ICICI Bank

UNDERSTANDING NEEDS. EVOLVING SOLUTIONS.

ANNUAL REPORT 2019-20

OUR APPROACH TO REPORTING

ABOUT THIS REPORT

In this Annual Report, ICICI Bank Limited has sought to adopt 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 the organisation's financial and non-financial resources and its 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, Manufactured, Intellectual, Human, Social and Relationship, and Natural. Details on the various capitals are covered in the chapters: ICICI Bank's Business Model, Management's Discussion & Analysis, Strategic Focus Areas for Business, Human Capital, Social and Relationship Capital and Natural Capital.

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, 2019 to March 31, 2020.

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

CONTENTS

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, ATMs and other touchpoints. 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

₹13.77 trillion
Consolidated Total Assets

₹268.08 billion
Core Operating Profit*

16.11%
Total Capital Adequacy Ratio

42.7%
Average CASA Ratio*

3.73%
Net Interest Margin*

53.3%
Retail portfolio as a proportion of total portfolio (including non-fund based outstanding)

12.9%
Growth in Domestic Loan Y-o-Y

28.6%
Growth in Term Deposits Y-o-Y

*During fiscal 2020; others at March 31, 2020

ICICIStack

ICICI Bank launched 'ICICIStack', the most comprehensive digital infrastructure available in the banking industry in India. It enables millions of retail customers and businesses to continue uninterrupted banking services digitally, without visiting any bank branch.

InstaBIZ

'InstaBIZ' is the country's first digital banking platform that helps the self-employed segment and businesses to undertake almost all their banking transactions in one single place. It allows customers to avail over 115 products and services in a digital and secure manner on their mobile phone and on the Bank's internet banking platform.

iMobile

ICICI Bank's mobile banking application, iMobile, offers over 270 services. The app has emerged as the leader among mobile banking apps in India in a report by Forrester, a marquee American research firm.

88%

Over 88% of savings account transactions were done through digital channels during fiscal 2020.

21,000

Network of over 21,000 branches and ATMs at March 31, 2020.

Best Company to Work For

Business Today magazine ranked ICICI Bank as the 'Best Company to Work For' in the BFSI sector for the fourth year in a row.

India's first 'Net Zero Energy - Platinum' rated building

ICICI Rural Self-Employment Training Institute inaugurated India's first IGBC* rated 'Net Zero Energy - Platinum' building in Jodhpur.

520,000

ICICI Foundation for Inclusive Growth has skilled over 520,000 underprivileged individuals till March 31, 2020.

*The Indian Green Building Council (IGBC), part of the Confederation of Indian Industry (CII), is the country's premier body for green building certification. The ratings are awarded based on assessment of energy efficiency, use of renewable energy, water conservation, waste management, indoor air quality and sustainable sourcing of material. IGBC rating levels (in ascending order) are: Certified, Silver, Gold and Platinum.

KEY BUSINESS AREAS

Providing financial solutions for every customer

RETAIL, RURAL AND SME BANKING

We offer deposit, credit and other financial products and services to individuals, households and small businesses across India, through 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.

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

ICICI PRUDENTIAL LIFE INSURANCE
We cover you. At every step in life.

ICICI Lombard
Nibhaye Vaade

ICICI Securities

ICICI PRUDENTIAL ASSET MANAGEMENT

ICICI Home Finance

ICICI Securities Primary Dealership Limited

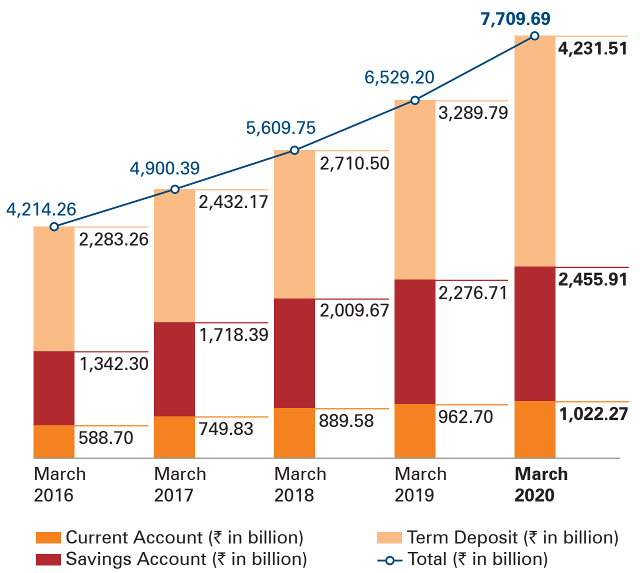
ICICI Venture

ICICI Bank United Kingdom

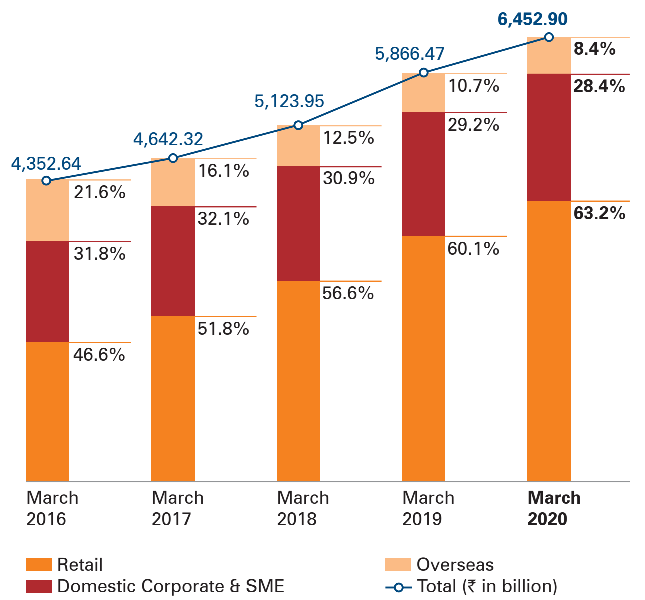
ICICI Bank | Canada

FINANCIAL HIGHLIGHTS

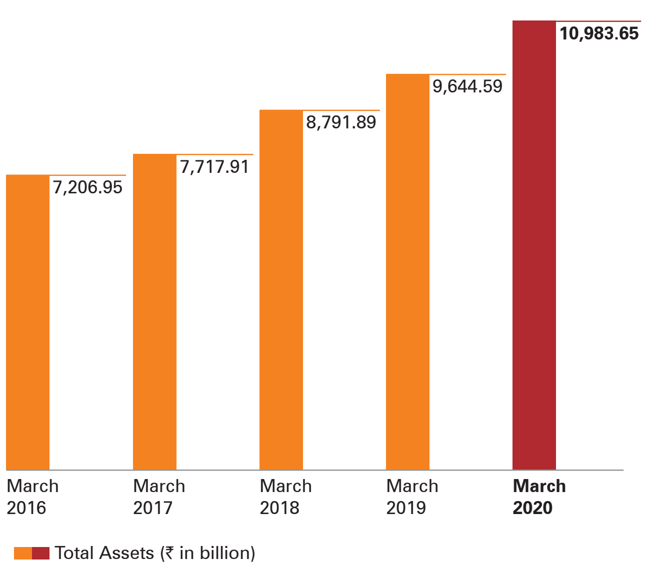
TOTAL DEPOSITS



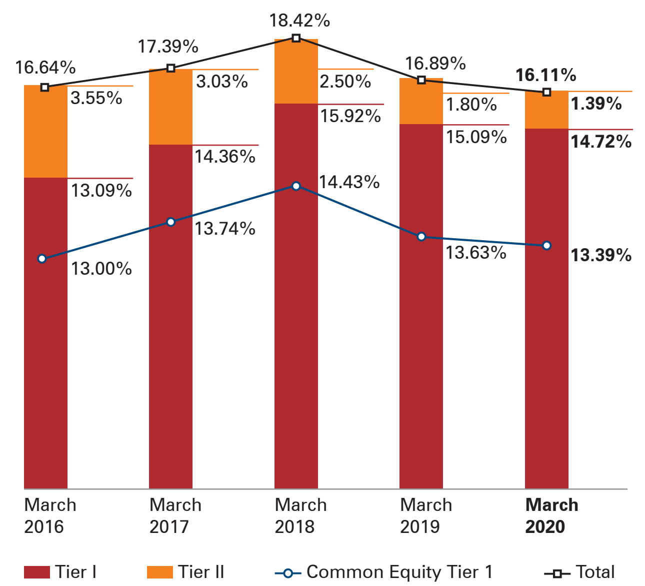
TOTAL ADVANCES



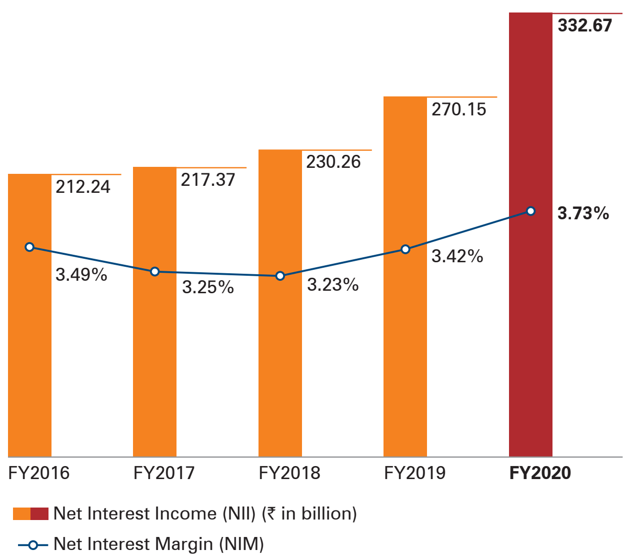
TOTAL ASSETS



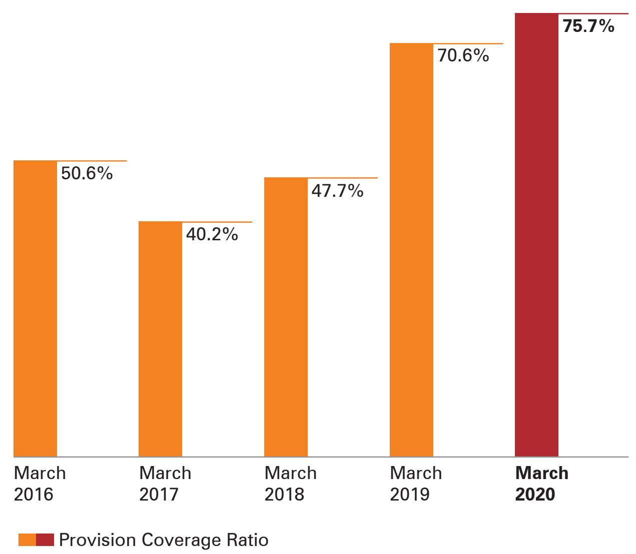
CAPITAL ADEQUACY



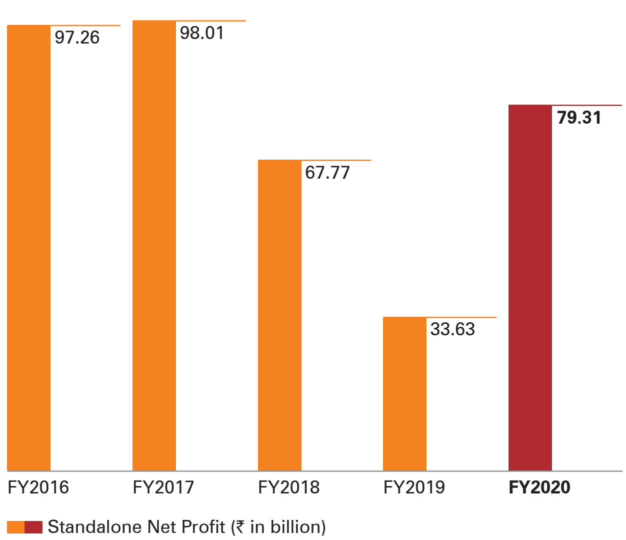
NII & NIM



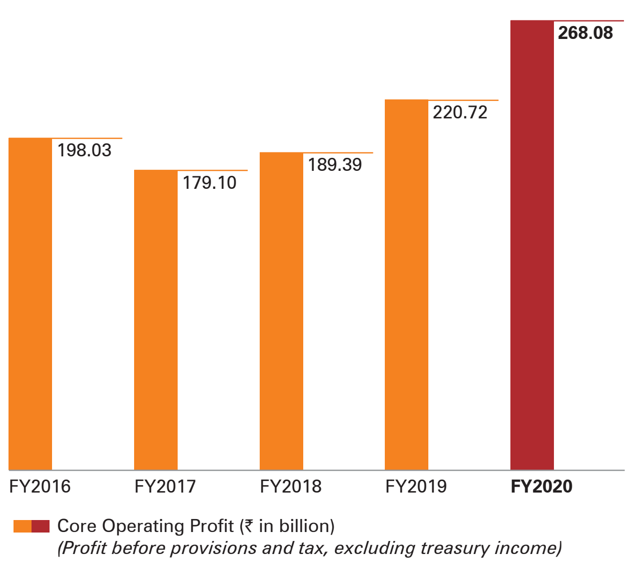
PROVISION COVERAGE RATIO



STANDALONE NET PROFIT



CORE OPERATING PROFIT



MESSAGE FROM THE CHAIRMAN

The performance in fiscal 2020 has also ensured value-creation for all stakeholders, including shareholders and customers. This has been achieved despite a challenging operating environment for the Indian banking industry.

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

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

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

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

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

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

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

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

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

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

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

With best wishes,

Girish Chandra Chaturvedi
Chairman

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

Vishakha Mulye
Executive Director

KEY PERSONNEL

Sandeep Batra
President

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
Sandeep Bakhshi
Anup Bagchi

Risk Committee
Girish Chandra Chaturvedi, *Chairman*
S. Madhavan
Independent Invitee Member

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

* *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.*

MESSAGE FROM THE WHOLETIME DIRECTORS AND PRESIDENT

Sandeep Bakhshi
Managing Director & CEO

During fiscal 2020, ICICI Bank continued to strengthen its banking franchise. Our guiding philosophy has been 'Fair to Customer, Fair to Bank' emphasising the need to deliver a fair proposition to customers while creating value for shareholders. We see our state-of-the-art digital platforms as a key strength, and leverage these with the objective of delivering exceptional value to our customers. Our Bank posted healthy growth in core operating profit, coupled with a robust deposit franchise and a strong balance sheet. Our long-term strategic focus is to grow the core operating profit in a risk-calibrated and granular manner.

Team ICICI Bank is committed to standing by its customers and stakeholders in these extraordinary times of the Coronavirus pandemic. Our employees have shown immense resilience and willingness to serve customers, with about 97% of the branches being functional during the lockdown along with an operational ATM network. We further accelerated our digital delivery with an array of new offerings to ensure uninterrupted services to our customers. In these challenging times, we remain committed to participating in the growth of the economy. In the process, we will also strive to emerge stronger as an institution. We thank our stakeholders for the faith that they have placed in us and look forward to their continued support.

Anup Bagchi
Executive Director

Our philosophy of offering superior experience to customers using digital technology remained unchanged in fiscal 2020. We brought in a bouquet of new products and services to further enhance customer convenience. We launched 'InstaBIZ', the country's first digital banking platform for businesses. It enables them to undertake almost all of their banking transactions digitally. We also launched India's largest and fully digital 'API Banking Portal' enabling partners to integrate solutions within a few days. In the wake of the Coronavirus outbreak, we launched 'ICICIStack', which offers nearly 500 services, many of which are industry-first. This allows our customers digital access to services related to account opening, loan solutions, payment solutions, investments and care solutions. I am happy to inform that over 88% of our savings account transactions were done digitally in fiscal 2020. Further, we have worked actively to provide protective equipment to assist government bodies, and police forces across the country in their efforts to safeguard the citizens of the country.

Sandeep Batra
President

In fiscal 2020, ICICI Bank continued to focus on risk-calibrated and granular growth of core operating profit. With a customer-centric approach and continuous enhancement of delivery capabilities, the Bank has leveraged growth opportunities while operating within the guardrails of risk management. Risks in the operating environment have increased substantially owing to the Covid-19 pandemic that has created unprecedented challenges. Even in these circumstances, we continue to invest in our technology, data sciences and operations capabilities to enhance customer offerings and launch new digital solutions. We have also streamlined processes keeping technology as the underlying driver, which has enabled us to significantly move all customer servicing requests to a digital ecosystem from the traditional paper-based one. The key priorities continue to be maintaining healthy liquidity and robust credit monitoring. We will further strengthen our balance sheet as opportunities arise. We are committed to building a sustainable and responsible business while creating value for all our stakeholders.

Vishakha Mulye
Executive Director

We are going through a period of high volatility. Wide ranging changes in the external environment and changing customer needs are impacting the way we do business. There is rapid evolution of the digital infrastructure and competitive landscape in the country. We are seeing convergence of debt markets and institutional credit. Against this backdrop, in addition to being a long-standing provider of capital to businesses, our Bank has embarked on a strategy to serve Corporate Ecosystems comprehensively. This approach is built on a digital foundation with data becoming increasingly the basis of product design and decisioning, and APIs becoming the preferred mode of seamless service delivery. Built on the fundamental foundation of strong underwriting standards which ensure return of capital, these measures along with our valuable franchise and our market positioning as a leading and trusted partner for our clients, enhance our competitive positioning and lead to creating value for our stakeholders.

BUSINESS MODEL

CAPITALS

VALUE DRIVERS

CORE BUSINESS ACTIVITIES

OUTCOMES

Financial Capital

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 118

Value drivers:
- Ensure a strong capital base
- Maintain robust funding profile
- Continue to strengthen portfolio quality
- Create value for shareholders

Outcomes:
- Core operating profit grew by 17.7% in fiscal 2020 on y-o-y basis
- Net NPA ratio decreased from 2.06% at March 31, 2019 to 1.41% at March 31, 2020
- Common Equity Tier 1 ratio of 13.39% at March 31, 2020
- Credit cost (excluding Covid-19 related provisions) as percentage of average advances at 1.86% in fiscal 2020 (Target: 25.0% of core operating profit which is about 1.2%-1.3% of average advances in a normal operating environment)
- Target of 15.0% consolidated return on equity by June 2020 would be delayed due to Covid-19

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 36

Value drivers:
- Employee-centric culture based on the value proposition – Saath Aapka (which means 'With You')
- Continuous skill training and capability building
- Employee engagement

Outcomes:
- One Bank, One Team, One Goal; cross-functional collaboration strengthened
- Net increase in employee strength of 12,556 in fiscal 2020
- 6.68 person-days of learning per employee in fiscal 2020
- A series titled '12x12 Ignite' launched to keep employees abreast on emerging domains including digital transformation, data science & behavioural economics
- 'Best Company to Work For' award for fourth year in a row in fiscal 2020

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 Strategic Focus Areas for Business on page 14

Value drivers:
- Early adoption of emerging technologies enabling innovation
- Augmenting existing digital products
- Entering into mutually beneficial partnerships
- Paperless and environment-friendly processes

Outcomes:
- ICICIStack, a comprehensive digital banking platform for retail, business banking, SME and corporate customers launched in March 2020
- API banking portal to integrate payment and product solutions introduced
- Strengthened data analytics and market intelligence capabilities for creating strategies to enable better targeting, channel and product alignment
- Launched a new digital platform - InstaBIZ for SME and self-employed segments
- Introduced digital sourcing of loans across businesses
- Launched instant issuance of digital credit card

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 Strategic Focus Areas for Business on page 14

Value drivers:
- 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

Outcomes:
- 1,151 branches and ATMs added to the network in fiscal 2020
- ATM channel enhanced for offering new services like cardless cash withdrawals and cross-sell
- Simplified processes to improve response time to customers. For e.g., savings account onboarding process simplified with system-driven validations enabling real-time account opening and activation

Social and Relationship Capital

Our commitment towards social empowerment and a financial ecosystem accessible to all

For further details, please refer to the write-up on Social and Relationship Capital on page 42

Value drivers:
- Providing skill training through ICICI Foundation for Inclusive Growth
- Increasing penetration of financial services in rural and unbanked areas
- Empowering rural women entrepreneurs

Outcomes:
- Significant efforts made by the Bank and ICICI Foundation in the fight against Covid-19 including supplying essential materials like personal protection equipment, sanitisers, masks and ventilators
- ICICI Bank contributed ₹500.0 million to PM CARES Fund
- ₹1.35 billion spent towards corporate social responsibility initiatives during fiscal 2020
- Over 520,000 individuals provided pro bono vocational training by ICICI Foundation till March 31, 2020
- Continuing support to self-help groups and promoting women entrepreneurship

Natural Capital

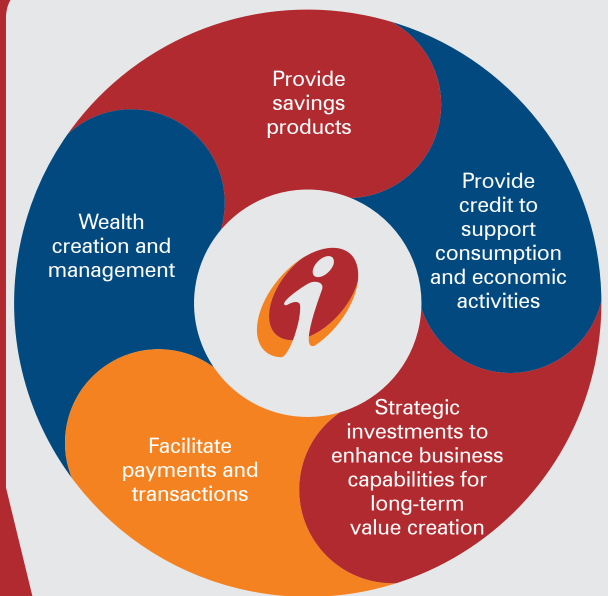
Impact on natural resources either through our operations or through business focus

For further details, please refer to the write-up on Natural Capital on page 48

Value drivers:
- 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

Outcomes:
- Sustainable financing practices strengthened under the Environmental and Social Management Framework
- 11 ICICI Bank premises have received 'Platinum' rating by Indian Green Building Council
- On-site renewable energy capacity augmented
- Efficiency in energy consumption maintained despite a growing branch network and staff strength

Core Business Activities



Growth Drivers

Outputs

Net Interest Income
₹332.67 billion during fiscal 2020

Fee Income
₹137.11 billion during fiscal 2020

Total Loans and Advances
₹6.45 trillion at March 31, 2020

Deposits
₹7.71 trillion at March 31, 2020

Strategic Focus Areas for Business

- A customer-centric approach with a focus on value creation and deeper relationships
- Risk-calibrated growth in core operating profits
- Being '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

For further details, please refer to the write-up on Strategic Focus Areas for Business on page 14

Operating within the Guardrails of Risks

- Credit
- Market
- Liquidity
- Operational
- Information Technology
- Cyber
- Legal
- Reputation
- Compliance

STRATEGIC FOCUS AREAS FOR BUSINESS

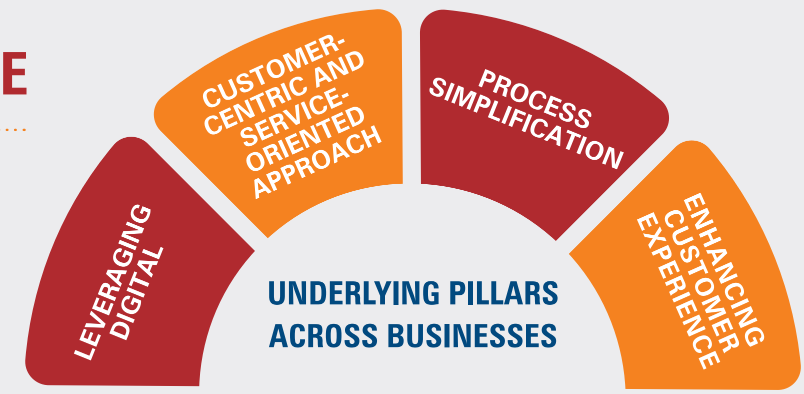
ICICI Bank is focussed on building and nurturing a leading, future-ready organisation with the customer at the core.

OBJECTIVE

ONE BANK, ONE ROE

PRINCIPLE

FAIR TO CUSTOMER, FAIR TO BANK



The strategic focus of the Bank during fiscal 2020 was to continue to grow its core operating profits in a risk-calibrated and granular manner. This was driven by the objective of 'One Bank, One ROE', that enabled synergies across businesses. Further, the principle of 'Fair to Customer, Fair to Bank' emphasising the need to deliver fair value to customers while creating value for shareholders, guides the Bank's operations. The underlying pillars of leveraging digital, a customer-centric and service-oriented approach, simplification of processes and enhancing customer experience were factors that were common across all businesses.

Efforts aimed at delivering maximum value to customers were further strengthened during the year. A strategic focus in this regard was to extensively leverage data analytics and market intelligence to create strategies and unique value propositions across market segments. It also facilitated better targeting, resourcing, channel and product alignment, capability building and marketing and alliances. The Bank enhanced its focus on exploring customer ecosystems that offered the opportunity to provide a wide range of products and services.

The drive to provide digital products and instant financial solutions to customers led to some unique product launches during the year that connected businesses. ICICIStack was a comprehensive digital offering launched by the Bank towards the end of fiscal 2020 that enables retail customers, retailers, professionals, fintechs, startups, e-commerce players and corporates to continue banking digitally, even from remote locations, without visiting a branch or office of the Bank. Following the outbreak of the Covid-19 pandemic, ICICIStack ensured continuity of banking services on the digital platform even during lockdown. The Bank's application programming interface (API) banking website allows business customers to seamlessly integrate with various payment and product solutions.

KEY FINANCIAL SERVICES

Retail, Rural and SME Banking

The Bank continued to seek opportunities in the retail business space and focussed on improving its market share in segments based on the risk-calibrated profit opportunity. The retail business remained the key driver of growth with the retail loan portfolio increasing by 15.6% year-on-year at March 31, 2020. The retail loan portfolio as a proportion of the total loan portfolio increased from 60.1% at March 31, 2019 to 63.2% at March 31, 2020. Including non-fund based outstanding, the share of retail portfolio was 53.3% of the total portfolio at March 31, 2020. The Bank continued to see strong growth in its deposit base, and maintained a robust funding profile during the year. Average savings account deposits increased by 11% year-on-year and average current account deposits increased

by 17.1% year-on-year. Total term deposits grew by 28.6% year-on-year.

Retail Banking

A customer-centric approach with a focus on maximising the lifecycle value of the relationship with the customer was a key strategy for the retail business. This involved creating digital journeys and offering a range of products from savings, investments, protection and retirement planning along with convenient payment and transaction banking services. Exploring the corporate ecosystem for opportunities in retail business was another key strategy to enable granular growth in business.

15.6%
increase in retail loan portfolio y-o-y

18.1%
increase in total deposits y-o-y

42.7%
average CASA ratio

28.6%
increase in term deposits y-o-y

Digital sourcing of loans, both in the secured and unsecured segments grew significantly during the year. In the secured loan segment, a complete end-to-end digital solution was developed right from prospecting of customers to validating loan requests, automated underwriting, online tracking of applications and digital disbursement of funds. In the unsecured segment, efforts for improving the digital experience of customers continued which included digital underwriting processes and lending API for integration with partners and fintechs. Instant issuance of paperless and ready-to-use credit cards digitally was enabled. These cards are also enabled with security features including control features using the mobile and internet banking app. Towards the end of the year, the Bank launched a comprehensive platform, ICICIStack, that offers digital services and covers almost all banking requirements of customers including account opening, loans, credit cards, payment solutions, investments, insurance and protection related products. The platform can be used by various customer segments including retail, SME and corporate clients.

STRATEGIC FOCUS AREAS FOR BUSINESS

Customer Touchpoints at March 31, 2020

21,012
Branches and ATMs

1,638
Insta-banking kiosks

1,791
Cash acceptance machines

4,000
Business Correspondents

483,538
POS machines
(ICICI Merchant Services Pvt Ltd.)

Enhancing the digital journey of customers with the Bank involved creating innovative solutions, both for customers and for relationship managers. During the year, the Bank revamped its home loan website offering an interactive customer experience and providing relevant content like calculator for checking loan eligibility, an e-book explaining the journey to purchase a home loan and a blog on the mortgage industry to enable customers to take informed decisions. For customers who are not too digitally oriented, an eRelationship Management channel was introduced, that caters to the transactions and product needs of customers through human interface on the phone. The objective is to encourage digital behaviour in customers by providing end-to-end support on the phone.

Simplification of processes and ensuring convenience to customers was an ongoing effort through the year. Digital onboarding of customers for opening accounts, processing service requests without human intervention, using cognitive tools for cheque clearing and encouraging paperless customer communication were a few of the key areas of focus. During the year, the Bank revamped its savings account onboarding process and enhanced system-driven validations to enable real-time account opening and activation. Features such as allowing quick fund transfer within certain limits without going through the payee registration process were enabled on the mobile app and internet banking.

Exploring opportunities through partnerships with platforms with large customer bases and transaction volumes continued during the year. The Bank launched a range of travel cards under such partnerships during the year.

The branch network was expanded with 450 new branches added during the year. The total branch network of the Bank at March 31, 2020 was 5,324. The ATM channel was further leveraged by offering services like cardless withdrawals from ATMs and creating cross-sell opportunities through the channel. The Bank added 471 insta-banking kiosks during fiscal 2020 taking the total count to 1,638 at March 31, 2020.

Rural and Inclusive Banking

The Bank's rural banking operations cater to the financial requirements of customers in rural and semi-urban locations, primarily engaged in agriculture and allied activities. The Bank believes that the needs and expectations of rural customers are distinct from other customer segments. 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 5,324 branches, 50% are in rural and semi-urban areas with 650 branches in villages that were previously unbanked. The Bank had over 4,000 customer service points enabled through the Business Correspondent network at March 31, 2020.

The rural strategy has focussed on serving rural value chains by leveraging opportunities in different ecosystems within the rural markets. At the heart of this approach were four main ecosystems identified in the rural market which included the agriculture value chain, rural corporates, the government and the microfinance business. The Bank has developed different products and services taking into consideration the needs of every participant and leveraging banking opportunities across the business activity.

The agriculture ecosystem includes participants like seed producers, agri-input dealers, farmers, warehouses, agri-equipment dealers, commodity traders and millers. 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. Farmer financing is the primary focus within this ecosystem with products

like working capital loans through the Kisan Credit Card and gold loans, and term loans for farm equipment, dairy livestock purchase and farm development. The ecosystem of rural corporates includes manufacturing and processing units, employees, dealers and suppliers who may be present in different geographies across rural India. The government network comprises of government offices, employees and institutions that implement various government schemes. The Bank closely engages with them to develop products and processes, including technology solutions. The micro-lending space includes women from the lower strata of the population, non-government organisations and other institutions working at the grassroot level in the rural economy. The Bank has products and services specifically to cater to this segment.

Apart from direct lending to customers, the Bank also engages with Microfinance Institutions (MFIs) as a crucial delivery channel in reaching out to the otherwise under-served segments of the population and enabling financial inclusion. The Bank provides financial assistance to the MFIs in the form of term loans. These funds are then further extended for on-lending to individuals and also to members of self-help groups (SHGs) and joint liability groups (JLGs) while complementing the Bank's direct outreach to such groups.

As in all businesses, digitisation underpinned the efforts in rural banking which involved simplifying processes and empowering teams. The Bank has a mobile application which 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 cost to service new loan applications. The Bank also has tie-ups with fintechs to extend its banking services to wider and deeper geographies.

Activity on the Bank's unique mobile application for rural customers, Mera iMobile, which allows rural customers to avail over 135 services including non-banking information and agri-related advisory on crop prices, news and weather, continued to grow. The app is available in English and 11 vernacular languages, and is used by more than half a million customers. During fiscal 2020, the app had processed a total of 16.8 million financial and non-financial transactions.

The Bank has also partnered with fintech companies that support Aadhaar-enabled transactions to widen and deepen the Bank's services across geographies. These startups facilitate cashless and paperless transactions for making payments and account transaction. During the year, 30.0 million Aadhaar-enabled transactions aggregating to about ₹90.00 billion were facilitated through these tie-ups.

50%

of ICICI Bank's branches are in rural and semi-urban areas.

16.8 million

transactions processed on Mera iMobile in fiscal 2020.

For the Bank's financial inclusion and rural development initiatives, refer to chapter Social and Relationship Capital on page 42.

STRATEGIC FOCUS AREAS FOR BUSINESS

Small and 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. The business banking portfolio comprises small business customers with an average loan ticket size of ₹10.0-15.0 million. The Bank's focus in these businesses is on parameterised and programme-based lending, which is granular and well-collateralised.

ICICI Bank offers its 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.

The Bank has developed several products and solutions with digital as the medium to create value for the SME and business banking segment. In the area of customer onboarding, digital current account opening has been enabled leading to speedy account activation. A wide range of lending solutions have been developed which are offered digitally without the need to visit a branch or submit physical documents. The Bank has also enabled online electronic franking and digital signature based document execution to ensure faster processing. Customers can avail secured overdraft line of credit up to ₹20.0 million based on their Goods and Services Tax (GST) returns and without the need to submit financial statements.

A new digital platform, InstaBIZ, was launched during the year, which offers over 115 products and services on mobile and internet banking platforms.

A new digital platform, InstaBIZ, specifically for the SME and the self-employed segment, was launched during the year, which offers over 115 products and services on mobile and internet banking platforms. Customers can seamlessly execute their trade finance and foreign exchange transactions through the Trade Online and FXOnline platforms which provides a superior transaction and service experience.

During the year, a new product, Flexi-credit, was introduced for businesses. Compared to the traditional method of assessing credit eligibility based on an individual borrower's cash flows and collaterals, this product allows customers to consolidate the cash flows of the borrower and co-borrowers and the collateral properties of the borrower and the co-borrowers for evaluating the credit eligibility of the borrower.

Supply chain financing is an integral part of the SME business and a focus area towards deepening the Bank's coverage of the corporate ecosystem. The SME group provides seamless and fast access to finance to dealers and vendors of a corporate customer along with meeting their regular banking requirements both at the business entity and personal banking level. The Bank has developed an integrated supply chain system that can be integrated with the corporate's Enterprise Resource Planning (ERP) for seamless collection from dealers and payment to vendors. The system provides real-time reconciliation and reports to the corporate. It also enables the Bank to provide channel finance based on the transaction flow and payment track record. The Bank has also launched a non-ERP version of the dealer finance solution which is fully digitised end-to-end.

The Bank follows strong risk management practices in managing its SME and business banking portfolio, with a view to enhancing the portfolio quality by reducing concentration risk and a focus towards granular and collateralised-lending based growth. Robust monitoring frameworks have been put in place for transaction-based review and proactive and early action is taken to ensure healthy portfolio quality. The risk assessment of SME customers was enhanced during the year. The Bank has adopted a streamlined underwriting process using digital tools like bank statement analyser, automatic fetching of bureau reports and business rule engine to generate probability of default scores for score-based analysis. A combination of qualitative and quantitative assessment tools are used to arrive at the final decision.

With a view to increase the risk adjusted operating profit from the portfolio and enhance the return on equity, reliance is also placed on harnessing opportunities across transaction banking, foreign exchange and personal banking solutions with the SMEs.

Wholesale Banking

The Wholesale Banking Group has a deep customer franchise which includes top business houses, large private sector companies, financial institutions and banks, public sector undertakings, and government departments and entities. In the last few years, the team has developed a very strong franchise across MNCs and new-age services companies. The team has also established a franchise in the financial sponsors space with special focus on private equity funds and their investee companies.

The Bank has a strong presence across the country which enables it to service corporate clients with ease and speed. Over 100 dedicated Transaction Banking branches have been identified for prompt servicing of corporate transactions. For meeting the foreign exchange and derivative requirements, the Wholesale Banking Group is

For the Wholesale Banking Group, the underlying theme followed was 'Ecosystem Banking for a Corporate' wherein the corporate relationship manager services a corporate and its entire network of employees, dealers, vendors and all stakeholders with a complete suite of banking products.

supported by one of the largest treasuries in the country. The 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.

A key theme during fiscal 2020 was to deepen the customer-centricity approach in the Bank's product offerings and to use digital channels for service delivery. For the Wholesale Banking Group, the underlying theme followed was 'Ecosystem Banking for a Corporate' wherein the corporate relationship manager services a corporate and its entire network of employees, dealers, vendors and all stakeholders with a complete suite of banking products. This strategic focus enabled the team to penetrate deeper

STRATEGIC FOCUS AREAS FOR BUSINESS

in high value retail accounts of corporate owners and employees through a suite of retail products like salary, private and wealth banking, home loans, personal loans, vehicle loans, etc. Apart from being a single-point solution provider, this approach also reduces customer acquisition cost. The team also focussed on capturing the customer flows in its ecosystem to strengthen the liability franchise further.

In a volatile business environment, with return of capital being the overarching objective, the Wholesale Banking Group 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 was used for portfolio monitoring and identification of early warning signals in the existing book. This led to enhancement of quality of the existing corporate portfolio. The team also focussed on reducing concentration risks to make the portfolio more granular. Another significant achievement on the digital front was the launch of an online application for credit assessment of mid-corporate clients. This will enable objective and comprehensive risk assessment of clients based on multiple parameters like bureau information, qualitative and quantitative factors, and also help the team in adopting a consistent approach to onboarding of clients as well.

Transaction Banking

Transaction banking is an important value proposition for corporates for the day-to-day functioning of their businesses which includes account services, payment and collection services, domestic and cross-border trade finance, working capital finance and supply chain finance. Transaction banking services are delivered through the network of branches across the country including 107 specialised branches which are enabled to meet the specific needs of the corporate customers and a team of account managers. The products and services are also delivered through the Bank's Corporate Internet Banking (CIB) platform and also through its mobile application InstaBIZ. These digital applications cater to a significant proportion of the overall transaction volume.

Transaction banking offers integrated cash management and trade finance solutions to the customers. By integrating the Bank’s system with their Enterprise Resource Planning (ERP), the customers are able to process their collection and payments digitally including seamless reconciliation and accounting. The digitisation of the export and import data by the Reserve Bank of India has been leveraged to offer digitised trade finance solutions including paperless imports and export processing of transactions. This facilitates faster delivery of products and services to the customers.

