2014
3	**Shares of associate companies/joint ventures held by ICICI Group at March 31, 2021**						
	Number of equity shares	9,880	1,900,000	75,582,000	367,361,007	999,000	20,445,177
	Amount of investment in associate companies/joint ventures[2]	17.5	31.3	787.0	9,118.5	109.0	Nil
	Extent of holding (%)	19.00%	18.79%	19.01%	42.33%	19.98%	26.39%
4	Description of significant influence	Note 3	Note 3	Note 3	Note 4	Note 3	Note 4
5	Reason of non-consolidation of the associate/ joint venture	N.A.	N.A.	N.A.	N.A.	N.A.	Note 5
6	Networth attributable to shareholding as per latest audited balance sheet	4.2	24.3	862.4	9,086.8	25.7	N.A.
7	**Profit/(loss) for the year ended March 31, 2021**						
i	Considered in consolidation	11.8	0.5	185.8	1,198.8	13.0	N.A.
ii	Not considered in consolidation	58.0	2.2	791.4	1,633.4	52.2	N.A.

Notes:
1. *The above statement has been prepared based on the principles of Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India (ICAI), and therefore does not include the companies where ICICI Group does not have any significant influence as defined under AS 23, although the group holds more than 20.00% of total share capital in those companies.*
2. *Represents carrying value.*
3. *In terms of AS 23, issued by ICAI, ICICI Group is deemed to have significant influence through its voting power and representation on the Board of directors of the investee company.*
4. *In terms of AS 23, issued by ICAI, ICICI Group is deemed to have significant influence due to its holding being more than 20.00% of the voting power in the investee company.*
5. *The investment in Falcon Tyres Limited is temporary in nature.*
6. *Names of associates or joint ventures which are yet to commence operations: None*
7. *Names of associates or joint ventures which have been liquidated or sold during the year: None*

For and on behalf of the Board of Directors

Girish Chandra Chaturvedi Chairman DIN-00110996	**Uday M. Chitale** Director DIN-00043268	**Sandeep Bakhshi** Managing Director & CEO DIN-00109206
Vishakha Mulye Executive Director DIN-00203578	**Anup Bagchi** Executive Director DIN-00105962	**Sandeep Batra** Executive Director DIN-03620913
Rakesh Jha Group Chief Financial Officer	**Ranganath Athreya** Company Secretary	**Rajendra Khandelwal** Chief Accountant

Mumbai
April 24, 2021

BASEL PILLAR 3 DISCLOSURES

at March 31, 2021

Pillar 3 disclosures at March 31, 2021 as per Basel III guidelines of RBI have been disclosed separately on the Bank's website under 'Regulatory Disclosures Section' on the home page.

The link to this section is http://www.icicibank.com/regulatory-disclosure.page.

The section contains the following disclosures:

- Qualitative and quantitative disclosures at March 31, 2021
  - Scope of application
  - Capital adequacy
  - Credit risk
  - Securitisation exposures
  - Market risk
  - Operational risk
  - Interest rate risk in the banking book (IRRBB)
  - Liquidity risk
  - Counterparty credit risk
  - Risk management framework of non-banking group companies
  - Disclosure requirements for remuneration
  - Equities – Disclosure for banking book positions
  - Leverage ratio
- Composition of capital
- Composition of capital - reconciliation requirements
- Main features of regulatory capital instruments
- Full terms and conditions of regulatory capital instruments

GLOSSARY OF TERMS

Average assets	For the purpose of performance analysis, represents averages of daily balances
Average cost of funds	Cost of interest bearing liabilities
Average equity	Quarterly average of equity share capital and reserves
Average yield	Yield on interest earning assets
Book value per share	Share capital plus reserves divided by outstanding number of equity shares
Capital (for CRAR)	Capital includes share capital, reserves and surplus (revaluation reserve and foreign currency translation reserve are considered at discounted amount), capital instruments and general provisions as per the RBI Basel III guidelines
Capital to risk weighted assets ratio (CRAR)	Capital (for CRAR) divided by Risk Weighted Assets (RWAs)
Core operating profit	Profit before provisions and contingencies, excluding treasury income
Cost to income	Operating expenses divided by net interest income and non-interest income
Earnings per share	Net profit after tax divided by weighted average number of equity shares outstanding during the year
High quality liquid assets	Stock of liquid assets which can be readily sold at little or no loss of value or used as collateral to obtain funds
Interest spread	Average yield less average cost of funds
Liquidity coverage ratio	Ratio of unencumbered high quality liquid assets to total net cash outflows estimated for the next 30 calendar days
Net interest income	Total interest earned less total interest expended
Net interest margin	Total interest earned less total interest expended divided by average interest earning assets
Operating profit	Profit before provisions and contingencies
Provision coverage ratio	Provision for non-performing advances divided by gross non-performing advances
Provisions to core operating profit	Provisions and contingencies (excluding taxation) divided by core operating profit
Return on average assets	Net profit after tax divided by average assets
Return on average equity	Net profit after tax divided by average equity
Risk weighted assets (RWAs)	RWAs are computed by assigning risk weights as per the RBI Basel III guidelines to various on-balance sheet exposure, off-balance sheet exposures and undrawn exposures

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