Advancements in technology have enabled the Bank to reimagine various customer journeys and create industry-specific solutions. These solutions not only digitise and thereby simplify processes, but also help customers to digitise their entire ecosystem which includes their vendors, partners and customers. Some of the solutions include an application for software exporters that helps process almost 10% of the IT/ITeS exports of the country, and a first-to-market platform to digitise procurement through e-tendering. The e-tendering solution is aiding over 4,000 units to seamlessly integrate their complex procurement workflows. The Bank also developed specific solutions for commodity board ecosystems through its Digi-Commodity offering. This platform enables digital collection of auction proceeds and auto reconciliation of outstanding invoices, all the while allowing for deal-wise settlement across multiple stakeholders. More than 8,000 stakeholders are regularly using this platform.

The Bank has also entered into partnerships, especially with fintechs, to enhance the customer proposition. Some of these partnerships are in the area of supply chain finance and specialised ERP service providers.

The Bank launched iXpress Connect, a portal that hosts standard API protocols enabling corporate clients to seamlessly access the Bank through APIs.

The Digi-Commodity platform enables digital collection of auction proceeds and auto reconciliation of outstanding invoices, while allowing for deal-wise settlement across multiple stakeholders.

Another area is API Banking that is also playing an important role in shaping the Bank's strategy. The Bank has a developer portal wherein 250 API services are available for customers. The Bank is also considering an advanced API portal which can cater to more complex workflow requirements. Similarly, blockchain-based solutions have been implemented by the Bank in the area of trade finance which has significantly added value to all stakeholders and is now being made into an industry-wide initiative along with other banks.

The Bank has leveraged analytics to enhance customer experience, manage risks and better service delivery. The Bank believes that investments and strategic initiatives undertaken would enable it to deliver industry-leading services to customers and build a stable franchise for the Bank.

International Business

ICICI Bank's international presence consists of branches in the United States, Singapore, Bahrain, Hong Kong, Dubai International Finance Centre, China, Offshore Banking Unit (OBU) and IFSC Banking Unit (IBU). The Bank also has wholly-owned subsidiaries in the United Kingdom (UK) and Canada with branches across both countries. ICICI Bank UK also has a branch in Germany.

The Bank has repositioned its international franchise to focus on non-resident Indians (NRIs) for deposits, wealth and remittances businesses. The Bank is also focussed on deepening its relationships with Indian corporates in international markets and multinational companies present in international as well as domestic market, for maximising the India-linked trade, transaction banking and lending opportunities. The Bank is also actively engaging with sovereign wealth funds, global pension funds and asset managers to facilitate fund flows into India. The Bank also aims to reduce exposures that are not linked to India in line with the focus on growing the India-linked business.

The Bank has repositioned its international franchise to focus on NRIs for deposits, wealth and remittances businesses.

The Bank continues to play a pioneering role in promoting digital initiatives across businesses in the international banking arena and has been continuously introducing and innovating products to enhance customer experience. In the remittances space, the Bank introduced online inward remittance facility for low value commercial transactions. Blockchain based processing for outward remittances was extended to the UK and Europe corridors, besides Canada. Further, digital platforms were launched for facilitating fee payments by students.

To meet the banking needs of NRI customers, a complete revamp of both the product and service proposition was undertaken during the year. For NRIs in Canada and the UK, a fully digital account opening solution was launched to enable them to have a global view of their accounts in their home country and India. Other digital solutions, including ICICIStack, are proposed to be introduced in international markets in the near term.

Government Banking

The Bank considers the government to be an integral partner that facilitates large scale investments in the economy and requires comprehensive support in terms of services and banking solutions. The Bank engages with the government departments and bodies across various levels, at central, state, district and local bodies including municipalities and gram panchayats. The products and services offered are not only financially-oriented, but are also enabling solutions for enhancing e-governance through IT solutions, integrated collections and payment solutions facilitating participation in pilot projects. These efforts also result in deposit balances for the Bank. The Bank has also partnered with the governments and local bodies during periods of disaster and crisis.

With the philosophy of 'Fair to Customer, Fair to Bank', the Bank will continue to diligently and efficiently service all its clients and create value for their enterprises as well as for the Bank.

For details on Bank's role is supporting government initiatives, please refer to the write-up on Social and Relationship Capital on page 42.

CUSTOMER SERVICE

Understanding customer expectations and responding through appropriate products and services has been central to the Bank's strategy. The demand for convenience, speed and customised solutions with quick turnaround and innovative solutions requires a dynamic culture in the Bank. The concept of customer satisfaction has now been replaced by 'delight' in banking experience. 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 2020, mapping of customer journeys across products, processes and channels was undertaken and based on the insights, key customer service initiatives were implemented. The key initiatives during the year were in the areas of account opening, servicing, NRI customer experience, process simplification, and technology platform and system upgradation. Some of these initiatives were:

- The account opening process was simplified for savings and current accounts
- Digital communication and status dashboards were launched for mortgage customers and internal stakeholders enabling stage-wise tracking of loan applications
- A simplified and widgetised dashboard and user interface was launched for retail and corporate internet banking customers
- Digital signing and stamping of documents was enabled for corporate, SME and business banking customers
- The NRI account opening experience was enhanced through simplification of the account opening form and implementation of Optical Character Recognition (OCR) to reduce customer effort. A dedicated NRI Expert Team (NET) was set up for enhanced NRI servicing
- An integrated new platform for processing trade transactions was deployed

During the year, there was sustained improvement in the Net Promoter Score (NPS), a key metric for measuring customer advocacy for onboarding, branch and digital channels.

The Bank ensures continuous engagement with its customers through multiple channels including branch employees, surveys, social media and channels for raising queries and grievances.

The Bank has 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 the customers and the initiatives taken by the Bank for enhancing customer service.

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

APPROACH TO CUSTOMER EXPERIENCE

- FAIR TREATMENT
- TRANSPARENCY IN PRODUCT AND SERVICE OFFERING
- EDUCATE CUSTOMERS TO MAKE INFORMED CHOICES
- ENSURE PRODUCTS ARE OFFERED ON THE BASIS OF ASSESSMENT OF THEIR FINANCIAL NEEDS

Customer Grievance Redressal Mechanism

The Bank seeks to treat its customers fairly and provide transparency in its product and service offerings. The Bank makes continuous efforts to educate its 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.

The Bank has a well-defined grievance redressal mechanism 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, the Bank has appointed a senior retired banker as the Internal Ombudsman 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 240.

TECHNOLOGY FOCUS

The Bank's technology initiatives are aimed at enhancing value and offering customers greater convenience and improved service levels while optimising costs. The Bank continues to invest in key technological areas like mobility, cognitive intelligence, blockchain, natural language processing, machine learning, API banking, micro-services, cloud, ecosystem synergies, Robotics Process Automation (RPA) and other new-age technologies that provide an edge to the Bank's offerings to its customers and deliver its strategic objectives.

The technology strategy is based on the following set of guiding principles:

1. Superior customer convenience
2. Alignment of technology to business strategy
3. Flexible and modular IT infrastructure that enables inter-operability
4. Adoption of emerging technologies to facilitate innovation
5. Collaborative approach to providing solutions across all stakeholders
6. Optimisation of processes and superior decisioning by simplification and use of data

STRATEGIC FOCUS AREAS FOR BUSINESS

In order to deliver the overall business objectives and make Information Technology as an enabler, the Bank has defined a four-pronged strategy.

INFORMATION TECHNOLOGY STRATEGY

SCALABILITY

To enable future-ready architecture, which not only runs efficiently but also scales and evolves to deliver business objectives

SPEED

To enable speed to market by adopting agile delivery, a 3-D strategy involving delete, simplify & digitise, create and leverage reusable components, and enabled by on-demand infrastructure

SECURITY

To enable scalability and speed, security has to be embedded at the design and development stage itself. The other focus areas are to leverage analytics for threat prevention and detection and create zero-trust model by leveraging network segmentation

STABILITY

Delivering stability is a continuous improvement process and for which the Bank continuously works to define and validate its Key Performance Indicators (KPIs), monitor these KPIs and customer journeys and keep improving by investing in areas such as maximum availability architecture and automation of service deliverables

Focus on Data, Fintechs, 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. The Bank maintains a comprehensive enterprise-wide data warehouse and employs statistical and modelling tools for leading-edge analytics.

In driving an innovation and startup mindset, the Bank has set up an Innovation Centre to collaborate with and invest in fintech startups and co-develop products aligned with the ICICI Group'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, it is 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.

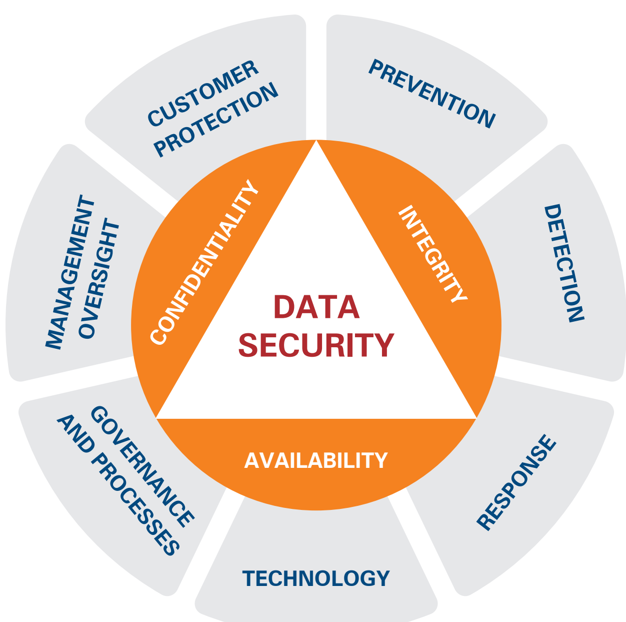
The Bank has launched an API Banking portal which consists of 250 APIs and enables partner companies to co-create innovative solutions in a frictionless manner and in a fraction of the time usually taken for such integration.

RESPONSIBLE BANKING

The Bank is committed to act professionally, fairly and with integrity in all its dealings. It has a zero tolerance approach to bribery and corruption and has a well-defined policy articulating the obligations of employees in these matters. The responsible banking pillars also include a focus on cyber security and data privacy.

Cyber Security

ICICI Bank believes that cyber security is an important risk focus considering the rapid digitisation, increasing transaction intensity and connectivity to networks and ecosystems. It is vital to protect the Bank's and customers' assets and ensure continued trust of all stakeholders. ICICI Bank has 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 by the Bank. Keeping customer priorities in mind, the Bank follows a 'defence-in-depth' approach in implementing cyber security solutions. This approach enables the Bank to protect its data using a multi-layered defence mechanism using a combination of tools and techniques which complement and augment each other.



The Bank also lays emphasis on customer elements like protection from phishing, adaptive authentication, awareness initiatives and above all easy-to-use protection and risk configuration ability in the hands of the customers. Customer-facing applications are designed with the aim to provide consolidated customer information in a safe and secure manner. The Bank has given its customers complete control on card options like online usage, international transaction capability and others on its mobile app and internet banking platform. This gives customers control on card safety on a real-time basis.

The Bank has formulated robust security standards, processes and protocols which are proactively reviewed and enhanced in the backdrop of an ever-evolving cyber security landscape. The Bank has developed a comprehensive framework and policy which includes the Information Security Policy, Cyber Security Policy and Cyber Crisis Management Plan to ensure adequate security of assets on a continuous basis. The governance structure for management of information and cyber security risk is helmed by Board-level Committees including the IT Strategy Committee, the Risk Committee and Audit Committee. In addition, there are also specialised committees to review areas of IT and cyber risk, like the Information and Cyber Security Committee. Additionally, the Bank has devised multiple key risk indicators and dashboard to keep a track of system stability, continuity and availability, and network uptime.

The Bank ensures 24x7 monitoring and surveillance of systems through its Security Operations Centre. The Bank has a fully equipped disaster recovery set-up in place at remote locations, which is supplemented by periodic disaster recovery drills. Further, stringent gating controls are followed at the time of induction of new applications. Based on the changing threat landscape, the Bank has procured a Cyber Insurance Policy which is reviewed and renewed every year and new risk areas are included if deemed necessary. Considering data protection is critical, a Data Leakage/Loss Prevention (DLP) system is in place in order to protect confidential data at endpoint, network and storage levels. The Bank also has an in-house ethical hacking team (red teams) to continuously test banking applications for vulnerabilities or security flaws. Also, the Bank undergoes multiple assessments of its security by internal as well as external auditors, through specific thematic assignments and regulators to continuously check its security approach and strengthen its controls.

The Bank also conducts and participates in cyber security drills to continuously fine tune its response mechanisms. The Bank also runs frequent awareness campaigns for employees through mailers, screen savers, etc., and conducts internal simulation exercises to ensure high levels of employee awareness on information security.

In the wake of the Covid-19 outbreak, and banking being classified as an essential service, the Bank made arrangements for several key activities to be performed through secure work-from-home (WFH) technology solutions. While rolling out these solutions, appropriate controls have also been implemented for information security. Further, detailed advisories have been issued on Dos and Don'ts for employees to follow when they work from home. This is also being followed up with regular communication on information security best practices. Additional monitoring parameters have also been configured on the Bank's 24x7 Security Operations Centre to continually monitor logs pertaining to WFH access of employees and generate alerts in case of any unusual events.

There were no material incidents of security breaches or data loss during fiscal 2020.

Data Protection and Privacy

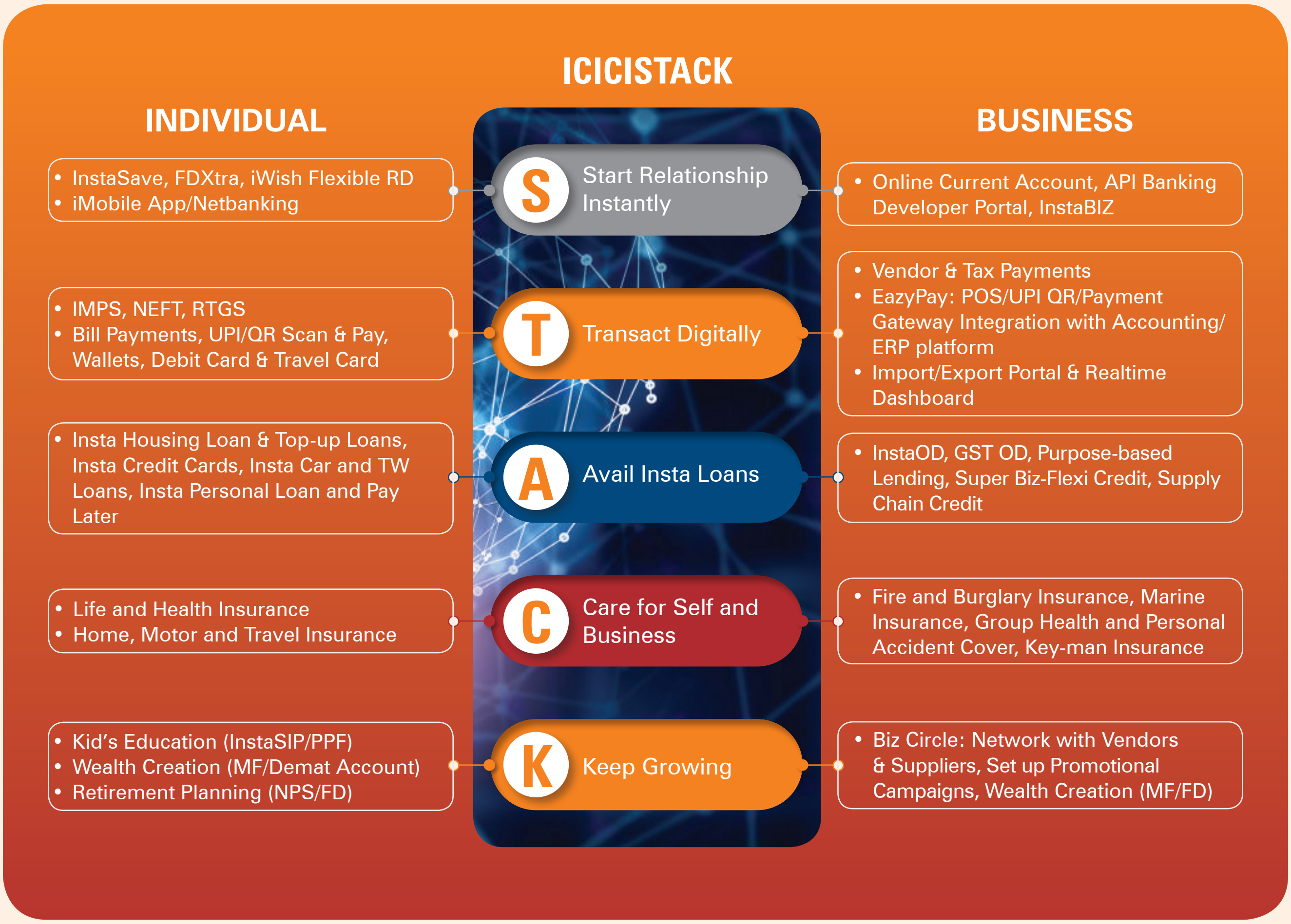
ICICI Bank is committed to protecting the privacy of individuals whose personal data it holds, and processing such personal data in a way that is consistent with applicable laws. It is important for employees and businesses to protect customer data and follow the applicable privacy laws to ensure safety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

ICICI Bank has a global presence in several overseas jurisdictions including Hong Kong, Singapore, US, UK, Canada, China, Dubai International Financial Centre and Bahrain. It becomes very important for the Bank to have an integrated and centralised strategy for achieving data privacy compliance. A set of principles have been defined with respect to handling customer data. There is also a mechanism in place for reporting any form of data breach.

On account of the changes in data protection laws and regulations, in fiscal 2020 the Bank updated its Personal Data Protection Standard to cover the personal data protection regulatory requirements of overseas jurisdictions to the extent that those regulations are applicable to the Bank. Privacy regulations require personal data of the customers to be protected throughout its entire lifecycle. Accordingly, the Bank has undertaken several comprehensive measures such as categorising all Personal Data and Sensitive Personal Data as 'Confidential Information', maintaining a record of all its processing activities, entering into non-disclosure and confidentiality agreements with its employees and third parties who are privy to personal data of the customers, providing customers options to exercise the rights which they enjoy under applicable data protection regulations, incident handling procedures, etc. Various data privacy awareness initiatives and periodic trainings have been undertaken. ICICI Bank is steadfast in its commitment to protect the privacy of its customers.

KEY PRODUCTS INTRODUCED IN FISCAL 2020

ICICISTACK

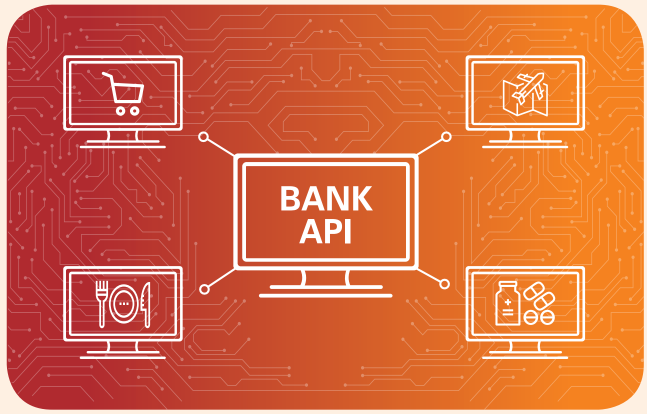


This is the most comprehensive digital infrastructure available in the banking industry which enables millions of retail customers, merchants, retailers, professionals, fintechs, startups, e-commerce players and corporates to continue uninterrupted banking services digitally, without visiting any bank branch. ICICIStack offers nearly 500 services that cover almost all banking requirements of customers in one place. The list includes digital account opening, loan solutions, payment solutions, investments and insurance solutions. Even non-customers of the Bank can get the benefit of ICICIStack easily by simply opening an instant savings account with the Bank digitally. A business entity, in case it is a not a customer of the Bank, can download the InstaBIZ app which is specially curated for businesses, and enjoy the unparalleled convenience of ICICIStack. Additionally, business entities can get access to easy bulk collection and payments of funds through multiple digital modes, automatic bank reconciliation and can undertake most of the export-import transactions including inward and outward remittances digitally.

KEY PRODUCTS INTRODUCED IN FISCAL 2020

API BANKING

ICICI Bank launched India's largest and fully digital API (Application Programming Interface) Banking portal enabling partners to integrate various payment and product solutions in a few days. The process is frictionless and much faster than the time usually taken for such integration, thereby significantly increasing the productivity of partners. The portal consists of 250 APIs, the maximum number of virtual APIs put together by any Indian bank. The APIs are available across an array of categories including payments & collections like IMPS, UPI payment/collection accounts & deposits, and cards & loans.



WHATSAPP BANKING

ICICI Bank launched WhatsApp Banking to enable retail customers to undertake a slew of banking requirements from their home at a time when they are advised to stay indoors in the wake of the Covid-19 outbreak. Using the WhatsApp Banking service, customers can check their savings account balance, last three transactions, credit card limit, get details of pre-approved instant loan offers and block/unblock credit and debit card in a secure manner with end-to-end encryption for all messages. They can also get details of the three nearest ATMs and branches of ICICI Bank in their vicinity.

INSTABIZ

InstaBIZ is the country's first comprehensive and only digital banking platform for self-employed segment and MSMEs. It provides a bouquet of comprehensive solutions in 'one single place'. It allows customers to avail over 115 products and services in a digital and secure manner. The range of services available on InstaBIZ include instant overdraft facility (up to ₹1.5 million) and business loans, easy bulk collection and payments of funds through multiple digital modes and automatic bank reconciliation. Further, it is the first digital banking platform to enable instant payment of GST using the challan number in a single click payment. Additionally, customers can instantly apply for a Point-of-Sale (PoS) machine as well as instant marine insurance policy. The customers can access the services of InstaBIZ on their mobile phone and on the Bank's internet banking platform. MSMEs, who are not customers of the Bank, can also download InstaBIZ and enjoy the un-paralleled convenience of industry-first solutions.

CARDLESS CASH WITHDRAWAL

The Bank launched the Cardless Cash Withdrawal facility which allows customers to withdraw cash from its ATMs without using the debit card. The customers can withdraw cash from over 15,000 ATMs of the Bank by simply raising a request on the mobile banking app, iMobile. It can be used by customers themselves when they do not wish to carry the debit card. The daily transaction limit as well as per transaction limit is set at ₹20,000 for this facility.

iBOX

This is a unique self-service delivery facility, enabling customers to collect their deliverables such as debit card, credit card, cheque book and returned cheques, from a branch close to their home or office, in a hassle-free manner. The Bank has introduced this facility at over 50 branches in 17 cities in the country. The fully automated process informs the customer of the current status of their package, from despatch to delivery, via an SMS at every stage.

SMART EMI

Launched in association with TranzLease, an automobile leasing and mobility solutions company, SMART EMI is the next-gen auto loan facility that enables customers to drive a new car home at lower cost and higher convenience. Under this facility, the amount of EMI paid is much lower than a regular car loan as the estimated resale value of the car is deducted upfront. The customers also have an option to either own the car at the end of the tenure by paying an agreed resale value or simply returning the car to the leasing company. In case of such return, customers are rewarded with special bonus. Also, the facility takes care of the insurance and maintenance requirements of the vehicle during the financing period.

iXPRESS CONNECT

ICICI Bank launched iXpress Connect, a portal that enables its corporate clients to remotely design, develop, test, use and integrate their systems with the Bank through APIs. iXpress Connect showcases all hosted APIs to the customers so that they can select the relevant API for their business needs. Clients can access the portal anytime, from anywhere and are not dependent on the Bank for API development and configuration. iXpress Connect helps create a unique customised experience for each client in accessing the Bank through APIs.

FD HEALTH

This Fixed Deposit (FD) offers dual benefits of investment growth via FD and protection through critical illness coverage. Customers opting for this fixed deposit also get a complimentary critical illness cover of ₹100,000 from ICICI Lombard General Insurance Company on opening an FD of ₹200,000 to ₹300,000 for a tenure of at least two years. The customers in the age bracket of 18 to 50 years get a complimentary insurance cover for a year on 33 critical illnesses.

RISK GOVERNANCE FRAMEWORK

ICICI Bank is committed to managing its risk in a manner that furthers the goal of achieving risk-calibrated, sustainable growth.

As a financial intermediary, the Bank is exposed to various risks, primarily credit risk, market risk, liquidity risk, operational risk, information technology risk, compliance risk, legal risk and reputation risk.

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 Bank has put in place an Enterprise Risk Management and Risk Appetite Framework that articulates the risk appetite and drills down the same into a limit framework for various risk categories. The trends in the portfolio and risks are reported to the Board Committees periodically.

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.

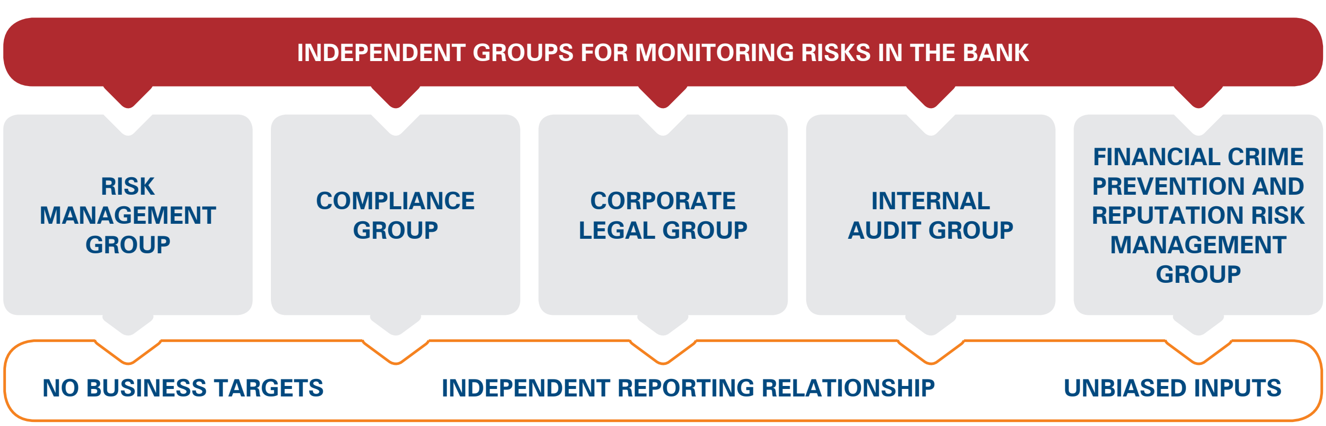
The Risk Management Group is further organised into the Credit Risk Management Group, Market Risk Management Group, Operational Risk Management Group and Information Security Group.

The Internal Audit Group provides independent assurance that the aforesaid 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 President - Corporate Centre.

GOVERNANCE STRUCTURE FOR INFORMATION TECHNOLOGY

The Information Technology (IT) governance structure in the Bank consists of the IT Strategy Committee at the apex which is supported by the Risk Committee and Audit Committee. The Information Technology Strategy Committee is chaired by an Independent Director and is responsible for approving the policies and strategies for information technology and ensuring that the Bank's IT strategy is aligned with the Bank's business objectives. At the executive management level, the Committees which oversee the various aspects of IT operations and IT risk are the IT Steering Committee and Information and Cyber Security Committee. The proceedings of the IT Steering Committee and Information and Cyber Security Committee are reviewed by the IT Strategy Committee. Further, the Business Continuity Management (BCM) Steering Committee approves and monitors the implementation of the comprehensive BCM plan, which includes a business continuity plan for processes, the disaster recovery plan for IT systems and an emergency response plan for mitigating the risk of injuries to customers and employees and damage to the Bank's assets.



KEY RISKS IMPACTING THE BANK'S BUSINESS

Since the first quarter of calendar year 2020, the Covid-19 pandemic has impacted several countries, including India. This resulted in countries announcing lockdowns 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 in three phases. Several countries took unprecedented fiscal and monetary actions to help alleviate the impact of the crisis. The Reserve Bank of India (RBI) has announced several measures to ease stress in the financial system, including enhancing system liquidity, moratorium on loan repayments for borrowers, asset classification standstill benefit to overdue accounts where a moratorium has been granted and relaxation in liquidity coverage requirement, among others.

The Indian economy would be impacted by this pandemic with contraction in industrial and services output across small and large businesses. The banking system is expected to be impacted by lower lending opportunities and revenues in the short to medium term and an increase in credit costs. The impact of the Covid-19 pandemic on Bank's results remains uncertain and dependent on the spread of Covid-19, further steps taken by the government and the central bank to mitigate the economic impact, steps taken by the Bank and the time it takes for economic activities to resume at normal levels. The Bank's capital and liquidity position are strong and would continue to be the focus area.

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 economies of countries where the Bank operates. 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. These crises could also lead to subsequent changes in laws, regulations and policies, which could affect the Bank's business in general, its operations, its 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 the financial position of the Bank 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, and building or creating alternate infrastructure facilities and other such responses.

MACROECONOMIC UNCERTAINTIES

RISKS

Developments in the Indian economy could have a material impact on growth and value creation in the Bank's business. The Bank's presence in international markets also exposes it 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 Covid-19 pandemic.

MITIGANTS

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

KEY RISKS IMPACTING THE BANK'S BUSINESS

CREDIT

RISKS

The Bank's core business is lending which exposes it to various types of credit risks, especially failure in repayments and increase in non-performing loans. The Bank's 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, the Bank has refined and strengthened its framework for managing concentration risk, including limits and 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, the Bank has pursued a strategy of building a granular and diversified portfolio and lending to better rated corporates. The Bank's efforts are also being strengthened through institutional mechanisms like the Insolvency and Bankruptcy Code and Credit Bureaus.

MARKET AND LIQUIDITY

RISKS

Movement in interest rates, foreign exchange rates, credit spreads and equity prices could impact the Bank's 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 Covid-19 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. The Market Risk Management Group monitors key parameters on a periodic basis and recommends changes in policies, processes and methodologies. Building a strong liability franchise is a core strategic focus for the Bank.

OPERATIONAL

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 record-keeping, and system failures.

MITIGANTS

The Bank has put in place a comprehensive system of internal controls, systems and procedures to monitor transactions, key back-up procedures and to undertake 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.

TECHNOLOGY

RISKS

Rapid technological developments and the increasing dependence on technology, combined with the continuous digitisation of banking activities have exposed banks to a host of new risks like obsolescence of IT systems, IT resiliency and business continuity, technology vendor and third party risks, incorrect or 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. 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. The Bank has 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, 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.

KEY RISKS IMPACTING THE BANK'S BUSINESS

CYBER RISK

RISKS

Increasing reliance on technology and digitisation increases the risks of cyber attacks 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 cyber security related threat landscape and the Bank's preparedness to address these threats 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 security and has invested in the areas of phishing protection, adaptive authentication, awareness initiatives and has also taken industry - leading initiatives in providing customers easy and immediate ability to configure their risks and limits.

COMPLIANCE

RISKS

The environment for financial institutions is witnessing unprecedented changes in laws, regulations and regulatory policies. This could increase the risks of non-compliance and regulatory actions 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 its 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

RISKS

Any negative publicity arising due to 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.

EMPLOYEE

RISKS

The ability to attract, motivate and retain talented professionals and the availability of skilled management is critical for the success in implementing the Bank's strategy and competing 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

The Bank has an employee-centric value proposition of Saath Aapka (which means 'With You') that focusses on learning, meritocracy and care for its employees. The Bank has put in place robust programmes and policies that provide opportunities for employees to build leadership capabilities.

INTERNATIONAL

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 Bank's 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, International Financial Service Centre (IFSC) and overseas banking units.

HUMAN CAPITAL

ICICI Bank is creating a future ready workforce, that focusses on customer centricity in its approach and is skilled with a 360 degree business orientation.

ICICI Bank's people practices have evolved over the years to cater to the rapidly changing business environment. Synergy that binds all employees with a single DNA, a culture that encourages innovation and execution, and an ethos that instils in employees the belief to serve as ONE TEAM – with humility, responsibility and sensitivity – are core to our approach.

Designing agile organisation structures to capture market opportunities is the Bank's focus. This is further enhanced by our culture and people strategy that focusses on innovation and technology to re-imagine and redefine people processes and build capabilities.

Since fiscal 2019, the Bank has undertaken various initiatives to strengthen its culture. Workspaces have been redesigned to reflect fading hierarchies and create an open office culture. Continuous work on process simplification have been undertaken by teams. As part of the transition, in fiscal 2020 the entire leadership team adopted a singular performance objective that is aligned with market opportunities and within the guardrails of risk management. These shifts have been driven and reinforced across the organisation through regular communication meetings, leadership sessions with the senior management, induction programmes and Leadership Development Workshops.

With the purpose of enhancing product synergies, diminish department boundaries, and further embed the essence of One Bank, One Team, One Goal, the Bank created 'Ecosystem' teams. These teams focussed on key customer and market segments across retail and corporate banking, real estate businesses, NRI, NBFC and e-commerce to enable the employees to cater to 360 degree needs of the customer. These ecosystems have been instrumental in driving cross-functional collaboration and enhancing focus on servicing the customers as one team.

With the objective of empowering the front-line within the guardrails of risk to win in the marketplace with highest level of service orientation towards external and internal customers, ICICI Bank rechristened all the corporate offices and central functions as ICICI Service Centres.

ICICI Bank has been at the forefront with regard to innovation in Indian banking. Today, creating models

ONE BANK, ONE KPI

ONE TARGET FOR THE LEADERSHIP TEAM

MARKET OPPORTUNITY BASED TARGET SETTING

ECOSYSTEM BASED NETWORKS: CROSS FUNCTIONAL COLLABORATION

REMOVING HORIZONTAL HIERARCHY

of experimentation that will further embed a culture of innovation by continuously challenging the status quo, encouraging micro-experiments, exploring superior solutions and services and learning from failures are core to the Bank's strategy. Such experiments and innovations have helped the Bank remain agile and transform its approach to business and work methods thus embedding a culture of service, synergy, and simplicity with the purpose to enhance overall stakeholder engagement and experience.

ICICI Bank has been at the forefront of giving a superior and new-age experience to its customers and employees through adopting and imbibing latest technology in its processes and services that are relevant to employees through their life cycle of employment. Several innovations made by ICICI Bank in the space of technology led hiring, capability building and employee engagement have enabled scale up of the workforce to meet business needs.

The Bank has always believed in the philosophy of 'Building Talent' and the Industry-Academia partnership initiated by ICICI Bank stands out as one of the key innovations that changed the approach to manpower resourcing in the Banking industry that focussed on creating a future ready workforce.

The industry-academia partnership redefined the contours of a workforce and challenged the traditional biases towards hiring. This initiative pushed the boundaries that defined employee profiles as urban and English speaking and aligned to a workforce based on social skills and attitude of individuals. The industry-academia initiatives thus attracted a diverse pool of applicants from various fields thereby ensuring diversity in terms of gender, cultural and social backgrounds and paved way for the Bank to tap on bright and intelligent resources with healthy representation from the different socio-economic strata of the society from these cities.

The success of the Industry-Academia Partnerships rests on its core area of focus to acclimatise individuals with ICICI Bank culture. While the course focusses on grooming individuals with relevant content, and industry-specific skills, its primary objective is to acculturise the team with the ICICI Bank way of life. Today, this partnership stands out as one of the most productive and efficient channels, and has been instrumental in scaling up to cater to the business opportunities.

ICICI Bank has been a preferred employer on campus for over two decades. Campus engagement is not restricted to only onboarding fresh minds into the Bank, but to have a continuous engagement with campuses through various initiatives is a core area of focus. With an endeavour of engaging young bright minds and giving them exposure to live business cases, ICICI Bank launched its flagship case study competition – 'Beat the Curve' – in 2018 across premier B-Schools of the country. Amongst over 100 such marquee events organised by companies, 'Beat the Curve' has been ranked as the fourth most prestigious corporate competition by Dare2Compete within two years of its inception. This year, the Bank received over 2,200 entries where the future leaders shared ideas on new products, processes and customer experience enhancements keeping technology at the centre.

HUMAN CAPITAL

Classroom and Technology Based Learning

308,657
person-days of classroom learning modules introduced.

352,237
person-days of e-learning modules introduced.

6.68
person-days of learning per employee.

As part of this challenge, the students were further given the opportunity to engage with ICICI Bank's Digital Villages and strategise a model for improving digital banking in rural areas.

Nurturing young talent and training bright minds from diverse education backgrounds to become bankers, has been a key differentiator for ICICI Bank. Building upon this ethos, the Bank launched the 'Ascend Programme' – an initiative to hire top talent from prestigious graduation institutions. These employees were selected from diverse academic backgrounds ranging from humanities, commerce, liberal arts etc. and were trained to take up front-end customer-facing roles. Today, the programme is a success with the team matching up to the expectations and productivity measures – What makes the programme truly unique is its structure which is based on a peer mentorship framework as against a supervisory structure.

ICICI Bank has always been at the forefront to leverage avenues for integrating technology, data analytics and science in the space of talent acquisition. This is with a focus on creating state-of-the-art platforms that provide superior service and applicant experience.

At ICICI Bank, learning is integral to work, and various enabling systems have been institutionalised to provide opportunities for capability building. These initiatives span across the employee life cycle, starting from the time they join the Bank, and at various stages during the career. The Bank follows a blended approach to learning wherein classroom training is augmented with digital delivery of training.

The banking landscape is continuously evolving and being augmented with data sciences, design thinking and artificial intelligence that governs strategies and decisions in business. Close to 7,500 employees have attempted the Data Sciences for Practitioners module. To enable employees with these diverse skills, various workshops and academies including functional academies, have been created.

The Bank launched a transformative series titled '12x12 Ignite' in the quest to keep the employees abreast with the breakthroughs in the domains of digital transformation, data science and behavioural economics. The sessions gave an opportunity to teams to engage with domain experts and thought leaders from around the world to share their perspectives and experiences with the team. Over 400 employees attended each of these sessions.

L1 – PROPRIETARY PROGRAMMES

Programmes at this level are designed to equip employees with fundamental knowledge & skills to perform in their role

L2 – MASTER CLASS PROGRAMMES

Programmes at this level aim to equip employees with additional knowledge & skills to perform in future roles

L3 – DESIGN SKILLS PROGRAMMES

Programmes at this level aim to equip employees with higher order skills to perform in future roles

Comprehensive Leadership Development Programmes and Leadership Engagement Sessions are conducted on a regular basis for all critical roles in the Bank. ICICI Bank also partners with thought-leaders across a wide spectrum of fields from academia and management to sports, to engage with and build leadership perspectives.

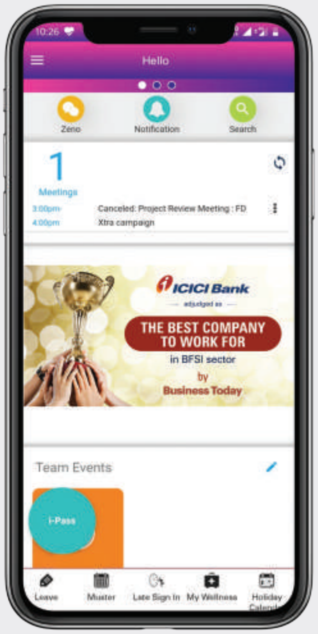
ICICI Bank believes that leadership development is a process of perspective building. It is aimed at helping leaders deal with adaptive challenges which are not amenable to analysis and application of standard models but require application of leadership judgement to choose between alternate courses of action. ICICI Bank's approach to leadership development based on perspective building, through a mix of internally designed Leadership Mentoring Programmes and engagement with leading universities and thought leaders.

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

At ICICI Bank, artificial intelligence enabled systems, portals and applications have been built across the employee life cycle to enhance employee engagement and experience.

'Universe on the move' application acts as a one-stop solution for employees. The app is an integrated system that hosts all employee-related processes. It is dynamic in nature and is constantly being enhanced with the latest features to make it more relevant and accessible to employee's needs.

UNIVERSE ON THE MOVE – THE EMPLOYEE APP



APP FEATURES

GPS enabled Sign-in

Business Lead Generation

Muster & Leave Updation

Business Approvals

Learn on the move

My Financials & My Wellness

Zeno/Zeno K – chatbots and many more integrated solutions

Engagement & Learning

- iStudio
- Universe on the move
- Learn on the move
- Virtual Class and Video-based Learning

With Integrated Business Application

- 1mg - Health & Pharmacy App
- iMaintain App

HUMAN CAPITAL

ICICI Bank Learning Centre in Khandala

ICICI Bank believes in creating a culture of free and open conversations. Forums of engagement have been created where the employees can connect with the senior leadership of the Bank. 'Engage your Leader' and E-Branch Visits are digitally facilitated interactions where employees can engage and interact with the Senior Leadership team. These sessions are conducted over iStudio, an in-house application which is a two-way communication platform capable of connecting all employees across different locations. Senior Leadership periodically share their business perspective in the form of short videos through 'Huddle'.

The Bank expects all its employees to act in accordance with the highest professional and ethical standards upholding the principles of integrity and compliance at all times. The Bank's Group Code of Business Conduct and Ethics lays down the values and principles and the standards of professional conduct and desired behaviour from its employees. The Bank's expectations around compliance are communicated to its employees through multiple channels. All new employees are also expected to complete mandatory modules pertaining to Code of Conduct, Information Security, Anti Money Laundering and other Compliance-related areas that are critical and sensitive.

The Bank is an equal opportunity employer and seeks 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 at Workplace (Prevention, Prohibition & Redressal) Act. This is imbibed in the Bank's culture by creating awareness through mandatory e-learning on the subject at the time of induction. 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, the Bank has 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. ICICI'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. At March 31, 2020, women constituted 32% of the Bank's workforce. Conscious of the life stage needs and safety of women employees, a range of benefits and policies has been curated. The Bank formulated a liberal leave policy for the women employees much ahead of its time by providing fertility leave to employees seeking to undergo treatment. It also provides child care leave and adoption leave. The Bank is also associated with various day care facilities across the country. 'iWork@home' is an initiative that enables women employees to work from home, if required. The Bank has a Travel Accompaniment Policy which allows women with young children to be accompanied by their child and a caregiver during official travel with the cost borne by the Bank. 'iTravelSafe', an app developed by the Bank, provides easy access to register an SOS distress signal.

#Be-Fit Session – is an umbrella programme that continues to drive an agenda of fitness across the Bank and offers multiple health-related options for employees including wearable fitness devices at discounted rates and participation in activities such as Yoga and Zumba at work.

To support employees during emergencies, the Bank has set up a Quick Response Team (QRT) to respond to calls of distress by employees. Each QRT is a GPS-enabled vehicle and carries medical equipment and a team of trained professionals to deal with medical and safety emergencies.

ICICI Bank won Business Today's 'Best Company to Work For' Award in the Banking, Financial Services and Insurance sector for the fourth year in a row in fiscal 2020. The Bank's overall ranking was fourth across all sectors. The award was announced on the basis of a nationwide survey which Business Today magazine conducted in collaboration with PeopleStrong, an HR solutions company. The parameters covered work environment, culture of inclusion, culture of innovation, communication, challenging work opportunities, work life balance & flexibility, job security & company stability, leadership's commitment to business, career growth path, learning opportunities, fairness and objectivity.

In view of the Covid-19 pandemic, ICICI Bank took several steps to ensure continuity in operations and minimal disruption to services for customers along with the safety of its employees. Most of the Bank's branches remained operational during the period with reduced staff strength. To ensure safety of the front-line staff working at branches, the teams were rostered across branches in a manner to minimise risk and exposure. Residential pin code details of approximately 70,000 employees from across the Bank were analysed to map employees to branches thus minimising local travel and exposure. The Bank proactively undertook an identification and contact tracing process for all employees to ascertain overseas travel history for the months of February and March 2020. This process helped identify over 100 employees who had travelled overseas and were immediately quarantined to limit the exposure and risk to other employees. In anticipation of likely restrictions being imposed to curb the pandemic, the Bank geared up all the support services well in advance. Teams across functions like operations and phone banking were enabled to operate remotely and process all queries and transactions with minimal disruption to processes and service.

With a focus on ensuring health and safety of employees, ICICI Bank launched a Covid-19 Helpline where employees could reach out for consultation with doctors pertaining to Covid-19 concerns and symptoms. ICICI Bank also partnered with a testing lab approved by the Government as a testing centre, to provide for home testing for employees in Mumbai and Pune. The Bank also encouraged employees to download and use the government promoted 'Aarogya Setu' app which is a pan-India single source for contact tracking an individual's proximity to a Covid-19 infected person and also gives information on best practices and medical advice.

To convey the appreciation on behalf of the Bank and maintain the morale of employees who were discharging duties in a high risk environment, the senior management of the Bank undertook e-visits to over 4,000 branches via digital mode and interacted with the staff present there. A sentiment of care, gratitude and applause was shared with teams. Numerous communications on guidelines on work from home and other communications with respect to general and specific advisories on health and safety, IT security concerns specific to a work from home scenario, and benefits and tie-ups initiated on account of the Covid-19 crisis were shared on an ongoing basis to keep employees updated with key developments.

SOCIAL AND RELATIONSHIP CAPITAL

ICICI Bank is committed to maintaining a transparent and ethical relationship with all its stakeholders including customers, shareholders, employees, regulators, government organisations and communities.

STAKEHOLDER RELATIONSHIP

The Bank believes that it is important to have meaningful partnerships with stakeholders and be responsive to their perspectives in its quest to create value. ICICI Bank has a strong ethos of transparent and ethical relationship with all stakeholders and engages with them through multiple mediums. The Bank holds regular interactions with investors, employees, customers, regulators and engages with communities and banking associations to remain informed of issues of interest to stakeholders.

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

STAKEHOLDER	MODE OF ENGAGEMENT	AREAS OF IMPORTANCE	BANK'S RESPONSE
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 • Non-financial disclosures included in Annual Report • Communicating on strategic objectives during the quarterly results calls with investors and increased disclosures • Board-approved Environment, Social and Governance (ESG) Framework
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 on in one's career • Focussed leadership and career mobility programmes • One Bank – One KPI 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 and 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
REGULATORS	• Periodic meetings with regulatory bodies • Participation in policy forums • Other forms of communication like emails, letters, etc. • Supervisory meetings	• Fair treatment of customers • Role in development of financial system • Banks acting as first line of defence against financial crimes • Operational and cyber resilience • Participating with the regulator in providing necessary relief and impetus on account of impact of 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 • The Bank is continously engaging with regulators and providing inputs on various aspects with respect to dealing with the impact of the Covid-19 pandemic
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	• Ensuring spending on CSR (Corporate Social Responsibility) activities and meeting the requirements under the Companies Act, 2013 • Continuous focus on livelihoods and social and environmental issues through the ICICI Foundation • Industry-academia partnerships for developing skills for the banking sector • ESG framework • Contributing to disaster relief with on-ground efforts, including during the Covid-19 pandemic

Note: The listing of areas of importance are not in the order of importance to the stakeholder

SOCIAL INITIATIVES OF ICICI BANK

India is making significant progress in addressing social issues around poverty, access to livelihoods, preventive healthcare and education. Extensive efforts are, however, still required to address the social development needs of a large country. With a purpose-driven approach to create meaningful social impact, the Bank has been playing a role in some of these areas. The Bank considers lending opportunities which have the potential to create a positive impact in society. In fiscal 2020, the Bank financed a company in a special economic zone which employs about 22,000 people from neighbouring villages. A large number of employees are women who are the sole bread earners for their families. The ICICI Foundation for Inclusive Growth (ICICI Foundation) has been extensively involved in providing skill training and enhancing livelihood capabilities among the segments of society requiring such support, including in villages. Rural development is particularly an important focus for the Bank where efforts are being driven to enhance the village ecosystem.

Towards the end of fiscal 2020, unprecedented developments emerged for India due to the Covid-19 pandemic. This led to a difficult period, where the lockdown created disruptions particularly for low income groups and extraordinary efforts were demanded from frontline staff like doctors, police, municipalities and others. The Bank actively participated in the efforts on the ground by supplying critical materials like sanitisers, masks and personal protective equipment. Ventilators were supplied to hospitals. The efforts extended across the country and covered 28 states and six union territories. The ICICI Group has 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 in April 2020.

ICICI FOUNDATION FOR INCLUSIVE GROWTH

ICICI Foundation was established in 2008 for strengthening the efforts of the 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 2020, ICICI Foundation adopted a more focussed approach in its efforts in ensuring skill development and enhancing livelihoods. This was enabled by inaugurating skill training academies, inducting new knowledge partners and courses and adopting a cluster-based approach as part of its Rural Livelihood Programme.

Rural Livelihood Programme

Sustainable and distributed growth is a key driver of the Rural Livelihood Programme. 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 communities, and;
- Undertaking environment-friendly initiatives by addressing local environmental challenges and promoting sustainable practices

ICICI Foundation reoriented its strategy during fiscal 2020 under the Rural Livelihood Programme for enhancing outcomes and its sustainability. From an approach involving interventions at a village level, the strategy was shifted to identifying clusters of villages with similar needs for driving interventions. The model is based on Value Chain & Entrepreneurship Development.

In identified clusters, multiple 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 employees. The idea is to create supply chains and synergies that can enhance value and make it sustainable.

ICICI Foundation Highlights

Over 520,000
individuals skilled till March 31, 2020.

54%
of trainees were women.

Over 117,000
individuals skilled in fiscal 2020.

Over 2,100
villages covered till March 31, 2020.

Presence in 29
states and one union territory at March 31, 2020.

This has helped in improving income opportunities of trainees and effectively benefit communities rather than just individuals. This model has also made significant impact on the environment.

The efforts in these areas have benefited over 76,000 people in the villages during fiscal 2020. On a cumulative basis, our efforts in the rural areas have impacted lives of close to 275,000 people, with women participation of 60%.

ICICI Academy for Skills

At March 31, 2020, ICICI Foundation is operating 27 skill training centres under the ICICI Academy for Skills in 19 states and one 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 centres 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. ICICI Academy for Skills opened three new centres in Aurangabad, Osmanabad and Jammu in fiscal 2020. A significant achievement of this programme is that 100% of the trainees who had opted for job placement have found suitable employment with corporations. ICICI Foundation had introduced a new training programme during fiscal 2019 for 'Home Health Aide', which has been successful and is now being scaled up.

Rural Self Employment Training Institutes (RSETIs)

ICICI Foundation manages two RSETIs at Udaipur and Jodhpur with 19 satellite centres in Rajasthan. These centres provide skill development courses 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 eight consecutive years by the Ministry of Rural Development and the National Centre for Excellence of RSETIs. In fiscal 2020, ICICI RSETIs were awarded the first and second position respectively by the Ministry of Rural Development, Government of India. In the fight against Covid-19 pandemic, the ICICI RSETIs contributed by making face masks and private protection equipment for the district administration.

Other Activities

ICICI Foundation organises blood donation camps and facilitates participation of Bank’s employees and customers in Daan Utsav, a platform to donate for charitable causes. The proceeds are deployed for activities relating to preventive healthcare, environment protection and other social causes. During fiscal 2020, the proceeds from the Daan Utsav were disbursed to support projects like watershed development activities, nutrition supplements for children undergoing cancer treatment, and other community initiatives like addressing human wildlife conflict.

Details on these initiatives are covered in the Environmental, Social and Governance (ESG) Report available on the Bank's website - www.icicibank.com/aboutus/annual.page

SOCIAL AND RELATIONSHIP CAPITAL

RURAL DEVELOPMENT

The Bank's long-standing effort in rural development related activities continued during fiscal 2020. Agricultural activities remain the mainstay for rural areas, and the Bank has been providing financial solutions for customers across the agri-value chain, particularly farmers. In a mission to enable better opportunities for farmers, the Bank has started funding electronic negotiable warehousing receipts (eNWR). Lending against eNWR is quicker, hassle-free and convenient for both the Bank and borrowers. Farmers can use eNWR to get loans against underlying commodities. This lending protects the farmers from volatility and provides opportunities to avail better prices for their produce. The Warehousing Development and Regulatory Authority (WDRA) has a well-defined mechanism to empanel warehouses for issuing eNWR.

There are specific segments of the rural economy that require the engagement to be more supportive and sensitive to their requirements. In this regard, the Bank undertakes initiatives that address the needs of these segments of the rural population. The Self-Help Group (SHG) Programme is an initiative that has enhanced entrepreneurship among women in the rural areas. The Bank provides a comprehensive suite of banking products, including zero-balance savings account and term loans, for meeting the business requirements of the women of these SHGs. Services are offered at their doorstep, thus saving their time and money on 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.

The Bank has provided loans to over 7.0 million women beneficiaries through over 540,000 SHGs at March 31, 2020. Of these, 2.5 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 0.9 million customers through microfinance institutions.

ICICI Bank also provides lending to Joint Liability Groups (JLGs) which are semi-formal groups from the weaker sections of society. In addition to direct efforts, the Bank has tied up with about 530 non-government organisations called Self Help Promoting Institutions (SHPIs). These SHPIs are empanelled as Business Correspondents and work towards delivering credit and other banking products. 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 the Bank has actively pursued in the rural areas. At March 31, 2020, the Bank had over 21.0 million Basic Savings Bank Deposit Accounts (BSBDA), of which around 4.7 million accounts were opened under the Pradhan Mantri Jan Dhan Yojana. The Bank encourages and enables these account holders to transact digitally. ICICI Bank is 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, 2020, a total of 4.9 million customers had been enrolled under these three social security schemes.

Offering complete financial solutions to customers and their ecosystems 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 into animal husbandry. These solutions are supplemented by providing skill training through ICICI Foundation. The Bank has reached out to over 300,000 farmers, engaged in animal husbandry across 5,000 villages since inception. The Bank has also tied-up with more than 2,000 Village Level Cooperative Societies (VLCS) comprising about 200,000 active members.

The Bank is also leveraging Common Service Centres (CSCs) for offering relevant products and services to the rural population. CSCs are e-governance centres, set up by a government body, where citizens can avail various government services including payment of utility bills, banking, and accessing information on land records. The Bank aims to leverage this network to offer relevant financial products and services to the rural population in the catchment areas of the CSCs. The Bank expects to make its services available across 100,000 CSCs.

Engaging with the Government for Delivering Value

ICICI Bank believes that continuous collaboration with government agencies and providing solutions, including IT solutions, contribute towards strengthening government's engagement with citizens and stakeholders. These solutions could include 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. In this regard, the Bank participated in several such opportunities during fiscal 2020.

As part of the government's efforts on 'Ease of Doing Business' and smoothening the registration process for new companies, there has been a focus on providing clearances digitally, including for opening of bank accounts. ICICI Bank has worked along with the Ministry of Corporate Affairs (MCA), Government of India, to integrate the digital account opening process for new companies on its platform. This enables companies to select the bank of their choice while filling the application, to get an instant account number. Details provided are then verified at the backend for account activation post completion of formalities.

ICICI Bank is one of the leading banks integrated with the Public Financial Management System (PFMS) platform set up by the Office of Controller General of Accounts (CGA), Department of Expenditure, Ministry of Finance. The system enables efficient flow of funds from the central government to implementing agencies at state, district, block and village levels. The Government of India's direct benefit transfer (DBT) programme rides on the PFMS platform, which has brought in efficiency and ensures that benefits reach the intended beneficiaries within a given time frame. ICICI Bank has been associated with PFMS since its inception and is one of the largest processor of payments through this platform. During fiscal 2020, the Bank had processed more than 60.0 million transactions in 25 states. For providing ease and convenience to stakeholders, ICICI Bank has provided multiple channels for uninterrupted service delivery through its mobile app, web portal and call centre.

Another area of engagement with the government, is in the Smart Cities Mission, an urban renewal programme of the Government of India. ICICI Bank has been closely associated with this initiative and has been working with various Smart Cities projects for providing digital collection and payment solutions. ICICI Bank is one of the leading banks in developing Common City Payments Solution (CCPS), a citizen-centric solution for promoting cashless economy by facilitating digital transit and retail payments. The Surat Money card which is being used in Surat Smart City has been declared as the winner of India Smart Cities Awards Contest (ISAC) 2019 for achievement in implementing the One city, One card under the Smart Cities Mission.

Apart from CCPS, a suite of digital solutions known as 'ICICI Bank Smart City Solutions Suite' has been created to cater to the day-to-day requirements of a Smart City. These include assistance in tax collection, bill payment of utilities, assistance in municipal bonds issuance, comprehensive project and payment management solution for live project updates and just-in-time payments to vendors or contractors, funds monitoring on 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. ICICI Bank's efforts at some of the Smart Cities Mission are helping scale up digital transactions and fostering competitiveness and benchmarking across smart cities.

A digital platform has been developed by the Bank for government departments and institutions, which provides a wide range of e-governance solutions. The platform includes activities like payments, project management, budget management, limit assignment and control, dashboard, reports and analytics, and online reconciliation of transactions. It facilitates hierarchical mode of disbursements, expenditure head wise payment and tracking to the end beneficiaries depending on various models.

NATURAL CAPITAL

ICICI Bank is committed to managing its environmental footprint to create a positive impact on the environment and support a low-carbon economy.

ICICI Bank aims to conduct its business responsibly with prudent use of resources. Even as the Bank expanded its network and people during fiscal 2020, adoption of sustainability principles and benchmarks at the new premises was ensured with steady gains in efficiency. The Bank follows responsible financing practices by promoting environment-friendly sectors and has laid emphasis on environmental and social risk management objectives as a part of financing. The focus on encouraging customers to transact digitally and creating a positive impact on the environment was deepened further through the launch of a series of digital products and services during the year. Further, the effort to create a net zero energy premises at a training centre of ICICI Foundation was a step towards examining future designs in sustainable infrastructure.

SUSTAINABLE FINANCING

Responsible financing is an important focus for the Bank, governed by prudent risk management practices. The Bank has in place a social and environmental management framework that integrates analysis of the environmental and social risk assessment into the overall credit appraisal process. The framework is applicable for all new financing proposals above a specific threshold. The key elements of the assessment include an exclusion list, seeking a declaration from borrowers of compliance with applicable national environmental guidelines and 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.

The Bank's lending to environment-friendly sectors are based on appropriate assessment of risks and returns. The Bank has 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. The Bank's outstanding portfolio to the renewable energy sectors stood at about ₹29.00 billion at March 31, 2020. The Bank had availed lines of credit from select multilateral agencies towards financing green or sustainable assets. The assets financed under these lines include financing for wind, solar, biomass plants and energy efficiency projects. At March 31, 2020, the outstanding lending by the Bank for such specific purposes was USD 96.9 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 and Government of India, specifically for such projects. Their efforts include identifying relevant projects, ensuring financial assistance through collaboration or directly and knowledge sharing. During fiscal 2020, some of the initiatives supported by the group include:

- A project to rejuvenate water bodies and rivulets by recharging ground water aquifers at three locations in Uttarakhand and at one location in Uttar Pradesh. The initiative has been implemented in collaboration with local communities. The efforts at these locations include trenching, construction of check dams and improving the green cover by planting indigenous, ecologically beneficial tree species.
- Providing assistance to implement watershed development; i.e. rejuvenation of defunct water structures and construction of new structures in four villages of Bhoom taluka of Osmanabad District in Maharashtra, which is an arid region. This is expected to result in soil conservation, controlling run-off, increase in water table and water storage capacity helping in growing crops during both, kharif and rabi seasons. This initiative covers an area of 2,500 hectares and is expected to positively impact 1,300 families in four villages.
- Promoting women entrepreneurship by supporting Self-Help Groups in Uttarakhand and Jammu & Kashmir to process local produce of fruits, millets and herbs which also ensures livelihood generating opportunities for the local community.
- Supporting activities like construction of classrooms for differently-abled children, setting up hostel facilities for orphaned students, skill development for differently-abled children and enabling free surgeries and transplants of the underprivileged. The group has also supported a mangrove plantation initiative along the barren coastal land in Ratnagiri.

For more details on such initiatives, please refer to the ESG Report available on the Bank's website - www.icicibank.com/aboutus/annual.page

Watershed development activities at Kajla village in Osmanabad district, Maharashtra.

NATURAL CAPITAL

ENVIRONMENT SENSITIVITY IN THE BANK'S OPERATIONS

Our journey focussed on energy conservation and environment protection was further strengthened in fiscal 2020. It was a challenging year as the Bank significantly expanded its branch network and also its staff strength. However, the endeavour to maintain efficiency in operations continued to be a key focus area.

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. During fiscal 2020, the Bank added about 1.45 million square feet of workspace. All new offices and branches were designed and commissioned keeping in view the green building features as specified by IGBC. Two new premises were awarded the 'Platinum' rating by IGBC in fiscal 2020. With this, the total number of premises awarded the highest rating increased to 11 at March 31, 2020 covering a total area of 2.28 million square feet. As on March 31, 2020, 130 of our employees were IGBC Accredited Professionals. This large number of accredited professionals is a reflection of the Bank's commitment to building internal capability to ensure consistency and sustainability of our efforts.

ICICI BKC SERVICE CENTRE HAS BEEN RECOGNISED AS 'PLATINIUM' RATED GREEN BUILDING

NET ZERO ENERGY BUILDING

ICICI's Rural Self Employment Training Institute (ICICI RSETI) in Jodhpur, which provides pro bono vocational training to less privileged youth, moved to a new facility which was 'Net Zero Energy - Platinum' rated by the Indian Green Building Council (IGBC). Key features that enhance the sustainability of the building include less water consumption, energy optimisation, conservation of natural resources, less waste generation and provision of healthier spaces for its occupants. Consumption of water and electricity is lower by 50% compared to conventional buildings.

Details of this building are covered in the ESG Report available on ICICI Bank's website - www.icicibank.com/aboutus/annual.page

Efficient Energy Management

The Bank promotes use of renewable energy sources wherever feasible. During fiscal 2020, 1.7 MWp of renewable energy capacity was added, taking the total onsite capacity to 2.8 MWp at March 31, 2020. The Bank also added 1.0 MWp of on-site solar capacity at the Disaster Recovery Centre. The total utilisation of renewable energy in the Bank's energy consumption increased by 3.2% during fiscal 2020 and accounted for 7.4% of total energy consumption during the year. The full impact of the new renewable energy facilities is expected to be realised in the next year.

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 its large offices. The total contracted capacity is 9 MWp. These offices have been using renewable energy since fiscal 2016 and 50% of the energy requirement at these offices are met through renewable energy.

1.7 MWp

On-site renewable energy capacity added in fiscal 2020.

2.8 MWp

Total on-site renewable energy capacity as on March 31, 2020.

9 MWp

Total off-site renewable wind and solar energy contracted through Power Purchase Agreements.

12.88 Million kWh

Total renewable energy consumed in fiscal 2020.

While electricity consumption in absolute terms increased during fiscal 2020, driven by the expansion in the physical network and staff strength, the consumption was lower on a per unit basis due to efficiency measures adopted. Per capita consumption of electricity declined by 11% while energy use per square feet was lower by 2% on a year-on-year basis. Some important energy efficiency measures deployed included:

- Indirect/Direct adiabatic cooling system at the Bank's data recovery centre was commissioned which has led to improvement in the Power Utilisation Effectiveness, an indicator of data centre infrastructure efficiency, by 20%
- Detailed energy audit of the ICICI BKC Service Centre (Corporate Office) in Mumbai and the large office at Hyderabad, and measures adopted subsequently have led to savings in electricity consumption
- UPS capacity optimisation at large offices to reduce the capacity by at least 40%. New-age Integrated Gate Bipolar Transistor (IGBT) based Modular UPS with efficiency of more than 95% were deployed at sites
- Lithium Ion battery storage system deployed at two branches which would enhance reliability and improve energy efficiency
- At 492 branches and 200 ATMs, old and inefficient air-conditioning systems were replaced delivering more than 25% savings in energy

Water Savings

Water consumption per day in the 16 large offices of the Bank was 25% 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. Rain water harvesting is being undertaken at three large offices.

NATURAL CAPITAL

Paper Consumption

Expanding the digital advantages to customers and in the Bank's processes were an ongoing effort through fiscal 2020. The Bank believes that encouraging customers to adopt digital practices not only helps in improving efficiency and reducing servicing time, but also creates a positive impact on the environment. During the year, a range of insta-lending products were offered to customers which are digitally processed end-to-end. There were significant efforts towards simplifying processes and reducing physical movement of documents. A significant portion of the Bank’s operations today are paperless. The Bank procures environment-friendly copier paper which is manufactured from wheat straw, which is an agricultural residue. The Bank is reviewing its systems and process for tracking and optimising paper consumption.

As a recognition of the Bank's contribution towards maintaining ecological balance, ICICI Service Centre in Bandra-Kurla Complex, its registered office in Vadodara, its state-of-the-art data centre as well as one of its branches in Hyderabad have been awarded a 'Platinum' rating by IGBC. The building was the country’s first data centre to be awarded ‘Platinum’ by IGBC. The call centre at Thane in Mumbai was declared as a leader in energy efficiency at the National Level Energy Conservation & Management Awards by the Confederation of Indian Industry (CII).

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 technique 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 gets recycled at least two times. The Bank also recycles its IT assets which are then donated. In fiscal 2020, 35 assets were 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.

The environment management systems at ICICI Service Centre at BKC, Mumbai are ISO 14001 certified.

For more details on ICICI Bank's environmental initiatives, please refer to the ESG Report available on the Bank's website - www.icicibank.com/aboutus/annual.page

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty-Sixth Annual Report of ICICI Bank Limited (ICICI Bank/the Bank) along with the audited financial statements for the year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

The financial performance for fiscal 2020 is summarised in the following table:

₹ in billion, except percentages	Fiscal 2019	Fiscal 2020	% change
Net interest income and other income	415.27	**497.16**	19.7%
Operating expenses	180.89	**216.14**	19.5%
Core operating profit	220.72	**268.08**	21.5%
Treasury income	13.66	**12.93**	(5.3)%
Operating profit	234.38	**281.01**	19.9%
Provisions & contingencies (excluding tax)	196.61	**140.53**	(28.5)%
Profit before tax	37.77	**140.48**	271.9%
Profit after tax	33.63	**79.31**	135.8%

₹ in billion, except percentages	Fiscal 2019	Fiscal 2020	% change
Consolidated profit before tax and minority interest	74.08	**185.89**	150.9%
Consolidated profit after tax and minority interest	42.54	**95.66**	124.9%

APPROPRIATIONS

The profit after tax of the Bank for fiscal 2020 is ₹ 79.31 billion after provisions and contingencies of ₹ 140.53 billion, provision for taxes of ₹ 61.17 billion and all expenses. The accumulated profit is ₹ 258.10 billion, taking into account the balance of ₹ 178.80 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 'Declaration of dividends by banks (Revised)' dated April 17, 2020, has directed that banks shall not make any further dividend payouts from the profits pertaining to fiscal 2020 until further instructions. This is with the intent that the banks conserve capital to retain their capacity to support the economy and absorb losses in an environment of heightened uncertainty caused by Covid-19. Accordingly, the Board of Directors has not recommended any dividend for fiscal 2020 and has appropriated the disposable profit as follows:

₹ in billion	Fiscal 2019	Fiscal 2020
To Statutory Reserve, making in all ₹ 257.21 billion	8.41	**19.83**
To Special Reserve created and maintained in terms of Section 36(1) (viii) of the Income Tax Act, 1961, making in all ₹ 102.94 billion	5.25	**7.90**
To Capital Reserve, making in all ₹ 132.50 billion	0.28	**3.96**
To Capital Redemption Reserve, making in all ₹ 3.50 billion[1] (amount appropriated from surplus profit available for previous years)	3.50	**-**
To Investment Fluctuation Reserve, making in all ₹ 19.38 billion[2]	12.69	**6.69**
To Revenue and other reserves, making in all ₹ 40.97 billion[3]	0.01	**-**[4]
Dividend paid during the year		
• On equity shares, during fiscal 2020 @ ₹ 1.00 per share of face value ₹ 2.00 each (during fiscal 2019 @ ₹ 1.50 per share)	9.65	**6.45**
• On preference shares, during fiscal 2019 @ ₹ 100.00 per share	35,000	**-**
Leaving balance to be carried forward to the next year	178.79	**213.28**

1 *Redeemable Non-Cumulative Preference Shares (350 RNCPS) of ₹ 10.0 million each were redeemed at par on April 20, 2018. Accordingly, an equivalent amount was transferred to Capital Redemption Reserve from surplus profit available for previous years.*

2 *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.*

3 *Includes transfer to Reserve Fund in accordance with regulations applicable to the Sri Lanka branch.*

4 *Insignificant amount.*

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 2019.

SHARE CAPITAL

During the year under review, the Bank allotted 26,525,550 equity shares of ₹ 2.00 each pursuant to exercise of stock options under the Employee Stock Option Scheme. 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 2020. The Bank does not have any joint venture company. The particulars of subsidiary and associate companies as on March 31, 2020 have been included in Form No. MGT-9 which is annexed to this Report.

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, 2020 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.

DIRECTORS' REPORT

UPDATE ON COVID-19

Since the first quarter of Calendar Year 2020, the Covid-19 pandemic has impacted most countries, including India. This resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity. Several countries took unprecedented fiscal and monetary actions to help alleviate the impact of the crisis. The Government of India initiated a nation-wide lockdown from March 25, 2020 for three weeks which was extended to May 31, 2020. Government of India has announced various measures to support the economy during this period. The Reserve Bank of India (RBI) has also announced several measures to ease the financial system stress, including enhancing system liquidity, reducing interest rates, moratorium on loan repayments for borrowers, asset classification standstill benefit to overdue accounts where a moratorium has been granted and relaxation in liquidity coverage requirement, among others.

Banking was categorised as an essential service to enable customers to meet their requirements to the extent possible in the physical space as well as through digital channels. 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 lockdown. 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 were working from home during the lockdown period and continue to do so. 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. ATMs across the country remain operational at all times with an average uptime of about 98%. The Bank also deployed mobile ATM vans for the benefit of the general public residing in and around the containment zones.

Even in this challenging time, the Bank is seeing opportunities to grow and strengthen its franchise and it is using these opportunities to further accelerate the digital journey of the Bank 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. Many of these services are first-in-the industry and are available instantly on the Bank's mobile banking platforms such as iMobile and InstaBIZ or the internet banking platform. These include digital account opening, instant loans, payment solutions, investments and health and term insurance. Small business customers can also use the APIs from the recently launched API Banking Portal to integrate various payment and product solutions. 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.

The Indian economy would be impacted by this pandemic with contraction in industrial and services output across small and large businesses. The banking system is expected to be impacted by lower lending opportunities and revenues in the short to medium term and an increase in credit costs. The impact of the Covid-19 pandemic on Bank's results remains uncertain and dependent on the spread of Covid-19, further steps taken by the government and the central bank to mitigate the economic impact, steps taken by the Bank and the time it takes for economic activities to resume at normal levels. The Bank's capital and liquidity position are strong and would continue to be the focus area for the Bank.

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. 57 of schedule 18 – Notes forming part of the accounts" of financial statements of the Bank and "note no. 18 of schedule 18 – Notes forming part of the accounts" of consolidated financial statements of the Bank.

DIRECTORS' REPORT

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 9, 2019 approved the appointments of Hari L. Mundra, Rama Bijapurkar, B. Sriram and S. Madhavan as Independent Directors.

Further, the Members at the last AGM approved the appointment of Sandeep Bakhshi as a Managing Director & Chief Executive Officer (MD & CEO) of the Bank for a period effective from October 15, 2018 upto October 3, 2023.

Pursuant to completion of their primary tenure under the Companies Act, 2013, Dileep Choksi and V. K. Sharma, Independent Directors ceased to be Directors on the Board of the Bank effective April 1, 2019. Vijay Chandok ceased to be a Director of the Bank at the end of day on May 6, 2019 and assumed office as Managing Director & CEO of ICICI Securities Limited with effect from May 7, 2019. The Board acknowledges the valuable contribution and guidance provided by the Directors.

The Board of Directors and the Members approved the appointment of Sandeep Batra as a Wholetime Director (designated as Executive Director) subject to the approval of Reserve Bank of India (RBI). However, in November 2019, the Bank received a communication from RBI not acceding to the request for appointment of Sandeep Batra and to resubmit the proposal for approval after one year from the conclusion of settlement proceedings initiated by Sandeep Batra with regard to SEBI order passed in September 2019.

The Board of Directors on May 9, 2020 based on the recommendations of the Board Governance, Remuneration & Nomination Committee approved the following:

(a) 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 Members and RBI.

(b) Re-appointment of Girish Chandra Chaturvedi as an Independent Director of the Bank for a period of three years effective from July 1, 2021, subject to the approval of Members.

(c) 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 Members and RBI.

The resolutions for the above re-appointments are being proposed in the Notice of the forthcoming AGM through item nos. 5 to 7.

In terms of Section 203(1) of the Companies Act, 2013, Sandeep Bakhshi, MD & CEO, Anup Bagchi, 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 May 9, 2020. 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, Vishakha Mulye would retire by rotation at the forthcoming AGM and is eligible for re-appointment. Vishakha Mulye has offered herself for re-appointment.

AUDITORS

Statutory Auditors

At the Annual General Meeting (AGM) held on August 9, 2019, the Members approved the appointment of M/s Walker Chandiok & Co LLP, Chartered Accountants, as statutory auditors to hold office from the conclusion of the Twenty-Fifth AGM till the conclusion of the Twenty-Sixth AGM. As per the Reserve Bank of India guidelines, the statutory auditors of the banking companies are allowed to continue for a period of four years, subject to fulfilling the prescribed eligibility norms. Accordingly, M/s Walker Chandiok & Co LLP, Chartered Accountants, would be eligible for re-appointment at the conclusion of the forthcoming AGM. As recommended by the Audit Committee, the Board has proposed the re-appointment of M/s Walker Chandiok & Co LLP, Chartered Accountants, as statutory auditors for the year ending March 31, 2021 (fiscal 2021). M/s Walker Chandiok & Co LLP, Chartered Accountants, will hold office from the conclusion of the forthcoming AGM till the conclusion of the Twenty-Seventh AGM, subject to the approval of Members of the Bank and other regulatory approvals as may be necessary or required. The re-appointment of the statutory auditors is proposed to the Members in the Notice of the forthcoming AGM through item no. 3.

DIRECTORS' REPORT

There are no qualifications, reservation or adverse remarks made by the 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 2020. 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.

Pursuant to Securities and Exchange Board of India Circular dated February 8, 2019, the Annual Secretarial Compliance Report for fiscal 2020 will be available on websites of the stock exchanges i.e. BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (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 and 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.

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 2020.

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, 2020, 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 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. 48 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 extract of Annual Return in Form No. MGT-9 is annexed herewith as Annexure B. 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 website of the Bank at https://www.icicibank.com/aboutus/annual.html. Any Member interested in obtaining a copy of the same may write to the Company Secretary of the Bank.

DIRECTORS' REPORT

INTEGRATED REPORTING

The Bank adopted the principles of the International Integrated Reporting Framework as developed by the International Integrated Reporting Council (IIRC) since FY2019 in its Annual Report. For accessing the Integrated Report for FY2020, please refer to the Annual Report 2019-2020 hosted on the website of the Bank at (https://www.icicibank.com/aboutus/annual.html).

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 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 developments in key industrial sectors and the Bank's exposure to these sectors as well as to large borrower accounts and borrower groups. The Credit Committee also reviews major credit portfolios, non-performing loans, accounts under watch, overdues and incremental sanctions.
- 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 purpose reports to President 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.

DIRECTORS' REPORT

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: 52

b. number of complaints disposed off during the financial year: 52

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

1 All complaints received during FY2020 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, 2020, 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

ICICI Bank's corporate governance philosophy encompasses regulatory and legal requirements, which aims at a high level of business ethics, effective supervision and enhancement of value for all stakeholders.

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. 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.

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.

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 (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.

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

DIRECTORS' REPORT

subsidiary of the Bank. 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 and can be accessed on the link: (https://www.icicibank.com/aboutus/bod-1.page?).

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.

Fees to statutory auditor

Nature of service	Amount in ₹[1]
Audit	77,226,573
Certification and other audit related services	8,910,000
Total	**86,136,573**

1 *Excludes taxes and out of pocket expenses.*

Details of utilisation of funds

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

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 Directors	Areas of expertise
Girish Chandra Chaturvedi	Agriculture and rural economy, Banking, Economics and Business 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, Law, Co-operation, Risk Management, Business Management Economics & Finance
Rama Bijapurkar	Business Management and Marketing
B. Sriram	Banking and Finance
Uday Chitale	Accounts, Finance and Alternate Dispute Resolution (ADR) Specialist
Anup Bagchi	Retail & Rural and Inclusive Banking
Sandeep Bakhshi	Finance, Banking and Insurance
Vishakha Mulye	Banking and Finance

DIRECTORS' REPORT

Credit Rating as on March 31, 2020

Foreign currency denominated instrument ratings

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 instrument ratings

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 Limited, India

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

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 annexed herewith as Annexure C. The Policy is hosted on the website of the Bank and can be viewed at (https://www.icicibank.com/aboutus/other-policies.page?#toptitle).

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 D.

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, 2020 consisted of twelve Directors, out of which eight were Independent Directors, one was a Government Nominee Director and three were Executive Directors.

There were eight meetings of the Board during the year – May 6, June 28, July 27, September 19 and October 26 in 2019 and January 25, March 6 and March 12 in 2020.

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, 2020 are set out in the following table:

Name of Director	Board Meetings attended during the year	Attendance at last AGM (August 9, 2019)	Number of directorships		Names of the other listed entities 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		
Independent Directors						
Girish Chandra Chaturvedi, Chairman[2] (DIN: 00110996)	8/8	Present	3	-	1) Infrastructure Leasing and Financial Services Limited (NED) 2) IL & FS Energy Development Company Limited (Chairman, NED)	3(2)
Hari L. Mundra (DIN: 00287029)	7/8	Absent[5]	2	-	1) Allcargo Logistics Limited (ID)	3(1)
Neelam Dhawan[3] (DIN: 00871445)	8/8	Present	-	-	-	-
Radhakrishnan Nair (DIN: 07225354)	8/8	Present	9	2	1) ICICI Prudential Life Insurance Company Limited (ID) 2) Geojit Financial Services Limited (ID) 3) ICICI Securities Primary Dealership Limited (ID)	3(1)
Rama Bijapurkar (DIN: 00001835)	8/8	Present	4	1	1) Nestle India Limited (ID) 2) Mahindra & Mahindra Financial Services Limited (ID) 3) Emami Limited (ID) 4) VST Industries Limited (ID)	5(3)
B. Sriram (DIN: 02993708)	8/8	Present	2	-	1) Unitech Limited (Government Nominee Director)	1(0)
S. Madhavan[2] *(w.e.f. April 14, 2019)* (DIN:06451889)	8/8	Present	5	4	1) UFO Moviez India Limited (ID) 2) Glaxosmithkline Consumer Healthcare Limited (ID) 3) Transport Corporation of India limited (ID) 4) HCL Technologies Limited (ID)	6(4)

DIRECTORS' REPORT

Name of Director	Board Meetings attended during the year	Attendance at last AGM (August 9, 2019)	Number of directorships		Names of the other listed entities 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)	8/8	Present	3	1	1) ICICI Lombard General Insurance Company Limited (ID) 2) India Infradebt Limited (ID)	3(1)
Government Nominee Director						
Lalit Kumar Chandel[4] (DIN: 00182667)	3/8	Absent[5]	1	-	1) The Oriental Insurance Company Limited (Government Nominee Director)	1(1)
Executive Directors						
Anup Bagchi (DIN: 00105962)	8/8	Present	5	-	1) ICICI Prudential Life Insurance Company Limited (NED) 2) ICICI Securities Limited (NED) 3) ICICI Home Finance Company Limited (Chairman, NED)	-
Sandeep Bakhshi, Managing Director & CEO (DIN: 00109206)	8/8	Present	-	-	-	-
Vishakha Mulye (DIN: 00203578)	8/8	Present	1	-	1) ICICI Lombard General Insurance Company Limited (NED)	-
Vijay Chandok *(upto May 6, 2019)* (DIN: 01545262)	1/1	N.A.	N.A.	N.A.	N.A.	N.A.

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 *Participated in one Meeting through video-conference.*
3 *Participated in three Meetings through video-conference.*
4 *Participated in two Meetings through video-conference.*
5 *Unable to attend due to personal commitments.*

The profiles of the Directors can be viewed on the website of the Bank i.e. (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 2020 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, utilisation of loans and/or advances from/investment by the Bank in its subsidiaries, review of functioning of the Whistle-Blower Policy, review of the adequacy of internal control systems and the internal audit function, review of compliance with inspection and audit reports and reports of statutory auditors, review of the findings of internal investigations, review of management letters/letters on internal control weaknesses issued by statutory auditors, 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 twelve Meetings of the Committee during the year – April 26, May 6, June 12, July 16, July 25, July 27, October 24, October 26 and November 25 in 2019 and January 23, January 25 and March 19 in 2020. 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*	12/12
S. Madhavan[1] *(w.e.f. April 14, 2019)*	12/12
Radhakrishnan Nair[2]	12/12

1 Participated in three Meetings through video-conference.
2 Participated in one Meeting through video-conference.

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. Recommending commission and fee payable to non-executive Directors subject to applicable regulations, 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 five Meetings of the Committee during the year – May 6, July 27, September 19, and October 26 in 2019 and January 24 in 2020. 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[1], *Chairperson*	5/5
G. C. Chaturvedi	5/5
Rama Bijapurkar	5/5
B. Sriram	5/5

1 Participated in one Meeting through video-conference.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 is 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/Remuneration Policy is available on the website of the

DIRECTORS' REPORT

Bank under the link (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".

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).

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 allowances for attending to duties as Chairman of the Bank and any other modes of remuneration as may be permitted by RBI through any circulars/guidelines as may be issued 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, Chairperson 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 incrementally 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 2019. The overall performance evaluation process for fiscal 2020 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.

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The following table sets out the details of remuneration (including perquisites and retiral benefits) paid to wholetime Directors in fiscal 2020:

	Sandeep Bakhshi	Vishakha Mulye	Anup Bagchi	Vijay Chandok[1]
	2019-20	2019-20	2019-20	2019-20
Basic	28,572,000	24,467,040	24,467,040	2,433,550
Performance bonus paid in fiscal 2020[2]	0	15,942,029	14,617,507	14,617,507
Allowances and perquisites[3]	28,786,322	26,827,847	21,925,082	5,864,032
Contribution to provident fund	3,428,640	2,936,047	2,936,040	292,026
Contribution to superannuation fund	0	150,000	0	0
Contribution to gratuity fund	2,380,048	2,038,104	2,038,104	202,715
Stock options[4]				
Fiscal 2019	610,500	610,500	610,500	610,500
Fiscal 2018	NA	646,000	646,000	646,000

1 *Vijay Chandok was with the Bank till May 6, 2019 and thereafter moved to a Group Company. The above information pertains to the period spent at the Bank.*

2 *Represents amounts paid during the year as per RBI approvals. An amount of ₹ 3,450,467/- was paid to N. S. Kannan during the year, for the period spent in the Bank in fiscal 2019.*

3 *Allowances and perquisites exclude stock options exercised during fiscal 2020 which do not constitute remuneration paid to the wholetime Directors for fiscal 2020.*

4 *Represents options granted during the year as per RBI approvals pertaining to Fiscal 2019 and Fiscal 2018. 646,000 options were granted to N. S. Kannan pertaining to fiscal 2018 as per RBI approvals.*

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 twelve months from the date of the grant. The options so vested are to be exercised within five years from the date of vesting.

The Bank does not pay any severance fees to its Managing Director & CEO or to its whole-time Directors. The tenure of the office of Managing Director & CEO and the whole-time 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 2020, Sandeep Bakhshi received ₹ 8,534,434 (gross amount) as performance bonus from ICICI Prudential Life Insurance Company Limited, subsidiary of the Bank being the deferred variable pay for the years FY2016, FY2017 and FY2018.

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 and Audit Committee and ₹ 50,000 as sitting fee for each Meeting of the Committee attended other than the Audit Committee. The Board at its Meeting held on October 26, 2019 approved revision in sitting fee payable to non-executive Directors (other than Government Nominee Director) from ₹ 50,000 to ₹ 100,000 for attending each Meeting of Credit Committee and Risk Committee effective October 27, 2019.

DIRECTORS' REPORT

Information on the total sitting fees and commission paid to each non-executive Director during fiscal 2020 is set out in the following table:

Amount (₹)

Name of Director	Sitting Fees	Commission[1]
G.C. Chaturvedi	1,600,000	-
Uday Chitale	2,450,000	1,000,000
Neelam Dhawan	1,550,000	1,000,000
Dileep C. Choksi[2]	-	1,000,000
V. K. Sharma[2]	-	1,000,000
Tushaar Shah[3]	-	87,671
Rama Bijapurkar[4]	1,300,000	210,959
B. Sriram[4]	2,350,000	210,959
S. Madhavan[5]	2,650,000	-
Radhakrishnan Nair[6]	3,000,000	915,068
Hari L. Mundra[7]	2,600,000	430,137

1 *Commission pertaining to fiscal 2019 paid in fiscal 2020*
2 *Director upto March 31, 2019*
3 *Director upto May 2, 2018*
4 *Director with effect from January 14, 2019*
5 *Director with effect from April 14, 2019*
6 *Director with effect from May 2, 2018*
7 *Director with effect from October 26, 2018*

The sitting fees of ₹ 1,00,000 each paid in fiscal 2020 to Uday Chitale and Radhakrishnan Nair for attending the Audit Committee Meeting held on February 22, 2019 is not included in the above table.

As per the RBI approval, a gross amount of ₹ 3,500,000 was paid as remuneration for fiscal 2020 to G. C. Chaturvedi.

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

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

As on March 31, 2020, Rama Bijapurkar, Lalit Kumar Chandel and S. Madhavan held 2,600, 10 and 2,600 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) 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 and other employees, recommending to the Board the remuneration (including performance bonus 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 bonus payable to 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 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***

  The Bank employed the services of a reputed consulting firm for market benchmarking in the area of compensation, including executive compensation.

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- ***Scope of the Bank's remuneration policy (e.g. 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 Board at their meetings held on October 26, 2019, 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, 2020 was 97,354.

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.

  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 bonus based on the financial and strategic plan approved by the Board. The KPIs include both quantitative and qualitative aspects. 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 bonus for employees, including senior management and 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. In addition, the Bank has an employee stock option scheme aimed at aligning compensation to long term performance through stock option grants that vest over a period of time. Compensation of staff in financial 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, 2020, the Bank's Compensation Policy was reviewed by the BGRNC and the Board at their meetings held on May 6, 2019 and was later amended at their meetings held on July 27, 2019 and October 26, 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 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 risk framework for the Bank and 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, limits framework and policies and procedures governing various types of risk. KPIs of WTDs & equivalent positions, as well as employees, incorporate relevant risk

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management related aspects. For example, in addition to performance targets 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.

- **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 achievements compared to their goal sheets, which incorporate various aspects/metrics 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 on none, part or all of the unvested deferred variable compensation.

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***

DIRECTORS' REPORT

deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance

The quantum of bonus for an employee does not exceed a certain percentage (as stipulated in the compensation policy) of the total fixed pay in a year. Within this percentage, if the quantum of bonus exceeds a predefined threshold percentage of the total fixed pay, a part of the bonus is deferred and paid over a period. These thresholds for deferrals are same across employees.

- **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 is subject to malus, under which the Bank would prevent vesting of all or part of the variable pay in the event of an enquiry determining gross negligence, breach of integrity or in the event of a reasonable evidence of deterioration in financial performance. In such cases, 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 Bank pays performance linked retention pay (PLRP) to its front-line staff and junior management and performance bonus to its middle and senior 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 also pays variable pay to sales officers and relationship managers in wealth management roles while ensuring that such pay-outs are in accordance with applicable regulatory requirements.

  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 equivalent positions.

₹ in million, except numbers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Number of meetings held by the BGRNC during the financial year	5	12
Remuneration paid to its members during the financial year (sitting fees)	1	1.9
Number of employees who received a variable remuneration award during the financial year[1]	5	-
Number and total amount of sign-on awards made during the financial year	-	-
Number and total amount of guaranteed bonuses awarded during the financial year	-	-
Details of severance pay, in addition to accrued benefits	-	-
Breakdown of amount of remuneration awards for the financial year		
Fixed[2]	214.8	274.7
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.	N.A.
Shares (nos.)	-	-
Shares-linked instruments	4,690,430	6,260,597
Other forms	-	-

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₹ in million, except numbers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
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 corresponds to the period of employment of WTDs in the Bank during FY2020.*
3 *For the years ended March 31, 2020 and March 31, 2019, variable and share-linked instruments represent amounts paid/options awarded during the year, as per RBI approvals. 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.*

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	111:1
Vishakha Mulye, Executive Director	97:1
Anup Bagchi, Executive Director	97:1

(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;

The percentage increase done with effect from April 1, 2019 in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary is provided below:

Sandeep Bakhshi , Managing Director & CEO	0%
Vishakha Mulye, Executive Director	5%
Anup Bagchi, Executive Director	15%
Rakesh Jha, Chief Financial Officer	12%
Ranganath Athreya, Company Secretary	5.5%

(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 9%.

(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 99,319. Out of this, the employees on permanent rolls of the Company is 97,354 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 total employees other than the Key Managerial Personnel for FY2020 was around 9%, while the average increase in the remuneration of the Key Managerial Personnel was in the range of 0% to 15%.

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

Yes

Note:

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.

Composition

There were three Meetings of the Committee during the year – April 25, 2019, August 16, 2019 and January 10, 2020. 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[1], *Chairman*	3/3
Anup Bagchi	3/3
Rama Bijapurkar *(w.e.f. June 30, 2019)*	1/2
Uday Chitale[1] *(w.e.f. June 30, 2019)*	2/2

1 Participated in one Meeting through video-conference.

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 has been hosted on the website of the Bank at (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 E.

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-four Meetings of the Committee during the year – April 2, April 8, April 12, April 25, May 17, June 11, June 19, June 28, July 26, August 19, September 4, September 13, September 20, September 27, October 11, October 25, November 21, December 13, December 23 in 2019 and January 13, February 14, March 5, March 13 and March 23 in 2020. 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[1], *Chairman*	24/24
Hari L. Mundra[1]	23/24
Radhakrishnan Nair[1] *(upto June 29, 2019)*	8/8
Vishakha Mulye[1]	22/24
G. C. Chaturvedi[1] *(w.e.f. June 30, 2019 and upto September 30, 2019)*	6/6
B. Sriram[1] *(w.e.f. October 1, 2019)*	10/10

1 participated in one Meeting through video-conference.

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 29, 2019, August 16, 2019, November 15, 2019 and February 19, 2020. The details of the composition of the Committee and attendance at

DIRECTORS' REPORT

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
Uday Chitale *(upto June 29, 2019)*	1/1
Neelam Dhawan *(upto June 29, 2019)*	1/1
Hari L. Mundra *(w.e.f. June 30, 2019)*	3/3
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 25, 2019, July 26, 2019, October 16, 2019 and January 24, 2020. 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* *(Chairman w.e.f. June 30, 2019)*	3/3
Neelam Dhawan[1]	4/4
Uday Chitale *(upto June 29, 2019)*	1/1
Radhakrishnan Nair *(w.e.f. June 30, 2019)*	3/3
Anup Bagchi	4/4
Sandeep Bakhshi	4/4

[1] *Participated in one Meeting through video-conference.*

Uday Chitale chaired the Meeting held on April 25, 2019.

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 and oversee the activities of Digital Council.

Composition

There were four Meetings of the Committee during the year – May 29, 2019, August 13, 2019, November 6, 2019 and February 19, 2020. 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* *(Chairman w.e.f. June 30, 2019)*	3/3
Neelam Dhawan *(Chairperson till June 29, 2019)*	4/4
Sandeep Bakhshi	4/4
Anup Bagchi	4/4

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. The functions of the 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 seven Meetings of the Committee during the year – April 25, 2019, June 12, 2019, June 24, 2019,

DIRECTORS' REPORT

July 26, 2019, October 25, 2019, February 13, 2020 and March 5, 2020. 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
G. C. Chaturvedi, *Chairman* *(Chairman w.e.f. October 1, 2019)*	3/3
B. Sriram *(Chairman and Member upto September 30, 2019)*	4/4
Sandeep Bakhshi *(upto June 29, 2019)*	3/3
S. Madhavan[1] *(w.e.f. April 14, 2019)*	7/7

1 Participated in one Meeting through video-conference.

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 meeting on October 25, 2019 and Radhakrishnan Nair attended the Committee meetings on July 26, 2019, February 13, 2020 and March 5, 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 25, 2019, August 16, 2019, October 25, 2019 and January 24, 2020. 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. 120 investor complaints were received in fiscal 2020. As at March 31, 2020, 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. Two Meetings of the Committee were held during the year. The Meeting held on November 6, 2019 was attended by Sandeep Bakhshi, Neelam Dhawan and B. Sriram and the Meeting held on February 13, 2020 was attended by Sandeep Bakhshi, S. Madhavan and Radhakrishnan Nair.

XII. Separate Meeting of Independent Directors

During the year, the Independent Directors met on May 6, 2019 *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.

XII. Other Committees

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

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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.

XIII. 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-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
Twenty-Third Annual General Meeting	Friday, June 30, 2017	12 noon	Professor Chandravadan Mehta Auditorium, General Education Centre, Opposite D. N. Hall Ground, The Maharaja Sayajirao University, Pratapgunj, Vadodara 390 002

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 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
Annual General Meeting	Friday, June 30, 2017	• Private placement of securities under Section 42 of the Companies Act, 2013

Postal Ballot

No resolution was passed through postal ballot during the financial year ended March 31, 2020.

At present, no special resolution is proposed to be passed through postal ballot.

XIV. 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 (totaling to ₹ 1.0 million) under Section 15HB of the Securities and Exchange Board of India Act, 1992 and Section 23E of the Securities Contracts

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(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 on October 24, 2019. The matter is still under progress.

ii. As mentioned by Reserve Bank of India (RBI) in its press release dated March 29, 2018, RBI had through an order dated March 26, 2018, imposed a monetary penalty of ₹ 589.0 million on the Bank for non-compliance with directions/guidelines issued by RBI. This penalty was imposed in exercise of powers vested in RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949.

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

XV. 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 (Ahmedabad, Bengaluru, Bhubaneshwar, Chandigarh, Chennai, Hyderabad, Kochi, Kolkata, Lucknow, Mumbai, New Delhi and Pune editions) 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-Sixth Annual General Meeting through Video Conferencing/Other Audio Visual Means	Friday, August 14, 2020	3:30 p.m.

Financial Year : April 1, 2019 to March 31, 2020

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.

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The bonds issued in domestic market comprised of 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.

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 2020 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-19	407.75	387.15	13,647,495	407.50	387.10	251,261,681	264,909,176
May-19	435.20	376.20	25,334,942	435.50	376.30	507,747,687	533,082,629
June-19	440.75	411.60	8,694,992	440.95	411.55	267,981,614	276,676,606
July-19	438.65	408.55	24,482,854	439.00	408.50	344,304,683	368,787,537
August-19	423.40	395.75	23,841,970	423.40	395.40	413,315,950	437,157,920
September-19	452.05	386.55	25,975,989	451.95	386.60	502,683,349	528,659,338
October-19	477.55	413.75	23,092,248	477.40	413.90	447,446,391	470,538,639
November-19	519.20	462.10	16,904,598	519.15	462.25	775,793,243	792,697,841
December-19	549.40	509.00	10,346,026	549.40	509.35	320,436,566	330,782,592
January-20	546.30	520.70	27,811,073	546.30	522.85	361,507,539	389,318,612
February-20	549.30	496.05	36,831,817	549.30	497.25	308,682,231	345,514,048
March-20	516.45	283.90	38,574,143	514.75	284.00	1,021,907,306	1,060,481,449
Fiscal 2020	**549.40**	**283.90**	**275,538,147**	**549.40**	**284.00**	**5,523,068,240**	**5,798,606,387**

The reported high and low closing prices and volume of ADRs of ICICI Bank traded during fiscal 2020 on the NYSE are given below:

Month	High (USD)	Low (USD)	Number of ADS traded
April-19	11.65	11.07	178,661,100
May-19	12.42	10.62	190,963,900
June-19	12.60	11.78	112,021,300
July-19	12.63	11.72	110,557,500
August-19	11.92	10.68	157,415,053
September-19	12.62	10.66	184,573,990
October-19	13.31	11.65	134,008,016
November-19	14.17	13.09	127,619,847
December-19	15.28	13.99	113,071,194
January-20	15.23	14.55	135,570,100
February-20	15.35	13.87	132,056,800
March-20	14.11	6.90	305,435,700
Fiscal 2020	**15.35**	**6.90**	**1,881,954,500**

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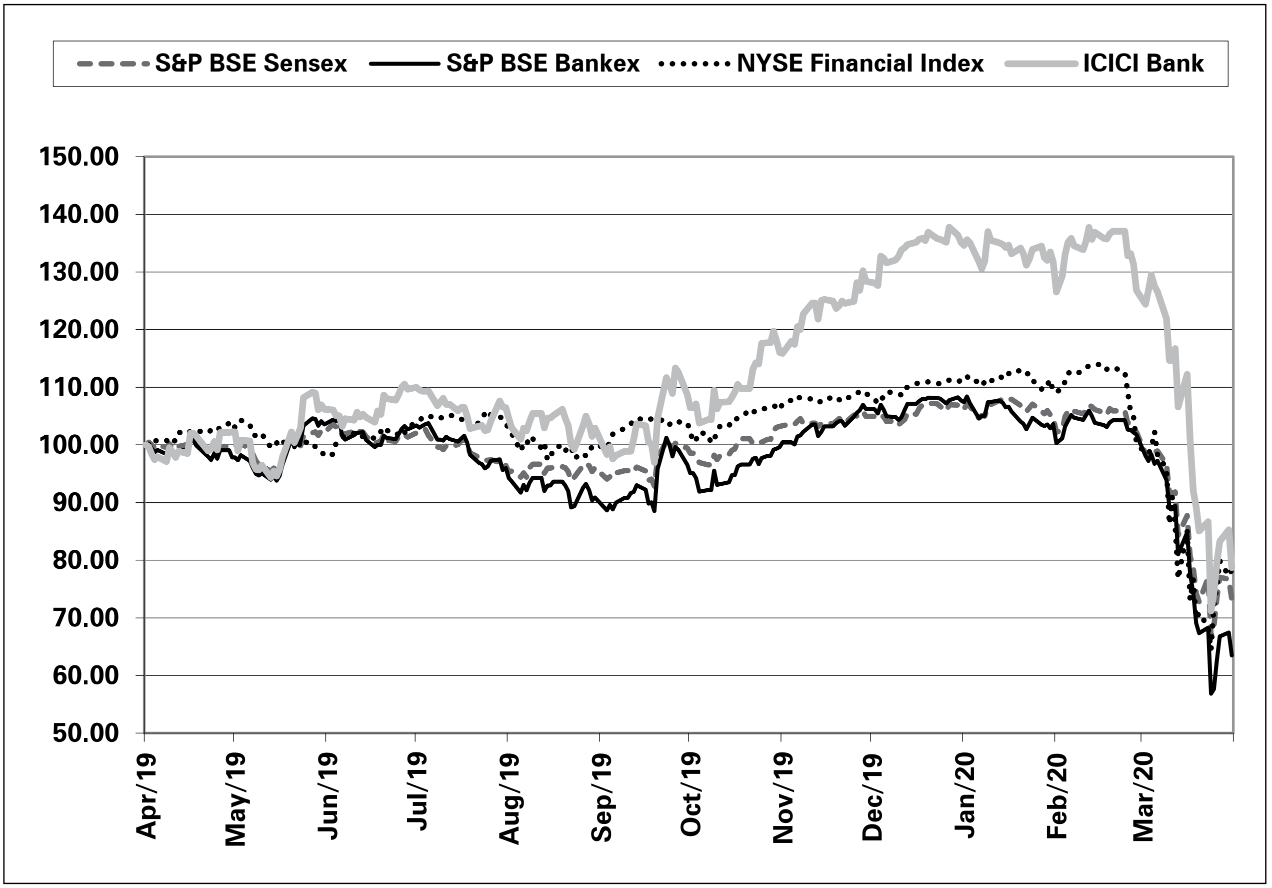
The performance of ICICI Bank equity shares relative to the S&P BSE Sensitive Index (Sensex), S&P BSE Bank Index (Bankex) and NYSE Financial Index during the period April 1, 2019 to March 31, 2020 is given in the following chart:



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.

ICICI Bank's equity shares are traded compulsorily in dematerialised form. During the year, 1,705,745 equity shares of face value ₹ 2.00 each involving 8,033 certificates were dematerialised. At March 31, 2020, 99.71% of paid-up equity share capital (including equity shares represented by ADS constituting 19.15% of the paid-up equity share capital) are held in dematerialised form.

As per the SEBI mandate, any investor who is desirous of transferring shares (which are held in physical form) after April 1, 2019 can do so only after the shares are dematerialised. 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.

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.

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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 the link (https://www.icicibank.com/Personal-Banking/investments/icici-bank-bonds/index.page).

Information on Shareholding

Shareholding pattern of ICICI Bank at March 31, 2020

Shareholder Category	No. of Shares	% holding
Deutsche Bank Trust Company Americas (Depositary for ADS holders)	1,239,237,331	19.15
FIIs/FPIs	2,286,827,687	35.33
Insurance Companies	759,972,864	11.74
Bodies Corporate (includes Government Companies and Clearing Members)	151,333,912	2.34
Banks & Financial Institutions	7,765,341	0.12
Mutual Funds/UTI	1,444,780,821	22.32
Individuals, HUF and Trusts	404,459,782	6.25
NBFCs Registered with RBI	713,961	0.01
Provident Fund/Pension Fund	88,627,973	1.37
Alternative Investment Fund	32,178,498	0.50
IEPF	6,474,110	0.10
Others (includes NRIs, Foreign Banks, Foreign Companies, Foreign Nationals etc)	50,392,923	0.77
Total	**6,472,765,203**	**100.00**

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Shareholders of ICICI Bank with more than one percent holding at March 31, 2020

Name of the Shareholder	No. of Shares	% holding
Deutsche Bank Trust Company Americas*	1,239,237,331	19.15
Life Insurance Corporation of India	521,902,188	8.06
SBI Mutual Fund	237,754,343	3.67
HDFC Mutual Fund	224,605,465	3.47
Dodge & Cox International Stock Fund	196,131,976	3.03
ICICI Prudential Mutual Fund	163,148,918	2.52
Europacific Growth Fund	135,615,372	2.10
Reliance Mutual Fund	112,506,655	1.74
Government of Singapore	108,965,533	1.68
Aditya Birla Sun Life Mutual Fund	107,202,608	1.66
Kotak Mahindra Mutual Fund	94,184,312	1.46
NPS Trust	88,627,973	1.37
UTI Mutual Fund	83,008,110	1.28
Axis Mutual Fund	73,705,550	1.14
Abu Dhabi Investment Authority	71,243,514	1.10

* *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, 2020

Range – Shares	No. of Folios	%	No. of Shares	%
Upto 1,000	1,117,796	94.44	165,362,161	2.55
1,001 – 5,000	55,700	4.70	103,958,805	1.61
5,001 – 10,000	4,692	0.40	32,345,336	0.50
10,001 – 50,000	3,284	0.28	67,713,739	1.05
50,001 & above	2,170	0.18	6,103,385,162	94.29
Total	**1,183,642**	**100.00**	**6,472,765,203**	**100.00**

Disclosure with respect to shares lying in suspense account

The Bank had 95,663 equity shares held by 475 shareholders lying in suspense account at the beginning of the fiscal 2020. 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 received requests from 18 shareholders holding 4,679 shares for claiming these shares out of which 1,016 shares held by 5 shareholders were transferred from the suspense account. As on March 31, 2020, 94,647 shares held by 470 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 2020, dividend amount of ₹ 4.01 crore 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 2020, 4,76,370 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.

Members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 2013 and/or subsequent years are requested to submit their claims to the Registrar and Transfer Agent of the Company without any delay. 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 i.e. www.iepf.gov.in.

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).

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

ICICI Bank has 619.62 million ADS (equivalent to 1,239.24 million equity shares) outstanding, which constituted 19.15% of ICICI Bank's total equity capital at March 31, 2020. There are no other convertible instruments outstanding as on March 31, 2020.

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

a) Customer complaints in fiscal 2020

Number of complaints pending at the beginning of the year	8,676
Number of complaints received during the year	234,812
Number of complaints redressed during the year	239,531
Number of complaints pending at the end of the year	3,957

Note: The above does not include complaint redressed within 1 working day.

b) Awards passed by the Banking Ombudsman in fiscal 2020

Number of unimplemented awards at the beginning of the year	Nil
Number of awards passed by the Banking Ombudsman during the year	Nil
Number of awards implemented during the year	Nil
Number of unimplemented awards at the end of the year	Nil

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

DIRECTORS' REPORT

to that of the shareholders; and (ii) retention of talent. Through employee stock option grants, the Bank seeks 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, 2020 granted 534.12 million stock options from time to time aggregating to 8.25% of the issued equity capital of the Bank at March 31, 2020. 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 options granted to employees is limited to 10% of ICICI Bank's issued equity shares on the date of the grant (equivalent to 647.28 million shares of face value ₹ 2.00 each at March 31, 2020).

Particulars of options granted by ICICI Bank as on March 31, 2020 are given below:

Number of options outstanding at the beginning of the year	232,139,774[1]
Number of options granted during the year	33,908,600[2]
Number of options forfeited/lapsed during the year	1,616,051
Number of options vested during the year	44,391,312
Number of options exercised during the year	26,525,550
Number of shares arising as a result of exercise of options	26,525,550
Money realised by exercise of options during the year (₹)	5,493,213,954
Number of options outstanding at the end of the year	237,906,773[2]
Number of options exercisable at the end of the year	169,975,899

1 *Options outstanding for FY2019 have been adjusted post RBI approval received for options pertaining to wholetime Directors for May-2018.*

2 *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 ₹ 12.08 in fiscal 2020 compared to basic EPS of ₹ 12.28. Based on intrinsic value of options, no compensation cost was recognised during the year ended March 31, 2020 (year ended March 31, 2019: Nil). If the Bank had used the fair value of options based on binomial tree model, compensation cost in the year ended March 31, 2020 would have been higher by ₹ 3,826.2 million (year ended March 31, 2019: ₹ 3,179.0 million) and proforma profit after tax would have been ₹ 75,481.9 million (year ended March 31, 2019: ₹ 30,454.0 million). On a proforma basis, the Bank's basic and diluted earnings per share would have been ₹ 11.68 (year ended March 31, 2019: ₹ 4.73) and ₹ 11.49 (year ended March 31, 2019: ₹ 4.68) respectively for the year ended March 31, 2020.

The weighted average fair value of options granted during the year ended March 31, 2020 was ₹ 149.62 (year ended March 31, 2019: ₹ 107.22) and the weighted average exercise price of options granted during the year ended March 31, 2020 was ₹ 402.16 (year ended March 31, 2019: ₹ 283.91).

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, 2019
Risk-free interest rate	**6.18% to 7.62%**	7.32% to 8.31%
Expected life	**3.46 to 5.46 years**	3.64 to 6.64 years
Expected volatility	**29.06% to 31.17%**	30.79% to 32.22%
Expected dividend yield	**0.19% to 0.37%**	0.43% to 0.80%

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

DIRECTORS' REPORT

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 has been hosted on the website of the Bank at (https://www.icicibank.com/aboutus/other-policies.page?#toptitle).

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 chapter Natural Capital, in the Integrated Report section of the Annual Report for fiscal 2020 and under Principle 6 of Section E of the Business Responsibility Report which will be available on the website of the Bank at https://www.icicibank.com/aboutus/annual.page. The Bank has used information technology extensively in its operations; for details refer to the chapter Strategic Focus Areas for Business in the Integrated Report section of the Annual Report for fiscal 2020.

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, 2020.

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
May 9, 2020 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, 2020.

Sandeep Bakhshi
Managing Director & CEO
May 9, 2020 DIN-00109206

DIRECTORS' REPORT

ANNEXURE A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

(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). 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 31st March, 2020, 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 31st March, 2020 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) and

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

DIRECTORS' REPORT

(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, 2014

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

(p) 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Bank received an Adjudication Order from Securities and Exchange Board of India (SEBI) on September 12, 2019 under Section 15- I of the SEBI Act, 1992, read with Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 and under Section 23-I of Securities Contracts (Regulation) Act, 1956 and Rule 5 of the Securities Contracts (Regulation) (Procedure for Holding Inquiry and imposing Penalties by Adjudicating Officer) Rules, 2005 relating to alleged delayed disclosure on May 18, 2010 of an agreement entered into by the Bank on the same day upon and after the approval of its Board of Directors relating to erstwhile Bank of Rajasthan (eBoR). As per the order received, the Bank has been levied a penalty of ₹ 1 million and the then Compliance Officer of the Bank with a penalty of ₹ 0.20 million.

The ex-compliance officer has filed an appeal with Securities Appellate Tribunal on September 30, 2019, thereafter filed settlement application with SEBI on October 03, 2019.

The Bank has filed an appeal against SEBI's Order with Securities Appellate Tribunal (SAT) on October 24, 2019.

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.

DIRECTORS' REPORT

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

1) Issued and allotted various Non-Convertible Bonds in nature of Debentures of face value of ₹ 10,00,000/- each aggregating to ₹ 945 crores on private placement basis in the domestic market.

2) Redeemed various series of debentures in the nature of Public Issue bonds, Private Placement Bonds and Pension Bonds aggregating to ₹ 62,50,81,10,808.00/-

3) Issued 26,525,550 Equity Share of the face value of ₹ 2 each under the Employee Stock option Scheme

4) The Board of Directors of the Bank, at its meeting held on May 6, 2019, had approved fund raising through issuance of debt securities. Pursuant to the same, the Bank on June 28, 2019, acting through its DIFC (Dubai) branch, has issued a 5 year USD 100 million senior unsecured bond maturing in July 2024 on a private placement basis, under its global medium term note program dated October 5, 2018. The bonds have a floating rate coupon of 3 month USD LIBOR +145.5 bps and are unlisted.

For Parikh Parekh & Associates
Company Secretaries

Place: Mumbai
Date : 09.05.2020

Signature:
P. N. Parikh
Partner
FCS No: 327 CP No: 1228
Udin: F000327B000218963

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

Place: Mumbai
Date : 09.05.2020

Signature:
P. N. Parikh
Partner
FCS No: 327 CP No: 1228
Udin: F000327B000218963

DIRECTORS' REPORT

ANNEXURE B

FORM NO. MGT-9

Extract of Annual Return
as on the financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L65190GJ1994PLC021012
Registration Date	January 5, 1994
Name of the Company	ICICI Bank Limited
Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
Address of the Registered office and contact details	ICICI Bank Tower Near Chakli Circle Old Padra Road, Vadodara - 390 007 Gujarat, India Tel.: +91-265-6722239 Email : companysecretary@icicibank.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	3i Infotech Limited International Infotech Park Tower # 5, 3rd Floor Vashi Railway Station Complex Vashi, Navi Mumbai - 400 703 Maharashtra, India Tel. : +91-22-7123 8000 Fax : +91-22-7123 8098 Email : investor@icicibank.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	Banking and Financial Services	64191	100%

The Bank is a publicly held banking company engaged in providing a wide range of banking and financial services including retail banking, corporate banking and treasury operations.

DIRECTORS' REPORT

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN*	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	ICICI Investment Management Company Limited Registered Office: ICICI Bank Towers Bandra-Kurla Complex Mumbai - 400 051	U65990MH2000PLC124773	Subsidiary Company	100.00%	2(87)
2	ICICI Home Finance Company Limited Registered Office: ICICI Bank Towers Bandra-Kurla Complex Mumbai - 400 051	U65922MH1999PLC120106	Subsidiary Company	100.00%	2(87)
3	ICICI Trusteeship Services Limited Registered Office: ICICI Bank Towers Bandra-Kurla Complex Mumbai - 400 051	U65991MH1999PLC119683	Subsidiary Company	100.00%	2(87)
4	ICICI Prudential Pension Funds Management Company Limited[1] Registered Office: ICICI Prulife Towers 1089, Appasaheb Marathe Marg Prabhadevi Mumbai - 400 025	U66000MH2009PLC191935	Subsidiary Company	100.00%	2(87)
5	ICICI Securities Primary Dealership Limited Registered Office: ICICI Centre, H. T. Parekh Marg, Churchgate Mumbai - 400 020	U72900MH1993PLC131900	Subsidiary Company	100.00%	2(87)
6	ICICI International Limited Registered Office: IFS Court,Twenty Eight, Cybercity Ebene, Mauritius		Subsidiary Company	100.00%	2(87)
7	ICICI Securities Holding Inc.[2] Registered Office: 251 Little Falls Drive Wilmington, DE 19808 United States of America		Subsidiary Company	100.00%	2(87)
8	ICICI Securities Inc.[3] 251 Little Falls Drive Wilmington, DE 19808 United States of America		Subsidiary Company	100.00%	2(87)
9	ICICI Bank Canada 150 Ferrand Drive Suite 1200, Toronto, ON M3C 3E5 Canada		Subsidiary Company	100.00%	2(87)

DIRECTORS' REPORT

Sr. No.	Name and address of the Company	CIN/GLN*	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
10	ICICI Bank UK PLC Registered Office: One Thomas More Square Five Thomas More Street London E1W 1YN		Subsidiary Company	100.00%	2(87)
11	ICICI Venture Funds Management Company Limited Registered Office: ICICI Venture House, Ground Floor Appasaheb Marathe Marg, Prabhadevi Mumbai - 400 025	U72200MH1989PLC166901	Subsidiary Company	100.00%	2(87)
12	ICICI Securities Limited Registered Office: ICICI Centre H. T. Parekh Marg Churchgate Mumbai - 400 020	L67120MH1995PLC086241	Subsidiary Company	79.22%	2(87)
13	ICICI Lombard General Insurance Company Limited Registered Office: ICICI Lombard House 414 Veer Savarkar Marg Near Siddhivinayak Temple Prabhadevi Mumbai - 400 025	L67200MH2000PLC129408	Subsidiary Company	55.86%	2(87)
14	ICICI Prudential Life Insurance Company Limited Registered Office: ICICI PruLife Towers 1089, Appasaheb Marathe Marg Prabhadevi Mumbai - 400 025	L66010MH2000PLC127837	Subsidiary Company	52.87%	2(87)
15	ICICI Prudential Asset Management Company Limited Registered Office: 12th floor, Narain Manzil 23, Barakhamba Road New Delhi - 110 001	U99999DL1993PLC054135	Subsidiary Company	51.00%	2(87)
16	ICICI Prudential Trust Limited Registered Office: 12th floor, Narain Manzil 23, Barakhamba Road New Delhi - 110 001	U74899DL1993PLC054134	Subsidiary Company	50.80%	2(87)
17	India Infradebt Limited Registered Office: The Capital, 'B' Wing, #1101-A Bandra Kurla Complex Mumbai - 400 051	U65923MH2012PLC237365	Associate Company	42.33%	2(6)

DIRECTORS' REPORT

Sr. No.	Name and address of the Company	CIN/GLN*	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
18	Falcon Tyres Limited# Registered Office: K R S Road, Metagalli Mysore, Karnataka - 570 016	L25114KA1973PLC002455	Associate Company	26.39%	2(6)
19	Rajasthan Asset Management Company Private Limited# Registered Office: 7th Floor, Ganga Heights Bapu Nagar, Tonk Road Jaipur, Rajasthan - 302 015	U65999RJ2002PTC017380	Associate Company	24.30%	2(6)
20	OTC Exchange of India Limited# Registered Office: 92-93 Maker Tower F, Cuffe Parade Mumbai - 400 005	U67120MH1990NPL058298	Associate Company	20.00%	2(6)
21	Arteria Technologies Private Limited Registered Office: Unit No.11, 1st Floor, Innovator International Tech Park Limited Bangalore - 560 066	U72900KA2007PTC041911	Associate Company	19.98%	2(6)
22	ICICI Merchant Services Private Limited Registered Office: 74, Kalpataru Square Off Andheri Kurla Road Kondivita Lane Andheri (East) Mumbai - 400 059	U74140MH2009PTC194399	Associate Company	19.01%	2(6)
23	I-Process Services (India) Private Limited Registered Office: Unit No. 602, 6th Floor, "CENTRE POINT", Andheri-Kurla Road J.B. Nagar, Andheri (East) Mumbai - 400 059	U72900MH2005PTC152504	Associate Company	19.00%	2(6)
24	NIIT Institute of Finance Banking and Insurance Training Limited Registered Office: 8, Balaji Estate, First Floor Guru Ravi Das Marg, Kalkaji New Delhi - 110 019	U80903DL2006PLC149721	Associate Company	18.79%	2(6)

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

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

3 ICICI Securities Inc. is a wholly owned subsidiary of ICICI Securities Holding Inc.

** CIN has been mentioned for Indian subsidiaries/Associate Companies.*

 # 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'.

DIRECTORS' REPORT

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Shareholding

Sr. No.	Category of shareholders	No. of Shares held at the beginning of the year (April 1, 2019)				No. of Shares held at the end of the year (March 31, 2020)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	**Promoters**									
	(1) Indian									
	a) Individual/HUF	0	0	0	-	**0**	**0**	**0**	**-**	-
	b) Central Govt	0	0	0	-	**0**	**0**	**0**	**-**	-
	c) State Govt(s)	0	0	0	-	**0**	**0**	**0**	**-**	-
	d) Bodies Corp.	0	0	0	-	**0**	**0**	**0**	**-**	-
	e) Banks/FI	0	0	0	-	**0**	**0**	**0**	**-**	-
	f) Any Other	0	0	0	-	**0**	**0**	**0**	**-**	-
	Sub-total (A)(1)	**0**	**0**	**0**	**-**	**0**	**0**	**0**	**-**	**-**
	(2) Foreign									
	a) NRIs - Individuals	0	0	0	-	**0**	**0**	**0**	**-**	-
	b) Other - Individuals	0	0	0	-	**0**	**0**	**0**	**-**	-
	c) Bodies Corp.	0	0	0	-	**0**	**0**	**0**	**-**	-
	d) Banks/FI	0	0	0	-	**0**	**0**	**0**	**-**	-
	e) Any Other	0	0	0	-	**0**	**0**	**0**	**-**	-
	Sub-total (A)(2)	**0**	**0**	**0**	**-**	**0**	**0**	**0**	**-**	**-**
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**0**	**0**	**0**	**-**	**0**	**0**	**0**	**-**	**-**
B	**Public Shareholding**									
	(1) Institutions									
	a) Mutual Funds/UTI	1,351,905,866	8,756	1,351,914,622	20.97	**1,444,772,065**	**8,756**	**1,444,780,821**	**22.32**	1.35
	b) Banks/Financial Institutions	1,014,877	70,219	1,085,096	0.02	**7,696,197**	**69,144**	**7,765,341**	**0.12**	0.10
	c) Central Govt/ State Govt(s)	16,033,568	428	16,033,996	0.25	**20,198,030**	**38**	**20,198,068**	**0.31**	0.06
	d) Venture Capital Funds	0	0	0	-	**0**	**0**	**0**	**-**	-
	e) Insurance Companies	772,314,294	1,060	772,315,354	11.98	**759,972,554**	**310**	**759,972,864**	**11.74**	(0.24)
	f) FIIs/FPIs	2,082,826,274	15,366	2,082,841,640	32.31	**2,286,812,321**	**15,366**	**2,286,827,687**	**35.33**	3.02
	g) Foreign Venture Capital Funds	0	0	0	-	**0**	**0**	**0**	**-**	-
	h) Others (specify)									
	Foreign Banks	220,538	825,008	1,045,546	0.02	**220,538**	**825,008**	**1,045,546**	**0.02**	-
	FII – DR	292,600	0	292,600	0.00	**292,600**	**0**	**292,600**	**0.00**	-
	Provident Funds/ Pension Funds	62,358,629	0	62,358,629	0.97	**88,627,973**	**0**	**88,627,973**	**1.37**	0.40
	Alternative Investment Fund	10,999,750	0	10,999,750	0.17	**32,178,498**	**0**	**32,178,498**	**0.50**	0.33
	Sub-total (B)(1)	**4,297,966,396**	**920,837**	**4,298,887,233**	**66.69**	**4,640,770,776**	**918,622**	**4,641,689,398**	**71.71**	**5.02**

DIRECTORS' REPORT

Sr. No.	Category of shareholders	No. of Shares held at the beginning of the year (April 1, 2019)				No. of Shares held at the end of the year (March 31, 2020)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	(2) Non-Institutions									
	a) Bodies Corporate									
	i) Indian	116,086,821	687,940	116,774,761	1.81	**114,235,782**	**654,462**	**114,890,244**	**1.77**	(0.04)
	ii) Overseas	0	3,300	3,300	0.00	**0**	**3,300**	**3,300**	**0.00**	-
	b) Individuals				-					
	i) Individual shareholders holding nominal share capital upto ₹1 lakh	262,503,589	18,528,994	281,032,583	4.36	**299,609,631**	**16,607,631**	**316,217,262**	**4.89**	0.53
	ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	79,032,844	158,927	79,191,771	1.23	**78,366,905**	**221,422**	**78,588,327**	**1.21**	(0.02)
	c) Others (specify)									
	NBFCs registered with RBI	6,547,817	0	6,547,817	0.10	**713,961**	**0**	**713,961**	**0.01**	(0.09)
	Trusts	5,364,019	55,902	5,419,921	0.08	**2,206,129**	**55,352**	**2,261,481**	**0.03**	(0.05)
	Foreign Nationals/ FPI (Individuals)	63,090	0	63,090	0.00	**52,832**	**0**	**52,832**	**0.00**	(0.00)
	Non-Resident Indians	19,855,429	278,555	20,133,984	0.31	**22,309,396**	**262,992**	**22,572,388**	**0.35**	0.04
	Clearing Members	19,950,547	50	19,950,597	0.31	**16,245,550**	**50**	**16,245,600**	**0.25**	(0.06)
	HUF	6,947,257	30,068	6,977,325	0.11	**7,364,801**	**27,911**	**7,392,712**	**0.11**	0.00
	Foreign Companies	0	155,019	155,019	0.00	**0**	**155,019**	**155,019**	**0.00**	-
	Foreign Bodies – DR	639,204	0	639,204	0.01	**26,271,238**	**0**	**26,271,238**	**0.41**	0.40
	IEPF	6,038,327	0	6,038,327	0.09	**6,474,110**	**0**	**6,474,110**	**0.10**	0.01
	Sub-total (B)(2)	**523,028,944**	**19,898,755**	**542,927,699**	**8.42**	**573,850,335**	**17,988,139**	**591,838,474**	**9.14**	**0.72**
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**4,820,995,340**	**20,819,592**	**4,841,814,932**	**75.11**	**5,214,621,111**	**18,906,761**	**5,233,527,872**	**80.85**	**5.74**
C	**Shares held by Custodian for GDRs & ADRs**	**1,604,424,721**	**0**	**1,604,424,721**	**24.89**	**1,239,237,331**	**0**	**1,239,237,331**	**19.15**	**5.74**
	Grand Total (A+B+C)	**6,425,420,061**	**20,819,592**	**6,446,239,653**	**100.00**	**6,453,858,442**	**18,906,761**	**6,472,765,203**	**100.00**	

Percentages have been rounded off to the nearest decimals

DIRECTORS' REPORT

(ii) Shareholding of Promoters

N.A. – ICICI Bank Limited does not have any promoters.

(iii) Change in Promoters' Shareholding

N.A. – ICICI Bank Limited does not have any promoters.

(iv) Shareholding of top ten shareholders (other than Directors, Promoters and Deutsche Bank Trust Company Americas as Depositary for ADS holders)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Life Insurance Corporation of India**				
	At the beginning of the year	509,223,852	7.90	**509,223,852**	**7.90**
	April 5, 2019 Decrease	400,000	0.01	**508,823,852**	**7.89**
	July 12, 2019 Increase	6,346,333	0.10	**515,170,185**	**7.98**
	July 19, 2019 Increase	4,415,228	0.07	**519,585,413**	**8.05**
	July 26, 2019 Increase	3,147,379	0.05	**522,732,792**	**8.10**
	August 2, 2019 Increase	1,100,850	0.02	**523,833,642**	**8.12**
	August 9, 2019 Increase	1,508,400	0.02	**525,342,042**	**8.14**
	August 16, 2019 Increase	2,111,529	0.03	**527,453,571**	**8.17**
	August 23, 2019 Increase	1,555,038	0.02	**529,008,609**	**8.19**
	August 30, 2019 Increase	3,620,321	0.06	**532,628,930**	**8.25**
	September 6, 2019 Increase	2,890,445	0.04	**535,519,375**	**8.29**
	September 13, 2019 Increase	953,917	0.01	**536,473,292**	**8.31**
	September 20, 2019 Increase	916,162	0.01	**537,389,454**	**8.32**
	September 27, 2019 Increase	1,412,000	0.02	**538,801,454**	**8.34**
	September 30, 2019 Increase	586,017	0.01	**539,387,471**	**8.35**
	October 4, 2019 Increase	400,000	0.01	**539,787,471**	**8.36**
	October 11, 2019 Increase	400,000	0.01	**540,187,471**	**8.36**
	October 18, 2019 Increase	765,344	0.01	**540,952,815**	**8.37**
	November 8, 2019 Increase	1,655,809	0.03	**542,608,624**	**8.40**
	November 15, 2019 Increase	600,000	0.01	**543,208,624**	**8.40**
	December 27, 2019 Decrease	932,230	0.01	**542,276,394**	**8.38**
	December 31, 2019 Decrease	1,580,088	0.02	**540,696,306**	**8.36**
	January 3, 2020 Decrease	4,050,000	0.06	**536,646,306**	**8.30**
	January 10, 2020 Decrease	6,689,029	0.10	**529,957,277**	**8.19**
	January 17, 2020 Decrease	5,506,645	0.09	**524,450,632**	**8.11**
	January 24, 2020 Decrease	5,575,316	0.09	**518,875,316**	**8.02**
	January 31, 2020 Decrease	6,254,665	0.10	**512,620,651**	**7.92**
	February 7, 2020 Decrease	663,374	0.01	**511,957,277**	**7.91**
	March 6, 2020 Increase	1,215,000	0.02	**513,172,277**	**7.93**
	March 13, 2020 Increase	2,211,891	0.03	**515,384,168**	**7.96**
	March 20, 2020 Increase	3,379,121	0.05	**518,763,289**	**8.01**
	March 27, 2020 Increase	1,759,899	0.03	**520,523,188**	**8.04**
	March 31, 2020 Increase	1,379,000	0.02	**521,902,188**	**8.06**
	At the end of the year			**521,902,188**	**8.06**

DIRECTORS' REPORT

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	**SBI Mutual Fund**				
	At the beginning of the year	173,093,609	2.69	**173,093,609**	**2.69**
	April 5, 2019 Increase	1,854,651	0.03	**174,948,260**	**2.71**
	April 12, 2019 Increase	14,333	0.00	**174,962,593**	**2.71**
	April 19, 2019 Increase	227,995	0.00	**175,190,588**	**2.72**
	April 26, 2019 Increase	458,315	0.01	**175,648,903**	**2.72**
	May 3, 2019 Increase	785,171	0.01	**176,434,074**	**2.74**
	May 10, 2019 Increase	1,417,636	0.02	**177,851,710**	**2.76**
	May 17, 2019 Increase	2,335,403	0.04	**180,187,113**	**2.79**
	May 24, 2019 Decrease	703,984	0.01	**179,483,129**	**2.78**
	May 31, 2019 Decrease	2,154,244	0.03	**177,328,885**	**2.75**
	June 7, 2019 Increase	1,356,887	0.02	**178,685,772**	**2.77**
	June 14, 2019 Increase	2,055,737	0.03	**180,741,509**	**2.80**
	June 21, 2019 Increase	113,294	0.00	**180,854,803**	**2.80**
	June 30, 2019 Decrease	1,171,819	0.02	**179,682,984**	**2.78**
	July 5, 2019 Increase	5,464,921	0.08	**185,147,905**	**2.87**
	July 12, 2019 Increase	1,479,930	0.02	**186,627,835**	**2.89**
	July 19, 2019 Increase	1,528,467	0.02	**188,156,302**	**2.92**
	July 26, 2019 Increase	1,064,736	0.02	**189,221,038**	**2.93**
	August 2, 2019 Increase	8,980,354	0.14	**198,201,392**	**3.07**
	August 9, 2019 Increase	3,696,773	0.06	**201,898,165**	**3.13**
	August 16, 2019 Increase	874,934	0.01	**202,773,099**	**3.14**
	August 23, 2019 Increase	1,422,875	0.02	**204,195,974**	**3.16**
	August 30, 2019 Decrease	1,448,389	0.02	**202,747,585**	**3.14**
	September 6, 2019 Increase	3,756,519	0.06	**206,504,104**	**3.20**
	September 13, 2019 Increase	831,154	0.01	**207,335,258**	**3.21**
	September 20, 2019 Increase	689,990	0.01	**208,025,248**	**3.22**
	September 27, 2019 Increase	1,569,127	0.02	**209,594,375**	**3.24**
	September 30, 2019 Increase	707,020	0.01	**210,301,395**	**3.26**
	October 4, 2019 Increase	920,842	0.01	**211,222,237**	**3.27**
	October 11, 2019 Decrease	222,141	0.00	**211,000,096**	**3.27**
	October 18, 2019 Increase	854,862	0.01	**211,854,958**	**3.28**
	October 25, 2019 Increase	595,969	0.01	**212,450,927**	**3.29**
	November 1, 2019 Increase	1,105,248	0.02	**213,556,175**	**3.31**
	November 8, 2019 Increase	599,050	0.01	**214,155,225**	**3.31**
	November 15, 2019 Decrease	47,855	0.00	**214,107,370**	**3.31**
	November 22, 2019 Increase	850,810	0.01	**214,958,180**	**3.32**
	November 29, 2019 Decrease	17,262,379	0.27	**197,695,801**	**3.06**
	December 6, 2019 Increase	1,522,505	0.02	**199,218,306**	**3.08**
	December 13, 2019 Increase	10,622	0.00	**199,228,928**	**3.08**
	December 20, 2019 Increase	190,582	0.00	**199,419,510**	**3.08**
	December 27, 2019 Increase	832,799	0.01	**200,252,309**	**3.10**
	December 31, 2019 Increase	489,321	0.01	**200,741,630**	**3.10**

DIRECTORS' REPORT

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	January 3, 2020 Increase	5,950,096	0.09	**206,691,726**	**3.19**
	January 10, 2020 Increase	452,910	0.01	**207,144,636**	**3.20**
	January 17, 2020 Increase	827,977	0.01	**207,972,613**	**3.21**
	January 24, 2020 Decrease	880,655	0.01	**207,091,958**	**3.20**
	January 31, 2020 Increase	192,062	0.00	**207,284,020**	**3.20**
	February 7, 2020 Increase	511,414	0.01	**207,795,434**	**3.21**
	February 14, 2020 Increase	895,635	0.01	**208,691,069**	**3.22**
	February 21, 2020 Increase	207,417	0.00	**208,898,486**	**3.23**
	February 28, 2020 Increase	2,190,545	0.03	**211,089,031**	**3.26**
	March 6, 2020 Increase	3,203,792	0.05	**214,292,823**	**3.31**
	March 13, 2020 Increase	1,675,393	0.03	**215,968,216**	**3.34**
	March 20, 2020 Increase	5,878,215	0.09	**221,846,431**	**3.43**
	March 27, 2020 Increase	13,187,429	0.20	**235,033,860**	**3.63**
	March 31, 2020 Increase	2,720,483	0.04	**237,754,343**	**3.67**
	At the end of the year			**237,754,343**	**3.67**
3	**HDFC Mutual Fund**				
	At the beginning of the year	267,000,149	4.14	**267,000,149**	**4.14**
	April 5, 2019 Increase	347,978	0.01	**267,348,127**	**4.15**
	April 12, 2019 Decrease	2,011,927	0.03	**265,336,200**	**4.12**
	April 19, 2019 Decrease	47,089	0.00	**265,289,111**	**4.12**
	April 26, 2019 Increase	5,406	0.00	**265,294,517**	**4.11**
	May 3, 2019 Increase	6,046	0.00	**265,300,563**	**4.11**
	May 10, 2019 Increase	146,405	0.00	**265,446,968**	**4.12**
	May 17, 2019 Decrease	143,983	0.00	**265,302,985**	**4.11**
	May 24, 2019 Decrease	3,576,063	0.06	**261,726,922**	**4.06**
	May 31, 2019 Decrease	189,766	0.00	**261,537,156**	**4.05**
	June 7, 2019 Decrease	3,547,147	0.05	**257,990,009**	**4.00**
	June 14, 2019 Increase	36,120	0.00	**258,026,129**	**4.00**
	June 21, 2019 Increase	42,349	0.00	**258,068,478**	**4.00**
	June 30, 2019 Increase	10,250	0.00	**258,078,728**	**4.00**
	July 12, 2019 Decrease	937,872	0.01	**257,140,856**	**3.98**
	July 19, 2019 Increase	49,558	0.00	**257,190,414**	**3.99**
	July 26, 2019 Increase	186,264	0.00	**257,376,678**	**3.99**
	August 2, 2019 Decrease	1,144,226	0.02	**256,232,452**	**3.97**
	August 9, 2019 Increase	1,970,487	0.03	**258,202,939**	**4.00**
	August 16, 2019 Increase	27,342	0.00	**258,230,281**	**4.00**
	August 23, 2019 Increase	245,190	0.00	**258,475,471**	**4.00**
	August 30, 2019 Increase	740,356	0.01	**259,215,827**	**4.01**
	September 6, 2019 Increase	480,789	0.01	**259,696,616**	**4.02**
	September 13, 2019 Increase	1,039,256	0.02	**260,735,872**	**4.04**
	September 20, 2019 Increase	17,580	0.00	**260,753,452**	**4.04**
	September 27, 2019 Decrease	168,577	0.00	**260,584,875**	**4.03**
	September 30, 2019 Increase	6,392	0.00	**260,591,267**	**4.03**
	October 4, 2019 Increase	688,145	0.01	**261,279,412**	**4.04**

DIRECTORS' REPORT

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	October 11, 2019 Decrease	124,408	0.00	**261,155,004**	**4.04**
	October 18, 2019 Decrease	2,062,240	0.03	**259,092,764**	**4.01**
	November 8, 2019 Decrease	16,621,624	0.26	**242,471,140**	**3.75**
	November 15, 2019 Decrease	683,165	0.01	**241,787,975**	**3.74**
	November 22, 2019 Decrease	5,738,063	0.09	**236,049,912**	**3.65**
	November 29, 2019 Decrease	17,707,392	0.27	**218,342,520**	**3.38**
	December 6, 2019 Decrease	267,567	0.00	**218,074,953**	**3.37**
	December 13, 2019 Decrease	71,722	0.00	**218,003,231**	**3.37**
	December 20, 2019 Decrease	248,759	0.00	**217,754,472**	**3.37**
	December 27, 2019 Decrease	103,216	0.00	**217,651,256**	**3.37**
	December 31, 2019 Decrease	1,122,904	0.02	**216,528,352**	**3.35**
	January 3, 2020 Decrease	2,210,227	0.03	**214,318,125**	**3.31**
	January 10, 2020 Increase	1,609,600	0.02	**215,927,725**	**3.34**
	January 17, 2020 Increase	3,452,668	0.05	**219,380,393**	**3.39**
	January 24, 2020 Increase	410,302	0.01	**219,790,695**	**3.40**
	January 31, 2020 Increase	89,084	0.00	**219,879,779**	**3.40**
	February 7, 2020 Increase	452,957	0.01	**220,332,736**	**3.41**
	February 14, 2020 Increase	118,939	0.00	**220,451,675**	**3.41**
	February 21, 2020 Decrease	88,044	0.00	**220,363,631**	**3.41**
	February 28, 2020 Increase	110,765	0.00	**220,474,396**	**3.41**
	March 6, 2020 Increase	417,266	0.01	**220,891,662**	**3.42**
	March 13, 2020 Increase	785,090	0.01	**221,676,752**	**3.42**
	March 20, 2020 Increase	2,043,390	0.03	**223,720,142**	**3.46**
	March 27, 2020 Increase	699,160	0.01	**224,419,302**	**3.47**
	March 31, 2020 Increase	186,163	0.00	**224,605,465**	**3.47**
	At the end of the year			**224,605,465**	**3.47**
4	**Dodge & Cox International Stock Fund**				
	At the beginning of the year	254,429,276	3.95	**254,429,276**	**3.95**
	April 5, 2019 Decrease	5,762,137	0.09	**248,667,139**	**3.86**
	April 12, 2019 Decrease	3,554,763	0.06	**245,112,376**	**3.80**
	May 31, 2019 Decrease	4,000,000	0.06	**241,112,376**	**3.74**
	July 5, 2019 Decrease	4,937,432	0.08	**236,174,944**	**3.66**
	July 12, 2019 Decrease	5,961,168	0.09	**230,213,776**	**3.57**
	August 30, 2019 Decrease	2,620,000	0.04	**227,593,776**	**3.52**
	September 30, 2019 Decrease	3,137,600	0.05	**224,456,176**	**3.47**
	October 25, 2019 Decrease	1,553,100	0.02	**222,903,076**	**3.45**
	November 15, 2019 Decrease	3,600,600	0.06	**219,302,476**	**3.39**
	November 29, 2019 Decrease	3,600,100	0.06	**215,702,376**	**3.34**
	December 13, 2019 Decrease	6,000,000	0.09	**209,702,376**	**3.24**
	January 24, 2020 Decrease	3,500,000	0.05	**206,202,376**	**3.19**
	February 21, 2020 Decrease	1,320,400	0.02	**204,881,976**	**3.17**
	February 28, 2020 Decrease	6,380,000	0.10	**198,501,976**	**3.07**
	March 6, 2020 Decrease	520,000	0.01	**197,981,976**	**3.06**
	March 20, 2020 Decrease	1,850,000	0.03	**196,131,976**	**3.03**
	At the end of the year			**196,131,976**	**3.03**

DIRECTORS' REPORT

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	**ICICI Prudential Mutual Fund**				
	At the beginning of the year	144,736,199	2.25	**144,736,199**	**2.25**
	April 5, 2019 Decrease	121,754	0.00	**144,614,445**	**2.24**
	April 12, 2019 Decrease	43,870	0.00	**144,570,575**	**2.24**
	April 19, 2019 Decrease	37,285	0.00	**144,533,290**	**2.24**
	April 26, 2019 Increase	17,369	0.00	**144,550,659**	**2.24**
	May 3, 2019 Decrease	243,186	0.00	**144,307,473**	**2.24**
	May 10, 2019 Increase	221,999	0.00	**144,529,472**	**2.24**
	May 17, 2019 Increase	1,179,087	0.02	**145,708,559**	**2.26**
	May 24, 2019 Increase	1,200,052	0.02	**146,908,611**	**2.28**
	May 31, 2019 Decrease	866,872	0.01	**146,041,739**	**2.26**
	June 7, 2019 Increase	452,664	0.01	**146,494,403**	**2.27**
	June 14, 2019 Increase	733,446	0.01	**147,227,849**	**2.28**
	June 21, 2019 Increase	298,434	0.00	**147,526,283**	**2.29**
	June 30, 2019 Increase	352,884	0.01	**147,879,167**	**2.29**
	July 12, 2019 Increase	418,545	0.01	**148,297,712**	**2.30**
	July 19, 2019 Increase	46,370	0.00	**148,344,082**	**2.30**
	July 26, 2019 Increase	760,327	0.01	**149,104,409**	**2.31**
	August 2, 2019 Increase	1,333,465	0.02	**150,437,874**	**2.33**
	August 9, 2019 Increase	4,945,742	0.08	**155,383,616**	**2.41**
	August 16, 2019 Increase	345,153	0.01	**155,728,769**	**2.41**
	August 23, 2019 Increase	339,604	0.01	**156,068,373**	**2.42**
	August 30, 2019 Increase	1,533,736	0.02	**157,602,109**	**2.44**
	September 6, 2019 Increase	1,557,728	0.02	**159,159,837**	**2.46**
	September 13, 2019 Increase	259,333	0.00	**159,419,170**	**2.47**
	September 20, 2019 Increase	1,522,173	0.02	**160,941,343**	**2.49**
	September 27, 2019 Decrease	794,513	0.01	**160,146,830**	**2.48**
	September 30, 2019 Increase	57,062	0.00	**160,203,892**	**2.48**
	October 4, 2019 Increase	1,387,336	0.02	**161,591,228**	**2.50**
	October 11, 2019 Increase	802,405	0.01	**162,393,633**	**2.51**
	October 18, 2019 Increase	805,525	0.01	**163,199,158**	**2.53**
	October 25, 2019 Increase	631,238	0.01	**163,830,396**	**2.54**
	November 1, 2019 Decrease	631,238	0.01	**163,199,158**	**2.53**
	November 8, 2019 Increase	724,152	0.01	**163,923,310**	**2.54**
	November 15, 2019 Decrease	1,064,789	0.02	**162,858,521**	**2.52**
	November 22, 2019 Decrease	1,347,981	0.02	**161,510,540**	**2.50**
	November 29, 2019 Decrease	11,331,200	0.18	**150,179,340**	**2.32**
	December 6, 2019 Increase	549,638	0.01	**150,728,978**	**2.33**
	December 20, 2019 Increase	576,950	0.01	**151,305,928**	**2.34**
	December 27, 2019 Decrease	916,550	0.01	**150,389,378**	**2.32**
	December 31, 2019 Decrease	235,269	0.00	**150,154,109**	**2.32**
	January 3, 2020 Increase	321,604	0.00	**150,475,713**	**2.33**
	January 10, 2020 Increase	1,456,916	0.02	**151,932,629**	**2.35**

DIRECTORS' REPORT

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	January 17, 2020 Increase	489,472	0.01	**152,422,101**	**2.36**
	January 24, 2020 Decrease	431,431	0.01	**151,990,670**	**2.35**
	January 31, 2020 Increase	742,507	0.01	**152,733,177**	**2.36**
	February 7, 2020 Increase	499,006	0.01	**153,232,183**	**2.37**
	February 14, 2020 Increase	205,792	0.00	**153,437,975**	**2.37**
	February 21, 2020 Decrease	385,408	0.01	**153,052,567**	**2.36**
	February 28, 2020 Increase	1,476,206	0.02	**154,528,773**	**2.39**
	March 6, 2020 Increase	2,391,416	0.04	**156,920,189**	**2.42**
	March 20, 2020 Increase	6,106,013	0.09	**163,026,202**	**2.52**
	March 27, 2020 Increase	394,895	0.01	**163,421,097**	**2.52**
	March 31, 2020 Decrease	272,179	0.00	**163,148,918**	**2.52**
	At the end of the year			**163,148,918**	**2.52**
6	**Europacific Growth Fund**				
	At the beginning of the year	33,944,000	0.53	**33,944,000**	**0.53**
	June 14, 2019 Increase	1,264,018	0.02	**35,208,018**	**0.55**
	June 21, 2019 Increase	4,037,368	0.06	**39,245,386**	**0.61**
	June 30, 2019 Increase	1,267,807	0.02	**40,513,193**	**0.63**
	July 12, 2019 Increase	3,324,562	0.05	**43,837,755**	**0.68**
	July 19, 2019 Increase	1,631,174	0.03	**45,468,929**	**0.70**
	July 26, 2019 Increase	1,275,071	0.02	**46,744,000**	**0.72**
	August 16, 2019 Increase	3,503,996	0.05	**50,247,996**	**0.78**
	August 23, 2019 Increase	9,972,004	0.15	**60,220,000**	**0.93**
	September 20, 2019 Increase	10,350,000	0.16	**70,570,000**	**1.09**
	September 27, 2019 Increase	4,080,000	0.06	**74,650,000**	**1.16**
	October 4, 2019 Increase	3,145,000	0.05	**77,795,000**	**1.20**
	November 22, 2019 Increase	7,330,000	0.11	**85,125,000**	**1.32**
	February 7, 2020 Increase	16,285,238	0.25	**101,410,238**	**1.57**
	February 14, 2020 Increase	15,967,616	0.25	**117,377,854**	**1.81**
	February 21, 2020 Increase	5,219,028	0.08	**122,596,882**	**1.89**
	February 28, 2020 Increase	13,018,490	0.20	**135,615,372**	**2.10**
	At the end of the year			**135,615,372**	**2.10**
7	**Reliance Mutual Fund**				
	At the beginning of the year	115,164,358	1.79	**115,164,358**	**1.79**
	April 5, 2019 Increase	3,338,488	0.05	**118,502,846**	**1.84**
	April 12, 2019 Increase	1,303,478	0.02	**119,806,324**	**1.86**
	April 19, 2019 Increase	361,001	0.01	**120,167,325**	**1.86**
	April 26, 2019 Increase	524,187	0.01	**120,691,512**	**1.87**
	May 3, 2019 Increase	44,319	0.00	**120,735,831**	**1.87**
	May 10, 2019 Increase	2,064,196	0.03	**122,800,027**	**1.90**
	May 17, 2019 Increase	4,942,569	0.08	**127,742,596**	**1.98**
	May 24, 2019 Increase	1,924,900	0.03	**129,667,496**	**2.01**
	May 31, 2019 Increase	1,452,415	0.02	**131,119,911**	**2.03**
	June 7, 2019 Increase	674,440	0.01	**131,794,351**	**2.04**

DIRECTORS' REPORT

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	June 14, 2019 Increase	2,682,031	0.04	**134,476,382**	**2.08**
	June 21, 2019 Decrease	1,865,256	0.03	**132,611,126**	**2.06**
	June 30, 2019 Decrease	2,545,251	0.04	**130,065,875**	**2.02**
	July 12, 2019 Increase	3,036,278	0.05	**133,102,153**	**2.06**
	July 19, 2019 Decrease	2,474,059	0.04	**130,628,094**	**2.02**
	July 26, 2019 Increase	11,426	0.00	**130,639,520**	**2.02**
	August 2, 2019 Increase	4,394,784	0.07	**135,034,304**	**2.09**
	August 9, 2019 Increase	956,938	0.01	**135,991,242**	**2.11**
	August 16, 2019 Increase	1,369,698	0.02	**137,360,940**	**2.13**
	August 23, 2019 Increase	121,042	0.00	**137,481,982**	**2.13**
	August 30, 2019 Increase	2,249,405	0.03	**139,731,387**	**2.16**
	September 6, 2019 Increase	1,431,866	0.02	**141,163,253**	**2.19**
	September 13, 2019 Increase	531,023	0.01	**141,694,276**	**2.19**
	September 20, 2019 Increase	1,338,854	0.02	**143,033,130**	**2.21**
	September 27, 2019 Decrease	2,775,689	0.04	**140,257,441**	**2.17**
	September 30, 2019 Increase	138,750	0.00	**140,396,191**	**2.17**
	October 4, 2019 Decrease	3,375,248	0.05	**137,020,943**	**2.12**
	October 11, 2019 Decrease	223,445	0.00	**136,797,498**	**2.12**
	October 18, 2019 Decrease	2,281,297	0.04	**134,516,201**	**2.08**
	October 25, 2019 Decrease	5,552,409	0.09	**128,963,792**	**2.00**
	November 1, 2019 Increase	1,279,321	0.02	**130,243,113**	**2.02**
	November 8, 2019 Decrease	4,858,307	0.08	**125,384,806**	**1.94**
	November 15, 2019 Increase	60,648	0.00	**125,445,454**	**1.94**
	November 22, 2019 Decrease	8,023,763	0.12	**117,421,691**	**1.82**
	November 29, 2019 Decrease	13,008,207	0.20	**104,413,484**	**1.61**
	December 6, 2019 Increase	2,413,475	0.04	**106,826,959**	**1.65**
	December 13, 2019 Increase	419,618	0.01	**107,246,577**	**1.66**
	December 20, 2019 Decrease	653,894	0.01	**106,592,683**	**1.65**
	December 27, 2019 Decrease	1,685,899	0.03	**104,906,784**	**1.62**
	December 31, 2019 Increase	181,817	0.00	**105,088,601**	**1.62**
	January 3, 2020 Increase	3,833,261	0.06	**108,921,862**	**1.68**
	January 10, 2020 Increase	69,125	0.00	**108,990,987**	**1.68**
	January 17, 2020 Increase	1,083,186	0.02	**110,074,173**	**1.70**
	January 24, 2020 Decrease	336,523	0.01	**109,737,650**	**1.70**
	January 31, 2020 Increase	1,309,607	0.02	**111,047,257**	**1.72**
	February 7, 2020 Increase	2,848,244	0.04	**113,895,501**	**1.76**
	February 14, 2020 Decrease	2,590,629	0.04	**111,304,872**	**1.72**
	February 21, 2020 Decrease	580,573	0.01	**110,724,299**	**1.71**
	February 28, 2020 Decrease	2,564,153	0.04	**108,160,146**	**1.67**
	March 6, 2020 Increase	770,361	0.01	**108,930,507**	**1.68**
	March 13, 2020 Increase	1,860,310	0.03	**110,790,817**	**1.71**
	March 20, 2020 Decrease	2,642,127	0.04	**108,148,690**	**1.67**
	March 27, 2020 Decrease	743,884	0.01	**107,404,806**	**1.66**
	March 31, 2020 Increase	5,101,849	0.08	**112,506,655**	**1.74**
	At the end of the year			**112,506,655**	**1.74**

DIRECTORS' REPORT

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	**Government of Singapore**				
	At the beginning of the year	78,885,099	1.22	**78,885,099**	**1.22**
	April 5, 2019 Increase	1,534,150	0.02	**80,419,249**	**1.25**
	April 26, 2019 Decrease	898,690	0.01	**79,520,559**	**1.23**
	May 3, 2019 Decrease	146,791	0.00	**79,373,768**	**1.23**
	May 10, 2019 Decrease	327,673	0.01	**79,046,095**	**1.23**
	May 17, 2019 Decrease	33,031	0.00	**79,013,064**	**1.23**
	May 24, 2019 Increase	218,946	0.00	**79,232,010**	**1.23**
	May 31, 2019 Decrease	405,499	0.01	**78,826,511**	**1.22**
	June 7, 2019 Increase	3,323,071	0.05	**82,149,582**	**1.27**
	June 14, 2019 Increase	261,531	0.00	**82,411,113**	**1.28**
	June 21, 2019 Increase	794,881	0.01	**83,205,994**	**1.29**
	July 12, 2019 Decrease	1,145,431	0.02	**82,060,563**	**1.27**
	July 19, 2019 Decrease	83,870	0.00	**81,976,693**	**1.27**
	July 26, 2019 Increase	276,886	0.00	**82,253,579**	**1.27**
	August 2, 2019 Increase	63,129	0.00	**82,316,708**	**1.28**
	August 9, 2019 Increase	142,324	0.00	**82,459,032**	**1.28**
	August 16, 2019 Decrease	106,506	0.00	**82,352,526**	**1.28**
	August 23, 2019 Increase	664,444	0.01	**83,016,970**	**1.29**
	August 30, 2019 Decrease	1,991,011	0.03	**81,025,959**	**1.25**
	September 6, 2019 Increase	127,814	0.00	**81,153,773**	**1.26**
	September 13, 2019 Decrease	12,848	0.00	**81,140,925**	**1.26**
	September 20, 2019 Increase	70,224	0.00	**81,211,149**	**1.26**
	September 27, 2019 Increase	688,093	0.01	**81,899,242**	**1.27**
	September 30, 2019 Decrease	20,168	0.00	**81,879,074**	**1.27**
	October 4, 2019 Increase	323,564	0.01	**82,202,638**	**1.27**
	October 11, 2019 Decrease	86,207	0.00	**82,116,431**	**1.27**
	October 18, 2019 Increase	75,834	0.00	**82,192,265**	**1.27**
	October 25, 2019 Decrease	10,509	0.00	**82,181,756**	**1.27**
	November 1, 2019 Increase	109,557	0.00	**82,291,313**	**1.27**
	November 8, 2019 Increase	46,501	0.00	**82,337,814**	**1.27**
	November 15, 2019 Increase	2,228,002	0.03	**84,565,816**	**1.31**
	November 22, 2019 Increase	1,799,689	0.03	**86,365,505**	**1.34**
	November 29, 2019 Increase	20,818,626	0.32	**107,184,131**	**1.66**
	December 6, 2019 Decrease	212,710	0.00	**106,971,421**	**1.65**
	December 13, 2019 Increase	185,549	0.00	**107,156,970**	**1.66**
	December 20, 2019 Increase	564,480	0.01	**107,721,450**	**1.67**
	December 31, 2019 Decrease	917,738	0.01	**106,803,712**	**1.65**
	January 10, 2020 Increase	603,944	0.01	**107,407,656**	**1.66**
	January 17, 2020 Increase	130,572	0.00	**107,538,228**	**1.66**
	January 24, 2020 Decrease	55,814	0.00	**107,482,414**	**1.66**
	January 31, 2020 Decrease	79,760	0.00	**107,402,654**	**1.66**
	February 7, 2020 Decrease	2,943,487	0.05	**104,459,167**	**1.61**

DIRECTORS' REPORT

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	February 14, 2020 Decrease	100,876	0.00	**104,358,291**	**1.61**
	February 21, 2020 Decrease	39,929	0.00	**104,318,362**	**1.61**
	February 28, 2020 Decrease	310,295	0.00	**104,008,067**	**1.61**
	March 6, 2020 Increase	1,561,164	0.02	**105,569,231**	**1.63**
	March 13, 2020 Decrease	460,107	0.01	**105,109,124**	**1.62**
	March 20, 2020 Decrease	1,089,384	0.02	**104,019,740**	**1.61**
	March 27, 2020 Increase	5,423,766	0.08	**109,443,506**	**1.69**
	March 31, 2020 Decrease	477,973	0.01	**108,965,533**	**1.68**
	At the end of the year			**108,965,533**	**1.68**
9	**Aditya Birla Sun Life Mutual Fund**				
	At the beginning of the year	130,775,083	2.03	**130,775,083**	**2.03**
	April 5, 2019 Decrease	1,896,650	0.03	**128,878,433**	**2.00**
	April 12, 2019 Decrease	370,250	0.01	**128,508,183**	**1.99**
	April 19, 2019 Decrease	106,000	0.00	**128,402,183**	**1.99**
	May 10, 2019 Increase	551,245	0.01	**128,953,428**	**2.00**
	May 17, 2019 Decrease	155,955	0.00	**128,797,473**	**2.00**
	May 24, 2019 Decrease	295,232	0.00	**128,502,241**	**1.99**
	May 31, 2019 Decrease	64,625	0.00	**128,437,616**	**1.99**
	June 7, 2019 Decrease	491,375	0.01	**127,946,241**	**1.98**
	June 14, 2019 Decrease	94,250	0.00	**127,851,991**	**1.98**
	June 21, 2019 Decrease	778,500	0.01	**127,073,491**	**1.97**
	June 30, 2019 Decrease	200,031	0.00	**126,873,460**	**1.97**
	July 12, 2019 Increase	297,181	0.00	**127,170,641**	**1.97**
	July 19, 2019 Increase	1,291,484	0.02	**128,462,125**	**1.99**
	July 26, 2019 Increase	1,334,875	0.02	**129,797,000**	**2.01**
	August 9, 2019 Increase	19,875	0.00	**129,816,875**	**2.01**
	August 16, 2019 Decrease	2,884,125	0.04	**126,932,750**	**1.97**
	August 23, 2019 Decrease	495,000	0.01	**126,437,750**	**1.96**
	August 30, 2019 Decrease	3,840,625	0.06	**122,597,125**	**1.90**
	September 6, 2019 Increase	414,571	0.01	**123,011,696**	**1.90**
	September 13, 2019 Increase	30,474	0.00	**123,042,170**	**1.91**
	September 20, 2019 Decrease	151,250	0.00	**122,890,920**	**1.90**
	September 27, 2019 Decrease	498,408	0.01	**122,392,512**	**1.89**
	September 30, 2019 Increase	244,750	0.00	**122,637,262**	**1.90**
	October 4, 2019 Decrease	2,527,949	0.04	**120,109,313**	**1.86**
	October 11, 2019 Decrease	315,296	0.00	**119,794,017**	**1.85**
	October 18, 2019 Decrease	249,625	0.00	**119,544,392**	**1.85**
	October 25, 2019 Increase	822,625	0.01	**120,367,017**	**1.86**
	November 1, 2019 Increase	1,087,098	0.02	**121,454,115**	**1.88**
	November 8, 2019 Increase	508,250	0.01	**121,962,365**	**1.89**
	November 15, 2019 Decrease	2,139,908	0.03	**119,822,457**	**1.85**
	November 22, 2019 Decrease	207,625	0.00	**119,614,832**	**1.85**
	November 29, 2019 Decrease	6,943,670	0.11	**112,671,162**	**1.74**

DIRECTORS' REPORT

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	December 6, 2019 Increase	304,272	0.00	**112,975,434**	**1.75**
	December 13, 2019 Decrease	1,560,540	0.02	**111,414,894**	**1.72**
	December 20, 2019 Decrease	2,792,399	0.04	**108,622,495**	**1.68**
	December 27, 2019 Decrease	290,358	0.00	**108,332,137**	**1.67**
	January 3, 2020 Decrease	139,382	0.00	**108,192,755**	**1.67**
	January 10, 2020 Increase	232,789	0.00	**108,425,544**	**1.68**
	January 17, 2020 Increase	27,305	0.00	**108,452,849**	**1.68**
	January 24, 2020 Decrease	726,495	0.01	**107,726,354**	**1.67**
	January 31, 2020 Increase	43,879	0.00	**107,770,233**	**1.67**
	February 7, 2020 Increase	2,246,644	0.03	**110,016,877**	**1.70**
	February 14, 2020 Increase	1,759,391	0.03	**111,776,268**	**1.73**
	February 21, 2020 Decrease	727,247	0.01	**111,049,021**	**1.72**
	February 28, 2020 Decrease	732,269	0.01	**110,316,752**	**1.70**
	March 6, 2020 Decrease	3,019,393	0.05	**107,297,359**	**1.66**
	March 13, 2020 Increase	628,416	0.01	**107,925,775**	**1.67**
	March 20, 2020 Increase	390,098	0.01	**108,315,873**	**1.67**
	March 27, 2020 Decrease	968,947	0.01	**107,346,926**	**1.66**
	March 31, 2020 Decrease	144,318	0.00	**107,202,608**	**1.66**
	At the end of the year			**107,202,608**	**1.66**
10	**Kotak Mahindra Mutual Fund**				
	At the beginning of the year	85,155,884	1.32	**85,155,884**	**1.32**
	April 5, 2019 Decrease	78,236	0.00	**85,077,648**	**1.32**
	April 12, 2019 Increase	87,914	0.00	**85,165,562**	**1.32**
	April 19, 2019 Increase	27,934	0.00	**85,193,496**	**1.32**
	April 26, 2019 Increase	224,733	0.00	**85,418,229**	**1.32**
	May 3, 2019 Increase	120,466	0.00	**85,538,695**	**1.33**
	May 10, 2019 Increase	902,895	0.01	**86,441,590**	**1.34**
	May 17, 2019 Increase	381,052	0.01	**86,822,642**	**1.35**
	May 24, 2019 Increase	749,097	0.01	**87,571,739**	**1.36**
	May 31, 2019 Increase	284,507	0.00	**87,856,246**	**1.36**
	June 7, 2019 Increase	502,185	0.01	**88,358,431**	**1.37**
	June 14, 2019 Increase	339,082	0.01	**88,697,513**	**1.37**
	June 21, 2019 Decrease	75,473	0.00	**88,622,040**	**1.37**
	June 30, 2019 Decrease	111,052	0.00	**88,510,988**	**1.37**
	July 12, 2019 Increase	888,582	0.01	**89,399,570**	**1.39**
	July 19, 2019 Increase	1,551,006	0.02	**90,950,576**	**1.41**
	July 23, 2019 Decrease	356,116	0.01	**90,594,460**	**1.40**
	August 2, 2019 Increase	1,602,667	0.02	**92,197,127**	**1.43**
	August 9, 2019 Increase	2,138,240	0.03	**94,335,367**	**1.46**
	August 16, 2019 Increase	779,843	0.01	**95,115,210**	**1.47**
	August 23, 2019 Increase	924,103	0.01	**96,039,313**	**1.49**
	August 30, 2019 Increase	946,588	0.01	**96,985,901**	**1.50**

DIRECTORS' REPORT

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	September 6, 2019 Increase	745,287	0.01	**97,731,188**	**1.51**
	September 13, 2019 Decrease	30,710	0.00	**97,700,478**	**1.51**
	September 20, 2019 Decrease	431,882	0.01	**97,268,596**	**1.51**
	September 27, 2019 Increase	573,397	0.01	**97,841,993**	**1.51**
	September 30, 2019 Increase	739,687	0.01	**98,581,680**	**1.53**
	October 4, 2019 Increase	3,573,015	0.06	**102,154,695**	**1.58**
	October 11, 2019 Decrease	2,726,196	0.04	**99,428,499**	**1.54**
	October 18, 2019 Decrease	2,677,754	0.04	**96,750,745**	**1.50**
	October 25, 2019 Increase	300,798	0.00	**97,051,543**	**1.50**
	November 1, 2019 Increase	1,777,142	0.03	**98,828,685**	**1.53**
	November 8, 2019 Increase	996,278	0.02	**99,824,963**	**1.54**
	November 15, 2019 Decrease	2,949,579	0.05	**96,875,384**	**1.50**
	November 22, 2019 Decrease	938,509	0.01	**95,936,875**	**1.48**
	November 29, 2019 Decrease	11,259,229	0.17	**84,677,646**	**1.31**
	December 6, 2019 Increase	5,876,037	0.09	**90,553,683**	**1.40**
	December 13, 2019 Decrease	923,011	0.01	**89,630,672**	**1.39**
	December 20, 2019 Increase	1,272,633	0.02	**90,903,305**	**1.41**
	December 27, 2019 Increase	104,128	0.00	**91,007,433**	**1.41**
	December 31, 2019 Increase	293,998	0.00	**91,301,431**	**1.41**
	January 3, 2020 Increase	2,270,400	0.04	**93,571,831**	**1.45**
	January 10, 2020 Increase	1,826,800	0.03	**95,398,631**	**1.47**
	January 17, 2020 Increase	429,722	0.01	**95,828,353**	**1.48**
	January 24, 2020 Increase	974,188	0.02	**96,802,541**	**1.50**
	January 31, 2020 Increase	236,032	0.00	**97,038,573**	**1.50**
	February 7, 2020 Increase	1,447,305	0.02	**98,485,878**	**1.52**
	February 14, 2020 Increase	2,914,815	0.05	**101,400,693**	**1.57**
	February 21, 2020 Increase	165,486	0.00	**101,566,179**	**1.57**
	February 28, 2020 Increase	1,208,592	0.02	**102,774,771**	**1.59**
	March 6, 2020 Decrease	3,001,345	0.05	**99,773,426**	**1.54**
	March 13, 2020 Decrease	693,283	0.01	**99,080,143**	**1.53**
	March 20, 2020 Decrease	4,345,228	0.07	**94,734,915**	**1.46**
	March 27, 2020 Decrease	3,555,856	0.05	**91,179,059**	**1.41**
	March 31, 2020 Increase	3,005,253	0.05	**94,184,312**	**1.46**
	At the end of the year			**94,184,312**	**1.46**

1 *Top ten shareholders (on basis of PAN) of the Bank as on March 31, 2020 has been considered for the above disclosure.*

2 *The above mentioned details have been provided by our RTA on the basis of weekly beneficial position received from Depositories and relied upon.*

DIRECTORS' REPORT

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Lalit Kumar Chandel				
	At the beginning of the year	6	0.00	**6**	**0.00**
	February 12, 2020 Market Purchase	4	0.00	**10**	**0.00**
	At the end of the year			**10**	**0.00**
2	Rama Bijapurkar				
	At the beginning of the year	2,600	0.00	**2,600**	**0.00**
	At the end of the year			**2,600**	**0.00**
3	S. Madhavan[1]				
	At April 14, 2019	1,600	0.00	**1,600**	**0.00**
	August 22, 2019 Market Purchase	1,000	0.00	**2,600**	**0.00**
	At the end of the year			**2,600**	**0.00**
4	Sandeep Bakhshi				
	At the beginning of the year	524,505	0.01	**524,505**	**0.01**
	May 28, 2019 Market Sale	120,000	0.00	**404,505**	**0.01**
	September 13, 2019 Market Sale	24,500	0.00	**380,005**	**0.01**
	September 23, 2019 Market Sale	150,000	0.00	**230,005**	**0.00**
	At the end of the year			**230,005**	**0.00**
5	Anup Bagchi				
	At the beginning of the year	0	0.00	**0**	**0.00**
	November 5, 2019 ESOS Allotment	511,500	0.01	**511,500**	**0.01**
	November 11, 2019 Market Sale	511,500	0.01	**0**	**0.00**
	December 23, 2019 ESOS Allotment	577,500	0.01	**577,500**	**0.01**
	December 30, 2019 Market Sale	577,500	0.01	**0**	**0.00**
	At the end of the year			**0**	**0.00**
6 (a)	Vishakha Mulye (as first holder)				
	At the beginning of the year	1,036,112	0.02	**1,036,112**	**0.02**
	February 20, 2020 Market Sale	50,000	0.00	**986,112**	**0.02**
	February 27, 2020 ESOS Allotment	80,000	0.00	**1,066,112**	**0.02**
	At the end of the year			**1,066,112**	**0.02**
6 (b)	Vishakha Mulye (as joint holder)				
	At the beginning of the year	1,375	0.00	**1,375**	**0.00**
	At the end of the year			**1,375**	**0.00**
7	Vijay Chandok[2]				
	At the beginning of the year	0	0.00	**0**	**0.00**
	April 8, 2019 ESOS Allotment	4,000	0.00	**4,000**	**0.00**
	At May 6, 2019			**4,000**	**0.00**

1 Director with effect from April 14, 2019
2 Director upto May 6, 2019
None of the other Directors held any shares during fiscal 2020
The cumulative shareholding column reflects the balance as on day end.

DIRECTORS' REPORT

Sr. No.	Name of Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Rakesh Jha Chief Financial Officer				
	At the beginning of the year	78,850	0.00	**78,850**	**0.00**
	April 11, 2019 ESOS Allotment	9,000	0.00	**87,850**	**0.00**
	April 18, 2019 ESOS Allotment	12,500	0.00	**100,350**	**0.00**
	April 25, 2019 ESOS Allotment	12,500	0.00	**112,850**	**0.00**
	August 13, 2019 Market Sale	20,000	0.00	**92,850**	**0.00**
	August 26, 2019 Market Sale	20,000	0.00	**72,850**	**0.00**
	October 31, 2019 Market Sale	25,000	0.00	**47,850**	**0.00**
	October 31, 2019 ESOS Allotment	24,750	0.00	**72,600**	**0.00**
	November 7, 2019 Market Sale	25,000	0.00	**47,600**	**0.00**
	November 11, 2019 ESOS Allotment	30,000	0.00	**77,600**	**0.00**
	February 24, 2020 Market Sale	20,000	0.00	**57,600**	**0.00**
	February 27, 2020 ESOS Allotment	25,000	0.00	**82,600**	**0.00**
	At the end of the year			**82,600**	**0.00**
2	Ranganath Athreya Company Secretary				
	At the beginning of the year	110	0.00	**110**	**0.00**
	At the end of the year			**110**	**0.00**

The cumulative shareholding column reflects the balance as on day end.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,171.63	159,148.35	-	**165,319.97**
ii) Interest due but not paid	-	-	-	**-**
iii) Interest accrued but not due	2.47	2,840.08	-	**2,842.55**
Total (i+ii+iii)	**6,174.10**	**161,988.42**	**-**	**168,162.52**
Change in Indebtedness during the financial year (refer Note 1 & 2)				
• Addition	34,075.68	4,741.01	-	**38,816.69**
• Reduction	6,171.63	35,068.28	-	**41,239.91**
Net Change	**27,904.05**	**(30,327.27)**	**-**	**(2,423.21)**
Indebtedness at the end of the financial year				
i) Principal Amount	34,075.68	128,821.08	-	**162,896.76**
ii) Interest due but not paid	-	-	-	**-**
iii) Interest accrued but not due	35.08	2,041.08	-	**2,076.17**
Total (i+ii+iii)	**34,110.76**	**130,862.16**	**-**	**164,972.93**

DIRECTORS' REPORT

Data is pertaining to Schedule 4 borrowings under "Secured Loans/Unsecured loans".

Notes:

1. *Movement in short-term market borrowing is shown on net basis.*
2. *Unamortised premium and accrual of discount is included under "Addition" row.*
3. *Principal amount for secured and unsecured loan consists of schedule 4 borrowings balance.*
4. *Secured loans contains Repurchase transactions, Liquidity Adjustment Facility, Marginal Standing Facility and Collateralized lending borrowing obligations.*
5. *Being a banking company, there are no public deposits.*

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholetime Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Sandeep Bakhshi	Vishakha Mulye	Anup Bagchi	Vijay Chandok	Total (₹)
		Amount in ₹				
1	**Gross Salary:** **(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961**					
	Salary and Allowances for fiscal 2020 - (A)	49,654,200	43,547,606	43,325,031	6,765,901	**143,292,738**
	Bonus paid in fiscal 2020 - (B)	-	15,942,029	14,617,507	14,617,507	**45,177,043**
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961					
	Perquisites - (C)	7,628,086	7,703,280	3,023,090	1,227,353	**19,581,809**
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	**-**
2	Stock Option (Perquisite on Employee Stock Option exercised in fiscal 2020)	-	28,933,600	3,24,519,032	94,803,153	**4,48,255,785**
3	Sweat Equity	-	-	-	-	**-**
4	Commission (as % of Profit/Others)	-	-	-	-	**-**
5	Others	-	-	-	-	**-**
	(A)+(B)+(C) Total remuneration paid in fiscal 2020 (excludes perquisites on Stock Options exercised in Fiscal 2020 as mentioned in point 2)	**57,282,286**	**67,192,915**	**60,965,628**	**22,610,761**	**208,051,590**
	Ceiling as per the Act[1]					

1. *Being a Banking Company, the provisions of Banking Regulation Act, 1949 apply to the Bank and the remuneration of every wholetime Director is subject to the approval of RBI. The remuneration is however well within the limits prescribed under the Companies Act, 2013.*
2. *Vijay Chandok was with the Bank till May 6, 2019 and thereafter moved to a Group Company. The above information pertains to the period spent at the Bank.*
3. *An amount of ₹ 3,450,467/- was paid to N S Kannan during the year, for the period spent in the Bank in fiscal 2019.*

DIRECTORS' REPORT

B. Remuneration to other Directors

Sr. No.	Name of Directors	Fee for attending Board/ Committee meetings	Commission[1]	Others*	Total (₹)
		Amount in ₹			
1	**Independent Directors**				
	G. C. Chaturvedi	1,600,000	-	3,500,000	**5,100,000**
	Rama Bijapurkar[2]	1,300,000	210,959	-	**1,510,959**
	Uday Chitale	2,450,000	1,000,000	-	**3,450,000**
	Neelam Dhawan	1,550,000	1,000,000	-	**2,550,000**
	Radhakrishnan Nair[3]	3,000,000	915,068	-	**3,915,068**
	Hari L. Mundra[4]	2,600,000	430,137	-	**3,030,137**
	B. Sriram[2]	2,350,000	210,959	-	**2,560,959**
	S. Madhavan[5]	2,650,000	-	-	**2,650,000**
	Dileep Choksi[6]	-	1,000,000	-	**1,000,000**
	V. K. Sharma[6]	-	1,000,000	-	**1,000,000**
	Tushaar Shah[7]	-	87,671	-	**87,671**
	Total (1)	**17,500,000**	**5,854,794**	**3,500,000**	**26,854,794**
2	**Other Non-Executive Director[8]**				
	Total (2)	**-**	**-**	**-**	**-**
	Total (1)+(2)	**17,500,000**	**5,854,794**	**3,500,000**	**26,854,794**
	Ceiling as per the Act#				

1 Commission pertaining to fiscal 2019, paid in fiscal 2020

2 Director with effect from January 14, 2019

3 Director with effect from May 2, 2018

4 Director with effect from October 26, 2018

5 Director with effect from April 14, 2019

6 Director upto March 31, 2019

7 Director upto May 2, 2018

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

** Gross amount paid as remuneration to G. C. Chaturvedi for fiscal 2020.*

 # Being a Banking Company, the provisions of the Banking Regulation Act, 1949 apply to the Bank. The remuneration is however well within the limits prescribed under the Companies Act, 2013.

The sitting fees of ₹ 1,00,000 each paid in fiscal 2020 to Uday Chitale and Radhakrishnan Nair for attending the Audit Committee Meeting held on February 22, 2019 is not included in the above table.

DIRECTORS' REPORT

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Rakesh Jha Chief Financial Officer	Ranganath Athreya Company Secretary	Total (₹)
		Amount in ₹		
1	**Gross Salary** **(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961**			
	Salary and Allowances for Fiscal 2020 - (A)	28,719,870	15,238,932	**43,958,802**
	Bonus Paid in fiscal 2020 - (B)	10,813,008	4,020,822	**14,833,830**
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961			
	Perquisites – (C)	4,734,824	1,565,272	**6,300,096**
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	**-**
2	Stock Option (Perquisite on Employee Stock Option exercised in fiscal 2020)	35,334,098	-	**35,334,098**
3	Sweat Equity	-	-	**-**
4	Commission (as % of Profit/Others)	-	-	**-**
5	Others	-	-	**-**
	(A)+(B)+(C) Total Remuneration paid in Fiscal 2020 (excludes Perquisites on Stock Options exercised in Fiscal 2020 as mentioned in point 2)	**44,267,702**	**20,825,026**	**65,092,728**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ Court]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

G. C. Chaturvedi
Chairman
DIN-00110996

May 9, 2020

DIRECTORS' REPORT

ANNEXURE C

DIVIDEND DISTRIBUTION POLICY

1. Introduction

ICICI Bank Limited (the Bank or ICICI Bank) is a public company incorporated under the Companies Act, 1956 and licensed as a bank under the Banking Regulation Act, 1949. The Bank has been making annual profits since inception and has been paying equity share dividends in accordance with the guidelines of Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI), Companies Act, 1956, Companies Act, 2013 and Banking Regulation Act, 1949.

This policy documents the guidelines on payment of dividends, and sets out the key considerations for arriving at the dividend payment decision. The Board will have the flexibility to determine the level of dividend based on the considerations laid out in the policy and other relevant developments.

2. Regulatory framework

The Bank while proposing equity share dividend will ensure compliance with the RBI guidelines relating to declaration of dividend, capital conservation requirements under guidelines on Basel III norms issued by RBI, provisions of the Banking Regulation Act, 1949, the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of the Companies Act, 2013 and guidelines provided under the section titled "Dividends" in the Articles of Association (AOA) of the Bank.

3. Approval process

The Board of Directors of the Bank would take into account the following aspects while deciding on the proposal for dividend:

a) profitability and key financial metrics;

b) the interim dividend paid, if any;

c) the auditors' qualifications pertaining to the statement of accounts, if any;

d) whether dividend/coupon payments for non-equity capital instruments (including preference shares) have been made;

e) the Bank's capital position and requirements as per Internal Capital Adequacy Assessment Process (ICAAP) projections and regulatory norms; and

f) the applicable regulatory requirements

The dividend decision would be subject to consideration of any other relevant factors, including, for example:

- External factors including state of the domestic and global economy, capital market conditions and dividend policy of competitors;
- Tax implications including applicability and rate of dividend distribution tax;
- Shareholder expectations

The decision regarding dividend shall be taken only by the Board at its Meeting and not by a Committee of the Board or by way of a Resolution passed by circulation.

Final dividend shall be paid only after approval at an Annual General Meeting (AGM) of the Bank. Shareholder approval is not required for payment of interim dividend.

4. Utilisation of retained earnings

The Bank would utilise the retained earnings for general corporate purposes, including organic and inorganic growth, investments in subsidiaries/associates and/or appropriations/drawdowns as per the regulatory framework. The Board may decide to employ the retained earnings in ensuring maintenance of an optimal level of capital adequacy, meeting the Bank's future growth/expansion plans, other strategic purposes and/or distribution to shareholders, subject to applicable regulations.

5. Parameters for various classes of shares

Currently, the Bank has only one class of equity shareholders. In the absence of any other class of equity shares and/or equity shares with differential voting rights, the entire distributable profit for the purpose of declaration of dividend is considered for the equity shareholders.

DIRECTORS' REPORT

6. **Circumstances under which the shareholders may or may not expect dividend**

The Board of the Bank may vary the level of dividend or not recommend any dividend based on the regulatory eligibility criteria for recommendation of dividend, including any regulatory restriction placed on the Bank on declaration of dividend. There may also be obligations that the Bank could have undertaken under the terms of perpetual non- cumulative preference shares or debt capital instruments pursuant to applicable regulations which might prohibit the Bank from declaring dividend in certain circumstances.

The Board of the Bank may vary the level of dividend or not recommend any dividend based on the capital and reserves position of the Bank. The Board may recommend lower or no dividends if it is of the view that there is a need to conserve capital. The Board may recommend higher dividends, subject to applicable regulations, if the capital and reserves position supports a higher distribution to the shareholders.

7. **Review**

The dividend policy of the Bank would be reviewed annually, or earlier if material changes take place in the applicable regulations.

DIRECTORS' REPORT

ANNEXURE D

CERTIFICATE

Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) Sub Clause (i) of the Securities and Exchange Board of India (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 (hereinafter called the 'Bank') and having registered office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara – 390007 for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10 Sub Clause (i) of the Securities and 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 Bank & its officers, We hereby certify that None of the Directors stated below who are on the Board of the Bank as on March 31, 2020, 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.

Sr. No.	Name of Director	DIN
1.	Girish Chandra Chaturvedi	00110996
2.	Hari L. Mundra	00287029
3.	Lalit Kumar Chandel	00182667
4.	S. Madhavan	06451889
5.	Neelam Dhawan	00871445
6.	R. K. Nair	07225354
7.	Rama Bijapurkar	00001835
8.	B. Sriram	02993708
9.	Uday Chitale	00043268
10.	Anup Bagchi	00105962
11.	Sandeep Bakhshi	00109206
12.	Vishakha Mulye	00203578

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. 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 Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For **BNP & Associates**
Company Secretaries
[Firm Registration. No. P2014MH037400]

Avinash Bagul
Partner
FCS No: 5578 / C P No: 19862
UDIN: F005578B000214325

Date: May 8, 2020
Place: Mumbai

DIRECTORS' REPORT

ANNEXURE E

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs**

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

   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 CSR activities that would be undertaken. The CSR Committee is the governing body that articulates the scope of CSR activities and ensures compliance with the CSR policy. The Bank's CSR activities are largely focused in the areas of education, health, skill development and financial inclusion and other activities like disaster relief or as the CSR Committee may choose to select in fulfilling the CSR objectives.

   The CSR policy was approved by the Committee in July 2014, and subsequently was put up on the Bank's website. Web-link to the Bank's CSR policy:

   (https://www.icicibank.com/managed-assets/docs/about-us/ICICI-Bank-CSR-Policy.pdf)

2. **The Composition of the CSR Committee**

   The Bank's CSR Committee comprises three independent Directors and an Executive Director of the Bank, and is chaired by an independent Director. The composition of the Committee is set out below:

   - Mr. Radhakrishnan Nair, Chairman;
   - Ms. Rama Bijapurkar (w.e.f. June 30, 2019);
   - Mr. Uday Chitale (w.e.f. June 30, 2019);
   - Mr. Anup Bagchi

   The functions of the Committee include: review of CSR initiatives undertaken by the ICICI Group and ICICI Foundation; 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 the 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 of 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.

3. **Average net profit of the company for last three financial years**

   The average net profit of the company for the last three financial years calculated as specified by the Companies Act, 2013 for FY2020 was ₹ 63.65 billion.

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

   The prescribed CSR expenditure requirement for FY2020 is ₹ 1,273.0 million.

5. **Details of CSR spent during the financial year**

   (a) ***Total amount to be spent for the financial year***

   Total amount spent towards CSR during FY2020 was ₹ 1,343.5 million.

   (b) ***Amount unspent, if any***

   NIL

DIRECTORS' REPORT

(c) Manner in which the amount spent during the financial year is detailed in the following table:

Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ mn)	Amount spent on the projects or programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads (₹ mn)	Cumulative expenditure upto the reporting period (₹ mn)	Amount spent direct or through implementing agency
1.	Projects of ICICI Foundation for Inclusive Growth	Promoting education, employment, enhancing vocational skills, livelihood enhancement projects	Pan-India	560.0	263.2	2,388.2	Amount spent through ICICI Foundation for Inclusive Growth. The Foundation was set up in 2008 to focus on activities in the area of CSR
2.	Rural development and related activities	Rural development	Pan-India	293.4	530.5	5,326.0	Direct & through Bank's business correspondent network
3.	Social awareness	Promoting education - spreading awareness on social issues and environmental protection	Pan-India	250.0	250.0	266.0	Direct
4.	Relief and welfare in calamity affected areas	i) Disaster management, including relief, rehabilitation and reconstruction activities - supporting relief efforts in flood-affected states ii) Contribution to relief funds	Pan-India	100.0	260.0	436.5	Direct
5.	Financial Literacy	Promoting education	Pan-India	7.5	10.9	102.1	Disha Trust
6.	Miscellaneous	Environmental sustainability, Swachh Bharat, reducing inequalities	Pan-India	110.0	28.9	118.5	Direct - promoting hygiene, protecting the environment and supporting socially and economically backward rural households

DIRECTORS' REPORT

ICICI Bank and ICICI Foundation for Inclusive Growth (ICICI Foundation) are actively engaged in various activities to support the authorities in meeting the challenge of the Covid-19 pandemic. These include supply of medical and other equipment and supplies in about 34 states/union territories and public awareness campaigns. The ICICI Group has 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 in April 2020.

6. **In case the company has failed to spend the 2% of the average net profits of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

   Not Applicable

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

   The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and the CSR Policy of the company.

Anup Bagchi
Executive Director
DIN-00105962

Radhakrishnan Nair
CSR Committee Chairman
DIN-07225354

May 9, 2020

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 26 August 2019.

2. We have examined the compliance of conditions of corporate governance by ICICI Bank Limited ('the Bank') for the year ended on 31 March 2020, 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 2020.

   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 regulations and may not be suitable for any other purpose.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

UDIN: 20105782AAAACN4354

Place: Mumbai
Date: 09 May 2020

MANAGEMENT'S DISCUSSION & ANALYSIS

OPERATING ENVIRONMENT

Growth

India's Gross Domestic Product (GDP) grew by 4.2% during fiscal 2020, compared to growth of 6.1% during fiscal 2019. Investments as measured by gross fixed capital formation declined by 2.8% during fiscal 2020 compared to a growth of 9.8% during fiscal 2019 and private final consumption expenditure growth moderated to 5.3% in fiscal 2020 compared to a growth of 7.2% in fiscal 2019. On a gross value added basis, the agriculture sector grew by 4.0% in fiscal 2020 compared to 2.4% in fiscal 2019, industry by 0.9% in fiscal 2020 compared to 4.9% in fiscal 2019 and the services sector by 5.5% in fiscal 2020 compared to 7.7% in fiscal 2019. During the year, lead economic indicators like domestic sales of commercial vehicles and passenger cars, freight movement, credit flow and others remained subdued. The Government of India announced a number of measures during the year with a view to support growth in the economy. A key announcement was a reduction in the tax rate on corporates from 30% of profits to 22% (effective rate of 25.17% including cess and surcharges), for corporates not availing of any exemptions or incentives.

Since the first quarter of CY2020, the Covid-19 pandemic has impacted most of the countries, including India. This 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. Several countries including India have taken unprecedented fiscal and monetary actions to help alleviate the impact of the crisis. The Reserve Bank of India (RBI) has announced several measures to ease the financial system stress, including enhancing system liquidity, reducing interest rates, moratorium on loan repayments for borrowers, asset classification standstill benefit to overdue accounts where a moratorium has been granted and relaxation in liquidity coverage requirement, among others. The government announced an economic package which included direct benefit transfers to individuals in low-income groups, free food-grain distribution, access to credit for small businesses with government guarantee and policy reforms.

Economic growth and investor and consumer confidence have been impacted significantly since March 2020. According to the International Monetary Fund (IMF), the global economy is expected to contract by 3.0% during calendar year 2020, and growth could improve in 2021 assuming the pandemic fades away in the second half of 2020 and containment efforts can be unwound.

Inflation

Inflation as measured by the Consumer Price Index (CPI) increased from 2.9% in March 2019 to 4.0% in September 2019, remaining within the policy target range. However, inflation increased during the latter part of the year to a high of 7.4% in December 2019 and subsequently eased to 5.9% in March 2020 largely driven by movement in food prices. Core inflation (inflation excluding food and fuel) broadly remained moderate during the year and reduced from 5.0% in March 2019 to 4.1% in March 2020.

Interest rates

Considering inflation was within the comfort levels of RBI in the first half of fiscal 2020, the RBI reduced the repo rate by 110 basis points during April-October 2019 from 6.25% at end-March 2019 to 5.15% at October 2019. The policy stance was changed from neutral to accommodative in June 2019. However, the policy rate was maintained subsequently till March 2020 when a sharp reduction of 75 basis point to 4.40% was announced as a measure to combat the impact of the Covid-19 pandemic.

Financial markets

During fiscal 2020, the Rupee depreciated by 8.9% from ₹ 69.16 per US dollar at end-March 2019 to ₹ 75.33 per US dollar at end-March 2020, with a sharp depreciation of 3.9% in March 2020. Yields on the benchmark 10-year government securities eased by 121 basis points from 7.35% at end-March 2019 to 6.14% at end-March 2020. This easing of government bond yields was partly due to the comfortable systemic liquidity maintained by RBI for most part of the year as a measure to support growth and improve flow of funds to the economy.

Current account and fiscal position

Following moderate global crude oil prices for most part of fiscal 2020, India's current account deficit came down from 2.1% of GDP in fiscal 2019 to 1.0% during 9M-2020. During the year, merchandise exports declined by 4.8%, while merchandise imports contracted by 9.1%. Government spending was a key driver of GDP growth during 9M-2020 and the revised estimate of fiscal deficit as a proportion of GDP for fiscal 2020 was 3.8% as compared

MANAGEMENT'S DISCUSSION & ANALYSIS

to the budgeted 3.3%. The government's fiscal position is likely to be further impacted by the Covid-19 pandemic, reflecting in both revenues and expenditure.

Banking sector trends

During fiscal 2020, non-food credit growth remained muted with a sharp moderation towards the end of the year due to the lockdown. Banking system non-food credit growth moderated from 13.4% at March 29, 2019 to 8.6% at end-September 2019 and consistently eased further to end the fiscal at 6.1% at March 27, 2020. As per data on sector-wise deployment of credit released by RBI for March 27, 2020, retail loans grew by 15.7%, credit to services sector by 8.5%, credit to industry grew by 1.4% and credit to agriculture sector by 5.2%.

Deposit growth was higher compared to credit growth during fiscal 2020, though there was a drop in growth at end-March 2020. Growth in total deposits remained above 9.0% through the year in fiscal 2020, but dropped to 7.9% at March 27, 2020. Demand deposits grew by 7.0% and time deposits grew by 8.1% at March 27, 2020 compared to growth of 10.3% in demand deposits and 10.0% in time deposits at March 29, 2019.

According to RBI's Financial Stability Report of December 2019, gross non-performing assets (GNPA) of scheduled commercial banks was at 9.3% at September 30, 2019, similar to the levels in March 2019, and net NPA ratio was at 3.7%. The process of resolution of large stressed accounts continued during the year. Further, additions to the non-performing pool of banks declined during the year. However, challenges continued for the non-banking financial companies (NBFCs) and housing finance companies during fiscal 2020, with subdued growth and moderation in available market funding. Several measures were announced by the government and the RBI to enhance availability of funds to the sector in terms of additional liquidity support and partial credit enhancement. However, a large housing finance company defaulted on its repayments during the year. In March 2020, RBI imposed a moratorium restricting deposit withdrawals from a private sector bank, followed by implementation of a scheme of reconstruction involving change in management and equity capital infusion by several Indian banks, including us. A private sector bank also wrote down additional tier-1 bonds.

The government announced the amalgamation of 10 public sector banks into four big banks. This merger was effective from April 1, 2020. Including the past mergers, the total count of public sector banks has come down from 27 banks (including SBI and its associates) to 12 banks.

Regulatory measures

Key regulatory measures announced during the year prior to the onset of the Covid-19 pandemic were as follows:

- In April 2019, the Supreme Court declared the RBI circular on revised framework for resolution of stressed assets dated February 12, 2018 as unconstitutional. In June 2019, the RBI issued revised guidelines, the Prudential Framework for Resolution of Stressed Assets by Banks, which allowed lenders to decide on referring an account for resolution under the Insolvency and Bankruptcy Code as against the earlier requirement of referring in the event a resolution plan is not implemented within stipulated timelines. It also requires banks to make higher provisioning in case the resolution plan is not implemented within stipulated timelines. The additional provisions are not required to be made if insolvency proceedings are initiated within 210 days of default.
- In July 2019, the government of India amended the Insolvency and Bankruptcy Code. The revised Code provides an order of priority for the distribution of assets in case of a liquidation, and gives priority to financial creditors ahead of operational creditors. The Code also provides a time-bound process for resolving insolvency.
- In June 2019, the RBI mandated maintenance of a minimum leverage ratio of 4.0% for domestic systemically important banks and 3.5% for other banks. This was effective from October 1, 2019.
- The RBI increased the risk weights on unrated exposures to corporates and infrastructure financing non-banking finance companies from 100.0% to 150.0%, where the aggregate exposure of the banking system exceeded ₹ 2.0 billion. This was effective from April 1, 2019.
- In June 2019, the Reserve Bank of India announced the introduction of an electronic trading platform for buying/selling foreign exchange by retail customers of banks. The platform can be accessed by any customer of a bank who has a need to purchase or sell US dollar

MANAGEMENT'S DISCUSSION & ANALYSIS

against the rupee for delivery on cash basis, tom basis or spot basis subject to certain conditions.

- In September 2019, RBI issued guidelines to link all new floating rate personal or retail loans and floating rate loans to micro and small enterprises to an external benchmark from October 1, 2019. The benchmarks include the RBI repo rate, three-month and six-month treasury bill yield published by the Financial Benchmarks India Private Limited (FBIL) and any other benchmark market interest rate published by FBIL. The interest rate under external benchmark shall be reset at least once in three months. Subsequently, all incremental floating rate loans to medium enterprises were also required to be linked to an external benchmark from April 1, 2020.
- In September 2019, RBI reduced the risk weight for consumer credit, including personal loans, but excluding credit card receivables, from 125.0% to 100.0%.
- Banks were permitted to deduct the amount equivalent of incremental credit disbursed as retail loans for automobiles, residential housing and loans to MSMEs, over and above the outstanding level of credit to these segments at January 31, 2020 from their net demand and time liabilities for maintenance of the cash reserve ratio. This exemption was to be available for incremental credit extended up to the fortnight ending July 31, 2020.
- RBI extended the window for one-time restructuring of standard accounts of GST registered MSMEs without an asset classification downgrade that were in default as on January 1, 2020. The restructuring under the scheme had to be implemented latest by December 31, 2020 (extended from the earlier deadline of March 31, 2020).

Since March 27, 2020, RBI has announced a series of monetary measures aimed at combating the impact of the Covid-19 pandemic. The measures announced were:

- The repo rate was reduced by 75 basis points (bps) from 5.15% to 4.40% from March 27, 2020. The repo rate was further reduced by 40 bps to 4.0% from May 22, 2020
- The Liquidity Adjustment Facility (LAF) corridor was widened asymmetrically to 65 basis points (bps) from earlier 50 bps. Accordingly, the reverse repo rate was reduced by 90 bps from 4.90% to 4.00% from March 27, 2020. The reverse repo rate was thus 40 bps lower than the repo rate, while the marginal standing facility (MSF) rate continued to be higher by 25 bps than the repo rate. On April 17, 2020, RBI reduced the reverse repo rate by a further 25 basis points to 3.75% and further to 3.35% on May 22, 2020.
- RBI announced Targeted Long Term Repo Operations (TLTRO) which were auction of targeted long term repos of up to three-years tenor at a floating rate linked to the repo rate. Liquidity availed by banks under the TLTRO had to be deployed in investment grade corporate bonds, commercial paper and non-convertible debentures, over and above the outstanding level of investments in these bonds at March 27, 2020. Investments made by banks under this facility can be classified as held-to-maturity (HTM) even in excess of the 25.0% of total investment permitted to be included as part of the HTM portfolio. RBI subsequently also announced a second phase of TLTRO on April 17, 2020, wherein 50.0% of funds had to be deployed to microfinance institutions (MFIs) and NBFCs. The distribution of funds would be at least 10.0% in securities issued by MFIs, 15.0% to NBFCs of asset size below ₹ 5.00 billion and 25.0% to NBFCs with asset size between ₹ 5.00 billion and ₹ 50.00 billion.
- The cash reserve ratio (CRR) requirement of banks was reduced by 100 basis points from 4.0% 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.
- The minimum daily CRR balance requirement was reduced from 90.0% to 80.0% effective from the fortnight beginning March 28, 2020 up to June 26, 2020.
- The limit for borrowing overnight under the 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.

As part of measures to combat the impact of the health crisis created by Covid-19, RBI announced certain regulatory measures in three parts on March 27, 2020 and on April 17, 2020 and May 22, 2020. The measures were as follows:

- Banks and other lending institutions were allowed to provide a moratorium on all term loans (including agriculture term loans, retail and crop loans). Initially

MANAGEMENT'S DISCUSSION & ANALYSIS

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.

- 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.
- A stand-still in asset classification for accounts availing the moratorium was provided from March 1, 2020 to August 31, 2020. For all accounts classified as standard as on February 29, 2020, even if overdue, the moratorium period, wherever granted, was 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, wherever deferment was granted, in respect of all facilities classified as standard, including Special Mention Accounts, as on February 29, 2020, were to be excluded for the determination of out of order status. Banks were required to make general provisions of not less than 10.0% of the total outstanding of such accounts, to be phased over two quarters starting from the quarter ended March 31, 2020. This provision could be made over two quarters, at March 31, 2020 and June 30, 2020, at minimum 5.0% per quarter. This provision could not be reckoned for calculating the net NPA.
- Banks are required to disclose details pertaining to SMA/overdue accounts where moratorium/deferment has been granted, amount where asset classification benefits were extended and provisions in the financial statements for fiscal 2020, six months ending September 30, 2020 and fiscal 2021.
- For stressed assets, where a resolution plan is underway and these are within the Review Period as on 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 resources to corporates, exposure of banks to a group of connected counterparties was increased from 25.0% to 30.0% of the capital base of a bank. This is applicable till June 30, 2021.
- Banks were restricted from making dividend payouts from the profits pertaining to fiscal 2020. This restriction would be reassessed by RBI after the results for the three months ended September 30, 2020.
- The liquidity coverage ratio to be maintained by banks was lowered from 100% to 80.0% till September 30, 2020, and to be subsequently increased to 90.0% starting from October 1, 2020 and further to 100.0% from April 21, 2021.
- The implementation of the net stable funding ratio was deferred by six months from April 1, 2020 to October 1, 2020.
- The last tranche of 0.625% of the Capital Conservation Buffer, which was to be applicable from March 31, 2020 was deferred to September 30, 2020. Accordingly, the pre-specified trigger for loss absorption through conversion/write-down of additional tier 1 instruments would remain at 5.5% of risk-weighted assets (RWAs) and would rise to 6.125% of RWAs on September 30, 2020.

The government announced several measures to mitigate the impact of the Covid-19 crisis which included a guarantee programme for collateral-free loans aggregating up to ₹ 3.00 trillion to MSMEs. A special liquidity facility of up to ₹ 300.00 billion was provided for NBFCs, HFCs and microfinance companies and liquidity infusion of ₹ 900.00 billion was announced for power distribution companies through a central public sector enterprise. The initiation of fresh insolvency proceedings was suspended for up to one year depending upon pandemic situation. Covid-19 related debt would be excluded from the definition of default for the purpose of triggering insolvency proceedings. Several policy reforms were announced including introduction of commercial mining in the coal sector, increasing private investments and reforms in the mineral sector, enhancing foreign direct investment limit

MANAGEMENT'S DISCUSSION & ANALYSIS

in the defence sector from 49.0% to 74.0%, privatisation of airports, encouraging private participation in the space sector, enhancing viability gap funding for social sector projects and measures for infrastructure and capacity building in the agriculture sector. The government also announced a new public sector enterprise policy to limit presence of public enterprises in only strategic sectors.

Outlook

Economic conditions remain challenging going forward considering the uncertainties with regard to the impact of the global health crisis and the stand-still in economic activity. There has been a significant rise in risks in the operating environment along with lack of clarity on the timeline for conditions to normalise and economic activity to revive. The Indian economy would be impacted by this pandemic with contraction in industrial and services output across small and large businesses. Current estimates of India's GDP for fiscal 2021 by various agencies and analysts indicate a contraction in GDP growth. While systemic liquidity is abundant, the economic weakness caused by the pandemic and uncertainty regarding normalisation will impact banking sector loan growth, revenues, margins, asset quality and credit costs.

STRATEGY

During fiscal 2020, the Bank was focused on its strategic objective of risk calibrated profitable growth. Core operating profit of the Bank grew by 21.5% during fiscal 2020. The profit after tax increased from ₹ 33.63 billion in fiscal 2019 to ₹ 79.31 billion in fiscal 2020. The profit after tax in fiscal 2020 includes the impact of Covid-19 related provision amounting to ₹ 27.25 billion and the impact of change in tax rate, including both, the one-time additional charge due to re-measurement of accumulated deferred tax asset at March 31, 2019, and the tax expense at lower rate for fiscal 2020, of ₹ 13.91 billion.

The Bank made progress on increasing the granularity of its portfolio and enhancing the customer franchise during the year. Retail loans as a proportion of total loans increased from 60.1% at March 31, 2019 to 63.2% at March 31, 2020. Including non-fund based outstanding, the proportion of retail portfolio increased from 46.9% at March 31, 2019 to 53.3% at March 31, 2020. The Bank continued to improve the portfolio mix by lending to higher rated well-established corporates and reduce concentration risk. The additions to non-performing loans remained stable during the year, while provisions for fiscal 2020 were lower as compared to fiscal 2019. The Bank maintained a healthy provisioning coverage ratio as well as a strong capital position with capital adequacy ratios significantly above regulatory requirements.

The Bank's long-term strategic focus of growing its core operating profits in a risk calibrated and granular manner would continue. The Bank seeks to build scalable and resilient businesses while operating within the guardrails of risk management. The Bank would seek to contain its long-term loan-loss provisions within the levels set by its enterprise risk management framework. The Bank would aim to further strengthen its liabilities franchise. The Bank would leverage its extensive network with wide geographical reach, a comprehensive range of products and services and state-of-the-art technology for providing superior customer experience. The Bank leverages technology and analytics for deeper insights into customer needs and behaviour and making customer onboarding and transacting smooth and frictionless. The Bank would continue to invest in technologies to provide an edge in its offerings to customers.

The Bank has repositioned its international franchise to focus on non-resident Indians for deposits, wealth and remittances businesses, with digital and process decongestion as a key enabler. The Bank is also focused on deepening its relationships with well-rated Indian corporates in international markets and multinational companies present in international as well as domestic market, for maximising the India-linked trade, transaction banking and lending opportunities with strict limits on exposures including reduction in current exposure where required. The Bank is also actively engaging with sovereign wealth funds, global pension funds and asset managers to facilitate fund flows into India. The Bank aims to progressively exit exposures that are not linked to India in a planned manner.

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 maximise 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, would guide the Bank's operations.

In view of the Covid-19 pandemic, there will be an impact on revenues and an increase in rating downgrades in the portfolio and NPA formation at a systemic level and for

MANAGEMENT'S DISCUSSION & ANALYSIS

the Bank. The Bank's immediate focus in fiscal 2021 would be towards maintaining adequate liquidity, conservation of capital and robust credit monitoring. Given the Bank's core operating profitability, liquidity and capital adequacy, the Bank believes it is well-placed to absorb the impact of the challenges in the environment. The Bank would look at further strengthening the balance sheet as opportunities arise. The Bank will closely monitor the evolving scenario and calibrate its business based on the assessment of risk and profitability. The Bank would continue its focus on re-engineering business processes and enhancing customer convenience leveraging technology, with digital banking having received further impetus amid the constraints on traditional ways of working imposed by the pandemic-related lockdowns.

STANDALONE FINANCIALS AS PER INDIAN GAAP

Summary

Core operating profit increased by 21.5% from ₹ 220.72 billion in fiscal 2019 to ₹ 268.08 billion in fiscal 2020 primarily due to an increase in net interest income by 23.1% and an increase in fee income by 14.4%, offset, in part, by an increase in operating expenses by 19.5%. Income from treasury-related activities decreased from ₹ 13.66 billion in fiscal 2019 to ₹ 12.93 billion in fiscal 2020 and provisions and contingencies decreased by 28.5% from ₹ 196.61 billion in fiscal 2019 to ₹ 140.53 billion in fiscal 2020. Excluding the Covid-19 related provision, provisions and contingencies was ₹ 113.28 billion in fiscal 2020. Profit after tax increased by 135.8% from ₹ 33.63 billion in fiscal 2019 to ₹ 79.31 billion in fiscal 2020. The profit after tax in fiscal 2020 includes the impact of change in tax rate, including both, the one-time additional charge due to re-measurement of accumulated deferred tax asset at March 31, 2019, and the tax expense at lower rate for fiscal 2020, of ₹ 13.91 billion.

Net interest income increased by 23.1% from ₹ 270.15 billion in fiscal 2019 to ₹ 332.67 billion in fiscal 2020 reflecting an increase of 13.1% in the average volume of interest-earning assets and an increase in the net interest margin by 31 basis points from 3.42% in fiscal 2019 to 3.73% in fiscal 2020.

Fee income increased by 14.4% from ₹ 119.89 billion in fiscal 2019 to ₹ 137.11 billion in fiscal 2020. Dividend from subsidiaries increased by 18.1% from ₹ 10.78 billion in fiscal 2019 to ₹ 12.73 billion in fiscal 2020.

Operating expenses increased by 19.5% from ₹ 180.89 billion in fiscal 2019 to ₹ 216.15 billion in fiscal 2020 primarily due to an increase in staff cost and other administrative expenses.

Income from treasury-related activities decreased from ₹ 13.66 billion in fiscal 2019 to ₹ 12.93 billion in fiscal 2020. During fiscal 2019, the Bank had sold equity shares representing 2.00% shareholding in ICICI Prudential Life Insurance Company Limited resulting in net gain of ₹ 11.10 billion.

Provisions and contingencies (excluding provision for tax) decreased by 28.5% from ₹ 196.61 billion in fiscal 2019 to ₹ 140.53 billion in fiscal 2020 primarily due to a decrease in provision on advances, offset, in part, by Covid-19 related provision. Provision on advances decreased from ₹ 168.12 billion in fiscal 2019 to ₹ 88.15 billion in fiscal 2020 primarily due to lower ageing provisions on loans classified as NPAs in earlier years. The provision in fiscal 2020 included provision on loans made from overseas branches to a healthcare group based in West Asia and an oil trading company based in Singapore classified as NPA during the year. The provision coverage ratio (excluding cumulative technical/prudential write-offs) increased from 70.6% at March 31, 2019 to 75.7% at March 31, 2020. Further, during fiscal 2020, the Bank made Covid-19 related provision of ₹ 27.25 billion. The provision made by the Bank is more than the requirement under RBI guidelines dated April 17, 2020.

The income tax expense increased from ₹ 4.14 billion in fiscal 2019 to ₹ 61.17 billion in fiscal 2020. The effective tax rate increased from 10.9% in fiscal 2019 to 43.5% in fiscal 2020, primarily due to the one-time additional charge due to re-measurement of accumulated deferred tax asset at March 31, 2019, offset, in part, by the tax expense at lower rate due to change in tax rate.

Net worth increased from ₹ 1,083.68 billion at March 31, 2019 to ₹ 1,165.04 billion at March 31, 2020 primarily due to accretion to reserves from profits for the year.

Total assets increased by 13.9% from ₹ 9,644.59 billion at March 31, 2019 to ₹ 10,983.65 billion at March 31, 2020. Total advances increased by 10.0% from ₹ 5,866.47 billion at March 31, 2019 to ₹ 6,452.90 billion at March 31, 2020 primarily due to an increase in domestic advances by 12.9%, offset, in part, by a decrease in overseas advances by 14.4%. The loan growth was impacted during the end of fiscal 2020 due to Covid-19 pandemic. Total deposits

MANAGEMENT'S DISCUSSION & ANALYSIS

increased by 18.1% from ₹ 6,529.20 billion at March 31, 2019 to ₹ 7,709.69 billion at March 31, 2020. Term deposits increased by 28.6% from ₹ 3,289.79 billion at March 31, 2019 to ₹ 4,231.51 billion at March 31, 2020. Current and savings account (CASA) deposits increased by 7.4% from ₹ 3,239.40 billion at March 31, 2019 to ₹ 3,478.19 billion at March 31, 2020.

The Bank had a branch network of 5,324 branches and an ATM network of 15,688 ATMs at March 31, 2020.

The Bank is subject to Basel III capital adequacy guidelines stipulated by RBI. The total capital adequacy ratio of the Bank at March 31, 2020 in accordance with RBI guidelines on Basel III was 16.11% with a Tier-1 capital adequacy ratio of 14.72% as compared to 16.89% with a Tier-1 capital adequacy ratio of 15.09% at March 31, 2019. The CET-1 ratio was 13.39% at March 31, 2020 as compared to 13.63% at March 31, 2019.

Impact of Covid-19 on the performance of the Bank

The Indian economy would be impacted by Covid-19 pandemic with contraction in industrial and services output across small and large businesses. The Bank's business is expected to be impacted by lower lending opportunities and revenues in the short to medium term. The impact of the Covid-19 pandemic on Bank's results, including credit quality and provisions, remains uncertain and dependent on the spread of Covid-19, further steps taken by the government and the central bank to mitigate the economic impact, steps taken by the Bank and the time it takes for economic activities to resume at normal levels. The Bank's capital and liquidity position is strong and would continue to be the 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 2019	Fiscal 2020	% change
Interest income	₹ 634.01	**₹ 747.98**	18.0%
Interest expense	363.86	**415.31**	14.1
Net interest income	**270.15**	**332.67**	**23.1**
Fee income[1]	119.89	**137.11**	14.4
Dividend from subsidiaries	10.78	**12.73**	18.1
Other income (including lease income)[2]	0.79	**1.72**	-
Core operating income	**401.61**	**484.23**	**20.6**
Operating expenses	180.89	**216.15**	19.5
Core operating profit	**220.72**	**268.08**	**21.5**
Treasury income	13.66	**12.93**	(5.3)
Operating profit	**234.38**	**281.01**	**19.9**
Provisions, net of write-backs	196.61	**140.53**	(28.5)
Profit before tax	**37.77**	**140.48**	**-**
Tax, including deferred tax	4.14	**61.17**	-
Profit after tax	**₹ 33.63**	**₹ 79.31**	**-**

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.*

MANAGEMENT'S DISCUSSION & ANALYSIS

KEY RATIOS

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

Particulars	Fiscal 2019	Fiscal 2020
Return on average equity (%)[1]	3.16	**7.07**
Return on average assets (%)[2]	0.39	**0.81**
Net interest margin (%)	3.42	**3.73**
Cost to income (%)[3]	43.56	**43.50**
Earnings per share (₹)	5.23	**12.28**
Book value per share (₹)	168.11	**179.99**

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.

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

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 2019	Fiscal 2020	% change
Interest income	₹ 634.01	**₹ 747.98**	18.0%
Interest expense	363.86	**415.31**	14.1
Net interest income	**270.15**	**332.67**	**23.1**
Average interest-earning assets	7,892.29	**8,927.74**	13.1
Average interest-bearing liabilities	₹ 7,132.64	**₹ 8,151.76**	14.3
Net interest margin	**3.42%**	**3.73%**	**-**
Average yield	8.03%	**8.38%**	-
Average cost of funds	5.10%	**5.09%**	-
Interest spread	2.93%	**3.29%**	-

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

Net interest income increased by 23.1% from ₹ 270.15 billion in fiscal 2019 to ₹ 332.67 billion in fiscal 2020 reflecting an increase of 13.1% in the average volume of interest-earning assets and an increase in net interest margin by 31 basis points.

Net interest margin increased by 31 basis points from 3.42% in fiscal 2019 to 3.73% in fiscal 2020. The yield on average interest-earning assets increased by 35 basis points from 8.03% in fiscal 2019 to 8.38% in fiscal 2020. The cost of funds was 5.09% in fiscal 2020 compared to 5.10% in fiscal 2019. The interest spread increased by 36 basis points from 2.93% in fiscal 2019 to 3.29% in fiscal 2020.

The net interest margin of domestic operations increased by 24 basis points from 3.77% in fiscal 2019 to 4.01% in fiscal 2020 primarily due to an increase in yield on average interest-earning assets and a decrease in cost of funds. The yield on domestic interest-earning assets increased by 29 basis points from 8.47% in fiscal 2019 to 8.76% in fiscal 2020 primarily due to an increase in yield on advances. The cost of domestic funds decreased by 4 basis points from 5.29% in fiscal 2019 to 5.25% in fiscal 2020 primarily due to a decrease in cost of borrowings, offset, in part, by an increase in cost of deposits due to a higher growth in retail term deposits as compared to current and savings account deposits.

The net interest margin of overseas branches increased by 5 basis points from 0.30% in fiscal 2019 to 0.35% in fiscal 2020 primarily due to a decrease in cost of funds, offset, in part, by a decrease in yield on interest-earning assets. The cost of overseas funds decreased by 25 basis points from 3.62% in fiscal 2019 to 3.37% in fiscal 2020 primarily due to a decrease in cost of borrowings. The yield on overseas interest-earning assets decreased by 26 basis points from 4.03% in fiscal 2019 to 3.77% in fiscal 2020 primarily due to a decrease in yield on advances.

MANAGEMENT'S DISCUSSION & ANALYSIS

The following table sets forth, for the periods indicated, the trend in yield, cost, spread and margin.

Particulars	Fiscal 2019	Fiscal 2020
Yield on interest-earning assets	**8.03%**	**8.38%**
- On advances	8.96	**9.45**
- On investments	7.08	**7.12**
- On SLR investments	7.24	**7.10**
- On other investments	6.56	**7.19**
- On other interest-earning assets	3.63	**3.31**
Cost of interest-bearing liabilities	**5.10**	**5.09**
- Cost of deposits	4.87	**4.96**
- Current and savings account (CASA) deposits	2.73	**2.71**
- Term deposits	6.68	**6.63**
- Cost of borrowings	5.86	**5.68**
Interest spread	**2.93**	**3.29**
Net interest margin	**3.42%**	**3.73%**

The yield on average interest-earning assets increased by 35 basis points from 8.03% in fiscal 2019 to 8.38% in fiscal 2020 primarily due to the following factors:

- The yield on domestic advances increased by 42 basis points from 9.62% in fiscal 2019 to 10.04% in fiscal 2020 primarily due to re-pricing of existing floating rate loans at higher rates and incremental lending at higher rates due to an increase in MCLR during fiscal 2019. The Bank's 1-year MCLR increased by 50 basis points between April 2018 and March 2019. However, the Bank reduced the 1-year MCLR by 65 basis points in phases during fiscal 2020, the full impact of which will be reflected in the next fiscal.

  The yield on overseas advances decreased by 38 basis points from 4.41% in fiscal 2019 to 4.03% in fiscal 2020. The yield on net advances was higher in fiscal 2019 primarily due to higher interest collection on NPAs.

  The overall yield on average advances increased by 49 basis points from 8.96% in fiscal 2019 to 9.45% in fiscal 2020 primarily due to an increase in proportion of domestic advances in total advances.

- The yield on average interest-earning investments increased by 4 basis points from 7.08% in fiscal 2019 to 7.12% in fiscal 2020. The yield on Statutory Liquidity Ratio (SLR) investments decreased by 14 basis points from 7.24% in fiscal 2019 to 7.10% in fiscal 2020 primarily due to investment in government securities at lower yields and reset of interest rates on floating rate bonds at lower levels. The yield on non-SLR investments increased by 63 basis points from 6.56% in fiscal 2019 to 7.19% in fiscal 2020 primarily due to an increase in yield on pass through certificates and an increase in average investment in pass through certificates and bonds and debentures which are relatively higher yielding, offset, in part, by a decrease in yield on commercial papers and certificate of deposits.

- The yield on other interest-earning assets decreased from 3.63% in fiscal 2019 to 3.31% in fiscal 2020 primarily due to a decrease in interest on income tax refund, an increase in average balance with RBI and a decrease in yield on LAF lending and Rural Infrastructure Development Fund (RIDF) and related deposits, offset, in part, by an increase in interest income on funding swaps.

  Interest on income tax refund decreased from ₹ 4.48 billion in fiscal 2019 to ₹ 2.70 billion in fiscal 2020. 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 was 5.09% in fiscal 2020 as compared to 5.10% in fiscal 2019.

- The cost of average deposits increased from 4.87% fiscal 2019 to 4.96% in fiscal 2020 primarily due to a decrease in proportion of average CASA deposits in total deposits due to higher growth in retail term deposits, offset, in part, by a decrease in cost of domestic term deposits. The average CASA deposits decreased from 45.9% of total average deposits in fiscal 2019 to 42.7% of total average deposits in fiscal 2020. Average CASA deposits were 34.5% of the total funding (i.e., deposits and borrowings) for fiscal 2020 as compared to 35.1% for fiscal 2019. The cost of domestic term deposits decreased by 6 basis points from 6.73% in fiscal 2019 to 6.67% in fiscal 2020.

MANAGEMENT'S DISCUSSION & ANALYSIS

- The cost of borrowings decreased by 18 basis points from 5.86% in fiscal 2019 to 5.68% in fiscal 2020 primarily due to a decrease in interest expense on funding swaps, a decrease in proportion of bond borrowings which are relatively higher cost and a decrease in cost of 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, regulatory developments and uncertainties and the economic slowdown due to the Covid-19 pandemic. The timing and quantum of recoveries and interest on income tax refund is uncertain.

  RBI amended the Master direction on "Interest rate on advances" through circulars dated September 4, 2019 and February 26, 2020 and mandated banks to link all new floating rate personal or retail loans (such as housing and auto loans), floating rate loans to micro and small enterprises from October 1, 2019 and floating rate loans to medium enterprises from April 01, 2020 to an external benchmark. The existing borrowers, under the above categories, have the option to convert to external benchmark linked pricing as per the extant RBI guidelines. Differential movement in the external benchmark rates vis-a-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 2019	Fiscal 2020	% change
Advances	₹ 5,351.93	**₹ 6,087.32**	13.7%
Interest-earning investments[1]	1,806.88	**2,062.09**	14.1
Other interest-earning assets	733.48	**778.33**	6.1
Total interest-earning assets	**7,892.29**	**8,927.74**	**13.1**
Deposits	5,448.71	**6,594.13**	21.0
Borrowings[1,2]	1,683.93	**1,557.63**	(7.5)
Total interest-bearing liabilities	**₹ 7,132.64**	**₹ 8,151.76**	**14.3%**

1. Average investments and average borrowings include average short-term repurchase transactions.
2. Borrowings exclude preference share capital.
3. All amounts have been rounded off to the nearest ₹ 10.0 million.

The average volume of interest-earning assets increased by 13.1% from ₹ 7,892.29 billion in fiscal 2019 to ₹ 8,927.74 billion in fiscal 2020. The increase in average interest-earning assets was primarily on account of an increase in average advances by ₹ 735.39 billion and average interest-earning investments by ₹ 255.21 billion.

Average advances increased by 13.7% from ₹ 5,351.93 billion in fiscal 2019 to ₹ 6,087.32 billion in fiscal 2020 primarily due to an increase in domestic advances, offset, in part, by a decrease in overseas advances.

Average interest-earning investments increased by 14.1% from ₹ 1,806.88 billion in fiscal 2019 to ₹ 2,062.09 billion in fiscal 2020 primarily due to an increase in average investment in government securities by 21.2% from ₹ 1,313.99 billion in fiscal 2019 to ₹ 1,591.93 billion in fiscal 2020. Average interest-earning non-SLR investments increased by 4.2% from ₹ 426.34 billion in fiscal 2019 to ₹ 444.43 billion in fiscal 2020.

Average other interest-earning assets increased by 6.1% from ₹ 733.48 billion in fiscal 2019 to ₹ 778.33 billion in fiscal 2020 primarily due to an increase in average balance with RBI and call money lent, offset, in part, by a decrease in balance with other banks.

Average interest-bearing liabilities increased by 14.3% from ₹ 7,132.64 billion in fiscal 2019 to ₹ 8,151.76 billion in fiscal 2020 primarily due to an increase in average deposits by ₹ 1,145.42 billion and a decrease in average borrowings by ₹ 126.29 billion.

Average deposits increased by 21.0% from ₹ 5,448.71 billion in fiscal 2019 to ₹ 6,594.13 billion in fiscal 2020 due to an increase in average term deposits by ₹ 833.27 billion and average CASA deposits by ₹ 312.15 billion.

Average borrowings decreased by 7.5% from ₹ 1,683.93 billion in fiscal 2019 to ₹ 1,557.63 billion in fiscal 2020 primarily due to a decrease in bond borrowings and term money borrowings, offset, in part, by an increase in refinance borrowings.

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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 increased by 14.4% from ₹ 119.89 billion in fiscal 2019 to ₹ 137.11 billion in fiscal 2020 primarily due to an increase in fee income from cards business, lending linked fees and commercial banking fees, offset, in part, by a decrease in third party referral fees. During fiscal 2020, retail fee income grew by 17.2% as compared to fiscal 2019 and constituted about 69.5% of overall fees.

DIVIDEND FROM SUBSIDIARIES

Dividend from subsidiaries increased by 18.1% from ₹ 10.78 billion in fiscal 2019 to ₹ 12.73 billion in fiscal 2020. The following table sets forth, for the periods indicated, the details of dividend received from subsidiaries:

₹ in billion

Name of the entity	Fiscal 2019	Fiscal 2020
ICICI Prudential Asset Management Company Limited	1.66	**3.76**
ICICI Securities Limited	1.94	**2.54**
ICICI Prudential Life Insurance Company Limited	3.72	**1.78**
ICICI Lombard General Insurance Company Limited	1.27	**1.78**
ICICI Bank Canada	1.37	**1.63**
ICICI Securities Primary Dealership Limited	0.36	**1.20**
ICICI Home Finance Company Limited	-	**0.04**
ICICI Venture Funds Management Company Limited	0.46	**0.00**
ICICI Prudential Trust	0.00	**0.00**
Total	**10.78**	**12.73**

1. 0.00 represents insignificant amount.
2. All amounts have been rounded off to the nearest ₹ 10.0 million.

In line with the Insurance Regulatory and Development Authority (IRDAI) guideline asking insurers to conserve capital, ICICI Lombard General Insurance Company Limited and ICICI Prudential Life Insurance Company Limited have not recommended any final dividend for fiscal 2020. As a result, dividend income from subsidiaries is expected to decrease in fiscal 2021.

Other income (including lease income)

Other income increased from ₹ 0.79 billion in fiscal 2019 to ₹ 1.72 billion in fiscal 2020.

OPERATING EXPENSES

The following table sets forth, for the periods indicated, the principal components of operating expenses.

₹ in billion, except percentages

Particulars	Fiscal 2019	Fiscal 2020	% change
Payments to and provisions for employees	₹ 68.08	**₹ 82.71**	21.5%
Depreciation on owned property (including non-banking assets)	7.77	**9.47**	21.9
Other administrative expenses	105.04	**123.97**	18.0
Total operating expense	**₹ 180.89**	**₹ 216.15**	**19.5%**

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

Operating expenses primarily include employee expenses, depreciation on assets and other administrative expenses. Operating expenses increased by 19.5% from ₹ 180.89 billion in fiscal 2019 to ₹ 216.15 billion in fiscal 2020.

MANAGEMENT'S DISCUSSION & ANALYSIS

Payments to and provisions for employees

Employee expenses increased by 21.5% from ₹ 68.08 billion in fiscal 2019 to ₹ 82.71 billion in fiscal 2020 primarily due to an increase in employee base, annual increments and promotions, provision for retirement benefit obligations due to a decrease in the discount rate linked to yield on government securities and an increase in dearness allowances. The average staff strength increased from 84,523 for fiscal 2019 to 97,682 for fiscal 2020 (number of employees at March 31, 2019: 86,763 and at March 31, 2020: 99,319), primarily in retail and rural business. The employee base includes sales executives, employees on fixed term contracts and interns.

Depreciation

Depreciation on owned property increased by 21.9% from ₹ 7.77 billion in fiscal 2019 to ₹ 9.47 billion in fiscal 2020 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 increased by 18.0% from ₹ 105.04 billion in fiscal 2019 to ₹ 123.97 billion in fiscal 2020. The increase in other administrative expenses was primarily due to an increase in retail business volumes.

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 ₹ 12.93 billion in fiscal 2020 as compared to ₹ 13.66 billion in fiscal 2019. Profit from treasury-related activities in fiscal 2020 was primarily due to realised gain on sale of government securities. Yields on the benchmark 10-year government securities eased by 121 basis points from 7.35% at end-March 2019 to 6.14% at end-March 2020. In fiscal 2019, the Bank made net gain of ₹ 11.10 billion on sale of equity shares of ICICI Prudential Life Insurance Company Limited.

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 2019	Fiscal 2020	% change
Provision for non-performing and other assets[1]	₹ 168.12	**₹ 88.15**	(47.6%)
Provision for investments (including credit substitutes) (net)	3.56	**13.11**	-
Provision for standard assets	2.55	**4.62**	81.0%
Covid-19 related provision	-	**27.25**	-
Others (other than Covid-19 related provision)	22.38	**7.40**	(66.9%)
Total provisions and contingencies (excluding provision for tax)	**₹ 196.61**	**₹ 140.53**	**(28.5%)**

1. *Includes restructuring related provision.*
2. *All amounts have been rounded off to the nearest ₹ 10.0 million.*

Provisions are made by the Bank on standard, sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and the unsecured portion of doubtful assets are provided for/written off as required by RBI guidelines. For loans and advances of overseas branches, provisions are made as per RBI regulations or host country regulations, whichever is higher. Provisions on retail non-performing loans are made at the borrower level in accordance with the retail assets provisioning policy of the Bank, subject to the minimum provisioning levels prescribed by RBI. The Bank holds specific provisions against non-performing loans and advances and against certain performing loans and advances in accordance with RBI directions, including provision on accounts directed by RBI to be referred to National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016 (IBC). The specific provisions on retail loans and advances held by the Bank are higher than the minimum regulatory requirement. In respect of non-retail loans reported as fraud to RBI and classified in doubtful category, the entire amount, without considering the value of security, 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

MANAGEMENT'S DISCUSSION & ANALYSIS

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. 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.

Provision on loans and advances restructured/ rescheduled is made in accordance with the applicable RBI guidelines on restructuring of loans and advances by banks. In addition to the specific provision on NPAs, the Bank maintains a general provision on standard loans and advances at rates prescribed by RBI. For standard loans and advances in overseas branches, the general provision is made at the higher of host country regulatory requirements and RBI requirements. The Bank also makes additional general provision on loans to specific borrowers in specific stressed sectors. The Bank makes floating provision as per a Board approved policy, which is in addition to the specific and general provisions made by the Bank. The floating provision can be utilised with the approval of the Board and RBI.

Provisions and contingencies (excluding provisions for tax) decreased from ₹ 196.61 billion in fiscal 2019 to ₹ 140.53 billion in fiscal 2020 primarily due to a decrease in provision on non-performing and other assets, offset, in part, by Covid-19 related provision and an increase in provision for investments.

Provision for non-performing and other assets decreased from ₹ 168.12 billion in fiscal 2019 to ₹ 88.15 billion in fiscal 2020. Provisions reduced in fiscal 2020 primarily due to lower ageing provisions on loans classified as NPAs in earlier years as compared to fiscal 2019. There was a substantial increase in the level of additions to non-performing loans, including slippages from restructured loans into non-performing status for the Bank since fiscal 2016. While, the additions to non-performing loans declined sharply in fiscal 2019, the provision remained elevated due to ageing provision on loans classified as NPA in earlier years. The provision coverage ratio (excluding cumulative technical/prudential write-offs) increased from 47.7% at March 31, 2018 to 70.6% at March 31, 2019. The provision coverage ratio was further increased to 75.7% at March 31, 2020.

Provision for investments increased from ₹ 3.56 billion in fiscal 2019 to ₹ 13.11 billion in fiscal 2020 primarily due to an increase in 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.

Provision for standard assets increased from ₹ 2.55 billion in fiscal 2019 to ₹ 4.62 billion (excluding Covid-19 related provision) in fiscal 2020 primarily due to additional general provision on stressed sectors and an increase in portfolio. The cumulative general provision (excluding Covid-19 related provision) held at March 31, 2020 was ₹ 33.75 billion (March 31, 2019: ₹ 28.74 billion).

RBI on March 27, 2020 issued a circular on 'Covid-19-Regulatory Package' with the intention to mitigate the burden of debt servicing brought about by disruptions on account of Covid-19 pandemic and to ensure the continuity of viable businesses. RBI permitted banks to grant a moratorium of three months on the payment of all instalments and/or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 (moratorium period), which was subsequently extended by another three months to August 31, 2020.

RBI on April 17, 2020 issued a circular on 'Covid-19 Regulatory Package – Asset Classification and Provisioning', wherein for all the accounts where moratorium is granted by banks and which were standard as on February 29, 2020, even if overdue, the moratorium period will be excluded from the number of days past-due/out of order for the purpose of asset classification under the extant RBI guidelines on Income Recognition and Asset Classification norms. Banks are required to make general provisions of not less than 10.0% of the total outstanding of such accounts, to be phased over two quarters starting from the quarter ended March 31, 2020. These provisions may be adjusted against the actual provisioning requirements for slippages from such accounts. The residual provisions at the end of the financial year ending March 31, 2021 can be written back or adjusted against the provisions required for all other accounts.

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At March 31, 2020, the aggregate outstanding of the borrowers to whom moratorium has been extended and which were overdue but standard at February 29, 2020 and continued to be overdue at March 31, 2020, amounted to ₹ 121.45 billion. Of these, borrowers with aggregate outstanding of ₹ 13.09 billion were extended asset classification benefit at March 31, 2020 under RBI's norms. At March 31, 2020, the Bank has made Covid-19 related provision of ₹ 27.25 billion. The provision made by the Bank is more than the requirement under RBI guidelines dated April 17, 2020.

Other provisions and contingencies (other than Covid-19 related provision) decreased from ₹ 22.38 billion in fiscal 2019 to ₹ 7.40 billion in fiscal 2020. Other provisions and contingencies in fiscal 2020 includes provision against non-banking assets acquired under debt asset swap transactions, offset, in part, by reclassification of provision on non-fund exposure on certain borrowers classified as non-performing. Other provisions and contingencies in fiscal 2019 primarily included provision on non-fund based facilities and non-banking assets.

TAX EXPENSE

The income tax expense increased from ₹ 4.14 billion in fiscal 2019 to ₹ 61.17 billion in fiscal 2020. The effective tax rate increased from 10.9% in fiscal 2019 to 43.5% in fiscal 2020.

During fiscal 2020, the Bank decided to exercise the option of lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from fiscal 2020. Accordingly, the Bank recognised the provision for income tax and re-measured the accumulated deferred tax asset at March 31, 2019 based on the rate prescribed under Section 115BAA. The resultant impact has been taken through the profit and loss account. The impact of this change on the tax expense for fiscal 2020, including both, the one-time additional charge due to re-measurement of accumulated deferred tax asset at March 31, 2019, and the tax expense at lower rate for fiscal 2020, was ₹ 13.91 billion.

The marginal tax rate, applicable to the Bank, will be about 24.5% in fiscal 2021.

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, 2019	At March 31, 2020	% change
Cash and bank balances	₹ 802.96	**₹ 1,191.56**	48.4%
Investments	2,077.33	**2,495.31**	20.1
- Government and other approved investments[1]	1,479.09	**1,883.20**	27.3
- Equity investment in subsidiaries	98.03	**98.03**	0.0
- Other investments	500.21	**514.08**	2.8
Advances	5,866.47	**6,452.90**	10.0
- Domestic	5,236.15	**5,913.23**	12.9
- Overseas branches	630.32	**539.67**	(14.4)
Fixed assets (including leased assets)	79.31	**84.10**	6.0
Other assets	818.52	**759.78**	(7.2)
- RIDF and other related deposits[2]	292.55	**287.57**	(1.7)
Total assets	**₹ 9,644.59**	**₹ 10,983.65**	**13.9%**

1. *Banks in India are required to maintain a specified percentage, currently 18.00% (at March 31, 2020), of their net demand and time liabilities by way of liquid assets like cash, gold or approved unencumbered securities.*
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 13.9% from ₹ 9,644.59 billion at March 31, 2019 to ₹ 10,983.65 billion at March 31, 2020, primarily due to a 10.0% increase in advances and a 20.1% increase in investments, offset, in part, by a 7.2% decrease in other assets.

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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 from ₹ 802.96 billion at March 31, 2019 to ₹ 1,191.56 billion at March 31, 2020 primarily due to an increase in lending with RBI under LAF, offset, in part, by a decrease in foreign currency call money lent. Lending with RBI under LAF increased from ₹ 86.00 billion at March 31, 2019 to ₹ 570.00 billion at March 31, 2020 primarily due to surplus liquidity. The liquidity maintained by the Bank has increased, particularly from March 2020 onwards, as the Bank focused on enhancing its liquidity buffer during this period. The liquid assets were higher due to higher deposit flows primarily on account of growth in the term deposit book.

Investments

Total investments increased by 20.1% from ₹ 2,077.33 billion at March 31, 2019 to ₹ 2,495.31 billion at March 31, 2020 primarily due to an increase in investments in government securities by ₹ 404.09 billion and commercial papers by ₹ 33.95 billion, offset, in part, by a decrease in investment in bonds and debentures by ₹ 22.48 billion.

At March 31, 2020, the Bank had an outstanding net investment of ₹ 20.65 billion in security receipts issued by asset reconstruction companies compared to ₹ 32.86 billion at March 31, 2019. During fiscal 2020, security receipts amounting to ₹ 11.62 billion were redeemed on account of recovery from a non-performing case.

Advances

Net advances increased by 10.0% from ₹ 5,866.47 billion at March 31, 2019 to ₹ 6,452.90 billion at March 31, 2020 primarily due to an increase in domestic advances. Domestic advances increased by 12.9% from ₹ 5,236.15 billion at March 31, 2019 to ₹ 5,913.23 billion at March 31, 2020. Net retail advances Increased by 15.6% from ₹ 3,528.33 billion at March 31, 2019 to ₹ 4,080.03 billion at March 31, 2020. Net advances of overseas branches decreased by 14.4% from ₹ 630.32 billion at March 31, 2019 to ₹ 539.67 billion at March 31, 2020.

Fixed and other assets

Fixed assets (net block) increased by 6.0% from ₹ 79.31 billion at March 31, 2019 to ₹ 84.10 billion at March 31, 2020. Other assets decreased by 7.2% from ₹ 818.52 billion at March 31, 2019 to ₹ 759.78 billion at March 31, 2020 primarily due to a decrease in trade receivables on account of pending settlement, deferred tax assets and non-banking asset acquisition against claims, offset, in part, by an increase in receivables on account of treasury transactions.

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, 2019	At March 31, 2020	% change
Equity share capital	₹ 12.94	**₹ 12.98**	0.3%
Reserves	1,070.74	**1,152.06**	7.6
Deposits	6,529.20	**7,709.69**	18.1
- Savings deposits	2,276.71	**2,455.91**	7.9
- Current deposits	962.69	**1,022.28**	6.2
- Term deposits	3,289.80	**4,231.51**	28.6
Borrowings (excluding subordinated debt)	1,382.85	**1,410.79**	2.0
- Domestic	635.07	**811.26**	27.7
- Overseas branches	747.78	**599.53**	(19.8)
Subordinated debt (included in Tier-1 and Tier-2 capital)	270.35	**218.17**	(19.3)
- Domestic	270.35	**218.17**	(19.3)
Other liabilities	378.51	**479.95**	26.8
Total liabilities	**₹ 9,644.59**	**₹ 10,983.65**	**13.9%**

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

Total liabilities (including capital and reserves) increased by 13.9% from ₹ 9,644.59 billion at March 31, 2019 to ₹ 10,983.65 billion at March 31, 2020 primarily due to a 18.1% increase in deposits.

MANAGEMENT'S DISCUSSION & ANALYSIS

Deposits

Deposits increased by 18.1% from ₹ 6,529.20 billion at March 31, 2019 to ₹ 7,709.69 billion at March 31, 2020.

Term deposits increased by 28.6% from ₹ 3,289.80 billion at March 31, 2019 to ₹ 4,231.51 billion at March 31, 2020. Savings account deposits increased by 7.9% from ₹ 2,276.71 billion at March 31, 2019 to ₹ 2,455.91 billion at March 31, 2020 and current account deposits increased by 6.2% from ₹ 962.69 billion at March 31, 2019 to ₹ 1,022.28 billion at March 31, 2020. The current and savings account (CASA) deposits increased by 7.4% from ₹ 3,239.40 billion at March 31, 2019 to ₹ 3,478.19 billion at March 31, 2020. The CASA ratio was 45.1% at March 31, 2020 compared to 49.6% at March 31, 2019.

Deposits of overseas branches increased by 33.3% from ₹ 54.21 billion at March 31, 2019 to ₹ 72.27 billion at March 31, 2020.

Total deposits at March 31, 2020 formed 82.6% of the funding (i.e., deposits and borrowings) compared to 79.8% at March 31, 2019.

The average CASA deposits as a proportion to total deposits were 42.7% in fiscal 2020 as compared to 45.9% in fiscal 2019. Average CASA deposits were 34.5% of the funding (i.e., deposits and borrowings) for fiscal 2020 as compared to 35.1% for fiscal 2019.

Borrowings

Borrowings decreased by 1.5% from ₹ 1,653.20 billion at March 31, 2019 to ₹ 1,628.97 billion at March 31, 2020 primarily due to a decrease in foreign currency call money borrowings and foreign currency bond borrowings, offset, in part, by an increase in repo borrowings, borrowings with RBI under liquidity adjustment facility and refinance borrowings. Net borrowings of overseas branches decreased from ₹ 747.78 billion at March 31, 2019 to ₹ 599.53 billion at March 31, 2020.

Other liabilities

Other liabilities increased by 26.8% from ₹ 378.51 billion at March 31, 2019 to ₹ 479.95 billion at March 31, 2020 primarily due to an increase in payables on account of foreign exchange and derivative transactions, security deposits, offset, in part, by a decrease in bills payable.

Equity share capital and reserves

Equity share capital and reserves increased from ₹ 1,083.68 billion at March 31, 2019 to ₹ 1,165.04 billion at March 31, 2020 due to accretion to reserves from profits for the year.

OFF BALANCE SHEET ITEMS, COMMITMENTS AND CONTINGENCIES

The following table sets forth, for the periods indicated, the principal components of contingent liabilities.

₹ in billion

Particulars	At March 31, 2019	At March 31, 2020
Claims against the Bank, not acknowledged as debts	₹ 55.01	**₹ 63.24**
Liability for partly paid investments	0.01	**0.01**
Notional principal amount of outstanding forward exchange contracts	4,701.00	**7,441.46**
Guarantees given on behalf of constituents	1,066.66	**1,088.13**
Acceptances, endorsements and other obligations	433.79	**347.12**
Notional principal amount of currency swaps	423.34	**509.59**
Notional principal amount of interest rate swaps and currency options and interest rate futures	12,441.82	**15,698.50**
Other items for which the Bank is contingently liable	98.75	**90.20**
Total	**₹ 19,220.38**	**₹ 25,238.25**

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

The Bank enters into foreign exchange contracts in its normal course of 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.

MANAGEMENT'S DISCUSSION & ANALYSIS

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 ₹ 12,441.82 billion at March 31, 2019 to ₹ 15,698.50 billion at March 31, 2020 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. The notional principal amount of outstanding forward exchange contracts increased from ₹ 4,701.00 billion at March 31, 2019 to ₹ 7,441.46 billion at March 31, 2020 primarily due to increase in trading and market making activities in forwards to facilitate client flow and capture opportunities in the forward market.

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.

As a part of project financing and commercial banking activities, 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 ₹ 163.75 billion at March 31, 2020 as compared to ₹ 129.53 billion at March 31, 2019. Other property or security may also be available to the Bank to cover potential losses under guarantees.

Guarantees given on behalf of constituents increased by 2.0% from ₹ 1,066.66 billion at March 31, 2019 to ₹ 1,088.13 billion at March 31, 2020. Acceptances, endorsements and other obligations decreased by 20.0% from ₹ 433.79 billion at March 31, 2019 to ₹ 347.12 billion at March 31, 2020

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 ₹ 7.57 billion at March 31, 2020 compared to ₹ 6.73 billion at March 31, 2019.

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, which are being 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 extended the transition period for implementing the last tranche of 0.625% under CCB by one year i.e from March 31, 2019 to March 31, 2020. On March 27, 2020, RBI further extended the transition period for implementing the last tranche of 0.625% under capital conservation buffer (CCB) by six months i.e. from March 31, 2020 to September 30, 2020.

At March 31, 2020, 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 the capital adequacy ratios computed in accordance with Basel III guidelines of RBI at March 31, 2019 and March 31, 2020.

₹ in billion, except percentages

Basel III	At March 31, 2019	At March 31, 2020
CET1 capital	936.89	**1,016.65**
Tier-1 capital	1,037.16	**1,117.85**
Tier-2 capital	123.74	**106.00**
Total capital	**1,160.90**	**1,223.85**
Credit Risk - Risk Weighted Assets (RWA)	5,741.03	**6,299.20**
On balance sheet	4,888.69	**5,380.55**
Off balance sheet	852.34	**918.65**
Market Risk - RWA	488.38	**593.66**
Operational Risk - RWA	644.34	**702.04**
Total RWA	**6,873.75**	**7,594.90**
Total capital adequacy ratio	**16.89%**	**16.11%**
CET1 capital adequacy ratio	13.63%	**13.39%**
Tier-1 capital adequacy ratio	15.09%	**14.72%**
Tier-2 capital adequacy ratio	1.80%	**1.39%**

1. Including retained earnings for fiscal 2020 and post proposed mandatory appropriations.
2. All amounts have been rounded off to the nearest ₹ 10.0 million.

At March 31, 2020, the Bank's Tier-1 capital adequacy ratio was 14.72% as against the requirement of 9.08% and total capital adequacy ratio was 16.11% as against the requirement of 11.08%.

Movement in the capital funds and risk weighted assets from March 31, 2019 to March 31, 2020 as per Basel III norms

Capital funds (net of deductions) increased by ₹ 62.95 billion from ₹ 1,160.90 billion at March 31, 2019 to ₹ 1,223.85 billion at March 31, 2020 primarily due inclusion of retained earnings, issuance of Tier-2 capital instruments of ₹ 9.45 billion and increase in general provisions, offset, in part, by redemption of Tier-2 capital instruments. The mandatory appropriation towards Investment Fluctuation Reserve of ₹ 6.69 billion has been considered under Tier-2 capital.

Credit risk RWA increased by ₹ 558.17 billion from ₹ 5,741.03 billion at March 31, 2019 to ₹ 6,299.20 billion at March 31, 2020 primarily due to an increase of ₹ 491.86 billion in RWA for on-balance sheet assets and an increase of ₹ 66.31 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 increased primarily due to an increase in RWA on derivatives.

Market risk RWA increased by ₹ 105.28 billion from ₹ 488.38 billion at March 31, 2019 to ₹ 593.66 billion at March 31, 2020 primarily due to investment in equity shares of Yes Bank Ltd under the scheme of reconstruction and increase in fixed income book.

Operational risk RWA increased by ₹ 57.70 billion from ₹ 644.34 billion at March 31, 2019 to ₹ 702.04 billion at March 31, 2020. 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.

RWA as a percentage of average assets was 69.1% at March 31, 2020 (at March 31, 2019: 80.3%).

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

MANAGEMENT'S DISCUSSION & ANALYSIS

capital adequacy assessment process encompasses capital planning for a four-year time horizon, identification and measurement 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 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, 2019		March 31, 2020	
	Total exposure	% of total exposure	Total exposure	% of total exposure
Retail finance[1,2]	₹ 4,176.82	37.3%	**₹ 5,038.82**	**40.5%**
Services – finance	815.51	7.3	**1,042.33**	**8.4**
Bank	883.71	7.9	**792.11**	**6.4**
Electronics and engineering	736.63	6.6	**740.57**	**6.0**
Crude petroleum/refining and petrochemicals	638.66	5.7	**732.51**	**5.9**
Road, ports, telecom, urban development and other infrastructure	517.73	4.6	**529.31**	**4.3**
Wholesale/retail trade	343.77	3.1	**412.62**	**3.3**
Power	373.91	3.3	**380.28**	**3.1**
Services – non-finance	341.93	3.1	**340.15**	**2.7**
Construction	325.14	2.9	**312.64**	**2.5**
Iron and steel (including iron and steel products)	255.86	2.3	**218.71**	**1.8**

MANAGEMENT'S DISCUSSION & ANALYSIS

₹ in billion, except percentages

Industry	March 31, 2019		March 31, 2020	
	Total exposure	% of total exposure	Total exposure	% of total exposure
Mutual Funds	195.78	1.7	**199.84**	**1.6**
Chemical and Fertilisers	161.59	1.4	**168.90**	**1.4**
Metal and metal products (excluding iron and steel)	143.15	1.3	**150.36**	**1.2**
Automobiles	138.60	1.2	**143.60**	**1.2**
Mining	125.50	1.1	**77.40**	**0.6**
Cement	66.30	0.6	**66.81**	**0.5**
Other industries[3]	966.02	8.6	**1,099.49**	**8.6**
Total	**₹ 11,206.61**	**100.0%**	**₹ 12,446.45**	**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. *Includes loans against FCNR deposits of ₹ 36.23 billion at March 31, 2020 (March 31, 2019: ₹ 64.48 billion).*
3. *Other industries primarily include developer financing portfolio, gems and jewellery, textile, shipping, manufacturing products (excluding iron and steel and metal and metal products), drugs and pharmaceuticals, Asset Reconstruction Company, Venture capital Funds and FMCG.*
4. *All amounts have been rounded off to the nearest ₹ 10.0 million.*

The exposure to top 20 non-bank borrowers as a percentage of total exposure increased from 10.8% at March 31, 2019 to 11.0% at March 31, 2020. The exposure to top 10 borrower groups decreased from 13.6% at March 31, 2019 to 12.1% at March 31, 2020.

The following table sets forth, at the dates indicated, the composition of the Bank's outstanding net advances:

₹ in billion

Particulars	At March 31, 2019	At March 31, 2020
Advances	5,866.47	**6,452.90**
- Domestic book	5,236.14	**5,913.23**
- Retail	3,528.31	**4,080.03**
- SME	179.17	**228.51**
- Corporate	1,528.66	**1,604.70**
- Overseas book	630.32	**539.67**

The Bank's capital allocation framework is focused on higher growth in retail and rural lending and selective lending to corporate sector with focus on an increase in lending to higher rated corporates. Given the focus on the above priorities, gross retail finance advances (including loans against FCNR deposits) increased by 15.0% in fiscal 2020 compared to an increase of 9.3% in total gross advances. As a result, the share of gross retail finance advances increased from 58.5% of gross advances at March 31, 2019 to 61.5% of gross advances at March 31, 2020.

Since March 2016, the overseas branches loan portfolio has reduced by about 50% in absolute US dollar terms and its share in the total loan portfolio has decreased from its peak of 24.0% in fiscal 2015 to 8.4% at March 31, 2020.

The international loan portfolio was 8.4% of the overall loan book at March 31, 2020. Excluding exposures to banks and retail lending against deposits, the corporate fund and non-fund outstanding at March 31, 2020, net of cash/bank/insurance backed lending, was USD 7.48 billion. Out of USD 7.48 billion, 63% of the outstanding was to Indian corporates and their subsidiaries and joint ventures and 16% 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 7.48 billion, about 7.0% of the outstanding was to companies owned by NRIs/ PIOs and 14% of the outstanding was to other non-India companies which is about 1.0% of the total portfolio of the Bank. The Bank is planning significant reduction in this portfolio.

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, 2019		March 31, 2020	
	Total retail advances	% of total retail advances	Total retail advances	% of total retail advances
Home loans	₹ 1,784.11	49.3%	**₹ 2,011.34**	**48.3%**
Rural loans	511.19	14.1	**582.84**	**14.0**
Personal loans	314.63	8.7	**458.53**	**11.0**
Automobile loans	318.80	8.8	**326.25**	**7.8**
Business banking[1]	236.62	6.5	**301.83**	**7.3**
Commercial business	227.20	6.3	**252.01**	**6.1**
Credit cards	126.90	3.5	**163.42**	**3.9**
Others[2,3]	99.91	2.8	**65.95**	**1.6**
Total retail finance portfolio[3]	**₹ 3,619.36**	**100.0%**	**₹ 4,162.17**	**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 ₹ 36.23 billion at March 31, 2020 (March 31, 2019: ₹ 64.48 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]	At March 31, 2019	At March 31, 2020
AA- and above	45.1%	**44.4%**
A+, A, A-	22.0	**25.8**
A- and above	**67.1**	**70.2**
BBB+,BBB, BBB-	28.2	**26.6**
BB and below[3]	4.5	**2.9**
Unrated	0.2	**0.3**
Total	**100.0%**	**100.0%**
Total net advances	**5,866.47**	**6,452.90**

1. *Based on internal ratings.*
2. *For retail loans, ratings have been undertaken at the product level.*
3. *Includes net non-performing loans.*

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.

MANAGEMENT'S DISCUSSION & ANALYSIS

As prescribed by RBI's Master Direction on 'Priority Sector Lending - Targets and Classification' dated July 7, 2016, the priority sectors include categories such as agriculture, micro, small and medium enterprises, education, housing, social infrastructure, renewable energy and export credit. 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 were introduced 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 12.11% of ANBC for this purpose for fiscal 2020. 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 from time to time. 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, 2020, the Bank's total investment in such funds was ₹ 287.57 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 2020 was ₹ 2,153.37 billion (fiscal 2019: ₹ 1,891.65 billion) constituting 40.3% (fiscal 2019: 41.5%) of ANBC, against the requirement of 40.0% of ANBC. The average lending to the agriculture sector was ₹ 834.63 billion (fiscal 2019: ₹ 749.77 billion) constituting 15.6% (fiscal 2019: 16.5%) of ANBC against the requirement of 18.0% of ANBC. The average advances to weaker sections were ₹ 443.88 billion (fiscal 2019: ₹ 403.47 billion) constituting 8.3% (fiscal 2019: 8.9%) of ANBC against the requirement of 10.0% of ANBC. Average lending to small and marginal farmers was ₹ 321.50 billion (fiscal 2019: ₹ 307.73 billion) constituting 6.0% (fiscal 2019: 6.8%) of ANBC against the requirement of 8.0% of ANBC. The average lending to micro enterprises was ₹ 408.72 billion (fiscal 2019: ₹ 360.10 billion) constituting 7.7% (fiscal 2019: 7.9%) of ANBC against the requirement of 7.5% of ANBC. The average lending to non-corporate farmers was ₹ 531.01 billion (fiscal 2019: ₹ 496.10 billion) constituting 9.9% (fiscal 2019: 10.9%) of ANBC against the requirement of 12.11% of ANBC (11.99% for fiscal 2019). The above includes the impact of PSLCs purchased/sold by the Bank.

CLASSIFICATION OF LOANS

The Bank classifies its assets as performing and non-performing in accordance with RBI guidelines. Under 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. 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 the Bank within stipulated timelines and certain other non-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 RBI guidelines, the amount outstanding in the host country is classified as non-performing.

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.

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.

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RBI also has separate guidelines for restructured loans. Upto March 31, 2015, a fully secured standard asset could be restructured by re-scheduling of principal repayments and/or the interest element, but had to be separately disclosed as a restructured asset. The diminution in the fair value of the restructured loan, if any, measured in present value terms, was either written off or a provision was made to the extent of the diminution involved. Similar guidelines applied for restructuring of sub-standard 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.

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, 2019**	**At March 31, 2020**
Non-performing assets		
Sub-standard assets	₹ 52.98	**₹ 64.09**
Doubtful assets	385.24	**307.24**
Loss assets	24.70	**42.76**
Total non-performing assets[1]	**₹ 462.92**	**₹ 414.09**

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 assets2**
March 31, 2017	₹ 425.52	₹ 254.51	₹ 5,209.52	4.89%
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%**

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.

The following table sets forth, at March 31, 2019 and March 31, 2020, the composition of gross non-performing assets (net of write-offs) by industry sector.

₹ in billion, except percentages

Particulars	**March 31, 2019**		**March 31, 2020**	
	Amount	**%**	**Amount**	**%**
Retail finance[1]	₹ 60.22	13.0%	**₹ 83.32**	**20.1%**
Construction	52.77	11.4	**54.33**	**13.1**
Power	72.98	15.8	**51.98**	**12.6**
Road, ports, telecom, urban development and other infrastructure	28.35	6.1	**33.05**	**8.0**
Crude petroleum/refining and petrochemicals	18.90	4.1	**28.37**	**6.9**
Services – non-finance	29.74	6.4	**26.13**	**6.3**
Electronics and engineering	16.90	3.6	**19.64**	**4.7**

MANAGEMENT'S DISCUSSION & ANALYSIS

₹ in billion, except percentages

Particulars	March 31, 2019		March 31, 2020	
	Amount	%	Amount	%
Wholesale/retail trade	9.38	2.0	**17.44**	**4.2**
Mining	64.08	13.8	**16.08**	**3.9**
Iron/steel and products	41.54	9.0	**14.24**	**3.4**
Food and beverages	15.97	3.4	**12.54**	**3.0**
Services – finance	3.33	0.7	**9.67**	**2.3**
Shipping	10.64	2.3	**8.77**	**2.1**
Manufacturing products (excluding metal)	5.77	1.2	**6.22**	**1.5**
Metal & products (excluding iron & steel)	0.10	-	**0.19**	**-**
Other industries[2]	32.25	7.2	**32.12**	**7.9**
Total	**₹ 462.92**	**100.0%**	**₹ 414.09**	**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.*

The operating environment for Indian banks was challenging for the past few years particularly due to the stress in the Indian corporate sector. The Indian corporate sector experienced a prolonged period of muted growth in sales and profits. Several challenges impacted the sector including an elongation of working capital cycles and a high level of receivables, including from the government, significant challenges in project completion and cash flow generation due to policy changes, delays in approvals like clearances on environment and land, judicial decisions like the deallocation of coal mines, significant decline in global commodity prices in fiscal 2015 and fiscal 2016 and adjustments to structural reforms such as demonetisation and Goods & Services Tax. These challenges resulted in lower than projected cash flows and the progress in reducing leverage in the corporate sector remained slow. As a result, there was a substantial increase in the level of additions to non-performing loans, including slippages from restructured loans, into non-performing status for the banking sector and the Bank from fiscal 2016. The revised framework for resolution of stressed assets, released by RBI in February 2018, further accelerated the recognition of stressed accounts as non-performing in fiscal 2018. Subsequently, the additions to non-performing loans in the banking system declined sharply in fiscal 2019 and fiscal 2020. A few large accounts referred under the Insolvency and Bankruptcy Code were also resolved. However, challenges emerged in some sectors and specific corporates/promoter groups during fiscal 2019 and fiscal 2020. The non-banking financial companies (NBFCs) and housing finance companies faced significant pressures from mid-2018 following the default by a large NBFC, which led to subdued growth and moderation in available market funding. Several measures were announced by the government and the RBI to enhance availability of funds to the sector in terms of additional liquidity support and partial credit enhancement. However, a large housing finance company defaulted on its repayments during fiscal 2020. Other sectors where challenges emerged during fiscal 2020 due to uncertainties and weak operating environment were telecom and real estate developers.

The gross additions to NPAs were ₹ 335.44 billion in fiscal 2017 and ₹ 287.30 billion in fiscal 2018 and declined sharply to ₹ 110.39 billion in fiscal 2019 and ₹ 142.95 billion in fiscal 2020. In fiscal 2020, the Bank recovered/upgraded non-performing assets amounting to ₹ 76.73 billion, wrote-off non-performing assets amounting to ₹ 113.00 billion and sold non-performing assets amounting to ₹ 2.05 billion. As a result, gross NPAs (net of write-offs) of the Bank decreased from ₹ 462.92 billion at March 31, 2019 to ₹ 414.09 billion at March 31, 2020.

Net NPAs decreased from ₹ 135.77 billion at March 31, 2019 to ₹ 101.14 billion at March 31, 2020. The ratio of net NPAs to net customer assets decreased from 2.06% at March 31, 2019 to 1.41% at March 31, 2020.

At March 31, 2020, gross non-performing loans in the retail portfolio were 2.02% of gross retail loans compared to 1.69% at March 31, 2019 and net non-performing loans in the retail portfolio were 0.90% of net retail loans compared to 0.72% at March 31, 2019.

The provision coverage ratio at March 31, 2020 including cumulative technical/prudential write-offs was 86.8%

MANAGEMENT'S DISCUSSION & ANALYSIS

(March 31, 2019: 80.7%). Excluding cumulative technical/prudential write-offs, the provision coverage ratio was 75.7% (March 31, 2019: 70.6%).

The total non-fund based outstanding to borrowers classified as non-performing was ₹ 50.63 billion at March 31, 2020 (March 31, 2019: ₹ 42.20 billion). The Bank held a provision of ₹ 11.82 billion at March 31, 2020 (March 31, 2019: ₹ 15.91 billion) against these non-fund based outstanding.

The gross outstanding loans to borrowers whose facilities have been restructured decreased from ₹ 3.49 billion at March 31, 2019 to ₹ 3.09 billion at March 31, 2020. The net outstanding loans to borrowers whose facilities have been restructured decreased from ₹ 3.21 billion at March 31, 2019 to ₹ 2.86 billion at March 31, 2020. The aggregate non-fund based outstanding to borrowers whose loans were restructured was ₹ 0.80 billion at March 31, 2020 (March 31, 2019: ₹ 2.15 billion).

At March 31, 2020 the Bank had performing loans of ₹ 1.98 billion where S4A had been implemented and performing loans of ₹ 12.97 billion where 5/25 scheme had been implemented. The aggregate non-fund based outstanding to these borrowers (where S4A had been implemented) was ₹ 2.25 billion.

In addition to the above, at March 31, 2020, the outstanding loans and non-fund facilities to borrowers in the corporate and small and medium enterprises portfolio rated BB and below were ₹ 166.68 billion which included ₹ 50.63 billion of non-fund outstanding to borrowers classified as NPA.

The Bank, in its previous 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, is continuing to investigate all of the allegations made in the complaint. The Bank has an established process whereby all whistleblower complaints and matters escalated to senior management are investigated for appropriate action, including an assessment of the impact on financial statements, if any.

In addition, as a large and internationally active bank, with operations and listing of its equity and debt instruments in multiple jurisdictions, the Bank is regularly engaged with regulators, including the United States Securities and Exchange Commission ('SEC'), on a range of matters, including regarding the March 2018 complaint. Even before this complaint, the Bank has been responding to requests for information from the SEC investigatory staff regarding an enquiry relating to the timing and amount of the Bank's loan impairment provisions taken under U.S. GAAP. The Bank evaluates loans for impairment under U.S. GAAP for the purpose of preparing the annual footnote reconciling the Bank's Indian GAAP financial statements to U.S. GAAP. The Bank has voluntarily complied with all requests of the SEC investigatory staff for information and continues to cooperate with the SEC on the matter.

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 2020, 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.

MANAGEMENT'S DISCUSSION & ANALYSIS

Retail banking segment

The profit before tax of the segment increased by 9.4% from ₹ 82.23 billion in fiscal 2019 to ₹ 89.93 billion in fiscal 2020 primarily due to an increase in net interest income and non-interest income, offset, in part, by an increase in non-interest expenses and provisions.

Net interest income increased by 22.5% from ₹ 158.28 billion in fiscal 2019 to ₹ 193.90 billion in fiscal 2020 primarily due to growth in average loan portfolio, an increase in yield on advances and an increase in average deposits.

Non-interest income increased by 17.8% from ₹ 76.15 billion in fiscal 2019 to ₹ 89.70 billion in fiscal 2020 primarily due to an increase in fee income from credit card portfolio, transaction banking fees and lending linked fees, offset, in part, by a decrease in income from third party products distribution.

Non-interest expenses increased by 17.9% from ₹ 141.16 billion in fiscal 2019 to ₹ 166.47 billion in fiscal 2020 primarily due to an increase in employee cost and other administrative expenses reflecting an increase in business volume.

The provisions (net of write-back) increased from ₹ 11.04 billion in fiscal 2019 to ₹ 27.20 billion in fiscal 2020 primarily due to Covid-19 related general provision on standard assets as per RBI guidelines, provision on farmer finance, an increase in portfolio and change in product mix.

Wholesale banking segment

Wholesale banking segment made a profit (before tax) of ₹ 9.27 billion in fiscal 2020 as compared to a loss (before tax) of ₹ 102.42 billion in fiscal 2019 primarily due to a decrease in provisions and an increase in net interest income.

Net interest income increased by 34.7% from ₹ 73.36 billion in fiscal 2019 to ₹ 98.83 billion in fiscal 2020 primarily due to an increase in yield on advances, an increase in loan portfolio and an increase in average deposits.

Non-interest income increased by 9.0% from ₹ 40.38 billion in fiscal 2019 to ₹ 44.00 billion in fiscal 2020.

Provisions decreased from ₹ 181.52 billion in fiscal 2019 to ₹ 93.95 billion in fiscal 2020 primarily due to lower ageing provision on loans classified as NPAs in earlier years.

Treasury segment

The profit before tax of the segment decreased by 2.1% from ₹ 51.65 billion in fiscal 2019 to ₹ 50.55 billion in fiscal 2020.

Non-interest income increased from ₹ 27.71 billion in fiscal 2019 to ₹ 30.05 billion in fiscal 2020. In fiscal 2020, non-interest income primarily included realised gain on sale of government securities. Non-interest income of fiscal 2019 included a gain on sale of equity shares of ICICI Prudential Life Insurance Company Limited of ₹ 11.10 billion.

Non-interest expenses increased from ₹ 4.34 billion in fiscal 2019 to ₹ 8.95 billion in fiscal 2020 primarily due to an increase in cost towards purchase of priority sector lending certificates.

Provisions increased from ₹ 3.71 billion in fiscal 2019 to ₹ 4.48 billion in fiscal 2020.

Other banking segment

Profit before tax of other banking segment decreased from ₹ 6.31 billion in fiscal 2019 to ₹ 5.83 billion in fiscal 2020 primarily due to decrease in net interest income and an increase in operating expenditure, offset, in part, by a decrease in provision.

Unallocated expenses in fiscal 2020 include Covid-19 related provision made in excess of the provision requirement as per RBI guidelines in fiscal 2020.

CONSOLIDATED FINANCIALS AS PER INDIAN GAAP

The consolidated profit after tax increased from ₹ 42.54 billion in fiscal 2019 to ₹ 95.66 billion in fiscal 2020 primarily due to an increase in the profit of ICICI Bank, ICICI Prudential Asset Management Company, ICICI Bank UK, ICICI Securities Primary Dealership, offset, in part, by a decrease in profit of ICICI Prudential Life Insurance Company and loss in ICICI Home Finance Company.

The consolidated assets of the Bank and its subsidiaries and other consolidating entities increased from ₹ 12,387.94 billion at March 31, 2019 to ₹ 13,772.92 billion at March 31, 2020. Consolidated advances increased from ₹ 6,469.62 billion at March 31, 2019 to ₹ 7,062.46 billion at March 31, 2020.

At March 31, 2020, the consolidated Tier-1 capital adequacy ratio was 14.41% as against the minimum requirement of 9.075% and total consolidated capital adequacy ratio was 15.81% as against the minimum requirement of 11.075%.

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED (ICICI LIFE)

The Annualised Premium Equivalent (APE) was ₹ 73.81 billion for fiscal 2020 as compared to ₹ 77.99 billion for fiscal 2019. The Value of New Business (VNB) margin

MANAGEMENT'S DISCUSSION & ANALYSIS

was 21.7% for fiscal 2020 compared to 17.0% for fiscal 2019. The company's VNB increased from ₹ 13.28 billion for fiscal 2019 to ₹ 16.05 billion for fiscal 2020. ICICI Life's total premium grew by 8.1% from ₹ 309.30 billion in fiscal 2019 to ₹ 334.31 billion in fiscal 2020. Annualised Premium Equivalent (APE) from the protection business increased by 54.6% from ₹ 7.22 billion in fiscal 2019 to ₹ 11.16 billion in fiscal 2020 and it accounts for 15.12% of overall APE for fiscal 2020. In fiscal 2020, the protection business contributed over 25.2% of new business premium received. The post-dividend Embedded Value grew by 6.5% from ₹ 216.23 billion at March 31, 2019 to ₹ 230.30 billion at March 31, 2020. The total assets under management of ICICI Life stood at ₹ 1,529.68 billion at March 31, 2020.

Net premium earned increased from ₹ 305.79 billion in fiscal 2019 to ₹ 328.79 billion in fiscal 2020. The profit after tax decreased from ₹ 11.41 billion in fiscal 2019 to ₹ 10.69 billion in fiscal 2020 primarily due to growth in the protection and annuity businesses, though these business are value accretive from the perspective of value of new business (VNB).

ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED (ICICI GENERAL)

ICICI General is among the large private sector general insurance companies in India. ICICI General's overall market share was 7.0% (excluding crop insurance market share was 8.5%) during fiscal 2020 on the basis of gross direct premium according to the General Insurance Council of India. The Gross Domestic Premium Income of ICICI General decreased by 8.1% year-on-year to ₹ 133.13 billion in fiscal 2020. The company's combined ratio was 100.4% in fiscal 2020 as compared to 98.5% in fiscal 2019. The return on equity was 20.8% in fiscal 2020 as compared to 21.3% in fiscal 2019. The solvency ratio at March 31, 2020 was 217.0% against the minimum regulatory requirement of 150.0%.

Net earned premium increased from ₹ 83.75 billion in fiscal 2019 to ₹ 94.03 billion in fiscal 2020 primarily due to an increase in motor, fire and health insurance business. The profit after tax increased from ₹ 10.49 billion in fiscal 2019 to ₹ 11.94 billion in fiscal 2020 primarily due to an increase in net earned premium and investment income, offset, in part, by an increase in claims incurred and operating expenses. Profit after tax in fiscal 2020 includes the impact of income tax benefit due to change in tax rate.

ICICI PRUDENTIAL ASSET MANAGEMENT COMPANY LIMITED (ICICI PRUDENTIAL AMC)

ICICI Prudential AMC is India's leading asset manager with average quarterly assets under management (AUM) of ₹ 3,507.43 billion at March 31, 2020. The company's overall market share in the domestic mutual fund business was 12.98% on a quarterly average basis. At March 31, 2020, the quarterly average equity mutual fund AUM (excluding exchange traded funds) managed by the company was ₹ 1,378.91 billion with a market share of 13.36%.

As per Indian GAAP, the profit after tax of ICICI Prudential AMC increased from ₹ 6.87 billion in fiscal 2019 to ₹ 10.49 billion in fiscal 2020 primarily due to a decrease in fund related expenses and other expenses. Profit after tax in fiscal 2020 includes the impact of income tax benefit due to change in tax rate.

ICICI SECURITIES LIMITED (ICICI SECURITIES)

ICICI Securities is a leading retail broking firm. The company has a leadership position in the equity brokerage space with over 4.8 million operational accounts and 7.9% market share in fiscal 2020. Its customers have access to high quality research and advisory services, backed by a robust technology platform to meet their financial goals. In the distribution business, ICICI Securities is the second largest non-bank mutual fund distributor with average assets under management of over ₹ 361.57 billion. The company also sells other financial products like National Pension Scheme, life, health and general insurance, sovereign gold bonds and corporate fixed deposits through a network of close to 172 branches in more than 70 cities and a network of sub-brokers and ICICI Bank branches.

As per Indian GAAP, the consolidated profit after tax of ICICI Securities Limited and its subsidiaries increased from ₹ 4.95 billion in fiscal 2019 to ₹ 5.53 billion in fiscal 2020 primarily due to an increase in net interest income and a decrease in staff cost and other administrative expenses, offset, in part, by a decrease in other income. Profit after tax in fiscal 2020 includes the impact of income tax benefit due to change in tax rate.

ICICI SECURITIES PRIMARY DEALERSHIP LIMITED (I-SEC PD)

I-Sec PD maintained its leading position in auction bidding and underwriting as well as in secondary market trading activity in fiscal 2020. In private placement of debt issuances, the Company significantly improved its

MANAGEMENT'S DISCUSSION & ANALYSIS

position in the PRIME League Tables from fifth in fiscal 2019 to second in fiscal 2020.

As per Indian GAAP, the profit after tax of I-Sec PD increased from ₹ 0.61 billion in fiscal 2019 to ₹ 2.26 billion in fiscal 2020 primarily due to an increase in net interest income and other income. Trading gains increased primarily due to favorable market movements. During fiscal 2020, yield on 10-year government securities decreased by 121 basis points as compared to an increase of 9 basis points in fiscal 2019. Profit after tax in fiscal 2020 includes the impact of income tax benefit due to change in tax rate.

ICICI HOME FINANCE COMPANY LIMITED (ICICI HFC)

ICICI HFC is primarily engaged in providing retail mortgage loans to individuals. It also provides property search services to its individual and corporate customers. The Company is registered as a housing finance Company with National Housing Bank (NHB). During fiscal 2020, the company diversified its liability portfolio by augmenting resources through market linked debentures and assignment transactions. The fixed deposit portfolio of the Company was ₹ 25.24 billion and the loan portfolio of the Company was ₹ 164.35 billion at March 31, 2020.

As per Indian GAAP, the profit/(loss) after tax of ICICI HFC decreased from a profit of ₹ 0.28 billion in fiscal 2019 to a loss of ₹ 1.17 billion in fiscal 2020 primarily due to higher provisioning on non-performing assets and higher operating expenses in fiscal 2020 as compared to fiscal 2019. Net NPAs decreased from ₹ 2.71 billion at March 31, 2019 to ₹ 2.33 billion at March 31, 2020. Net NPA ratio decreased from 2.07% at March 31, 2019 to 1.69% at March 31, 2020.

ICICI VENTURE FUNDS MANAGEMENT COMPANY LIMITED (ICICI VENTURE)

In fiscal 2020, ICICI Venture concluded a total of nine investments, including follow-on investments in existing portfolio companies, across all the verticals and funds, involving an aggregate capital outlay, excluding debt financing if any, of about USD 290 million. In the same period, across various verticals and funds, ICICI Venture concluded five exit transactions (including full exits and partial exits) and liquidity events in seven cases involving aggregate realisations of about USD 90 million.

The profit after tax of ICICI Venture Fund Management Company Limited decreased from ₹ 0.70 billion in fiscal 2019 to ₹ 0.13 billion in fiscal 2020 primarily due to a decrease in fee income and other income, offset, in part, a decrease in staff cost and other expenses.

ICICI BANK CANADA

The profit after tax of ICICI Bank Canada decreased from CAD 52.4 million (₹ 2.79 billion) in fiscal 2019 to CAD 40.6 million (₹ 2.17 billion) in fiscal 2020 primarily due an increase in Expected Credit Loss (ECL) provisioning due to the impact of Covid-19 on the current macro-economic environment, offset, in part, by an increase in net interest income, fee income and treasury income. ICICI Bank Canada's return on average net worth was 7.06% in fiscal 2020 as compared to 9.40% in fiscal 2019.

At March 31, 2020, ICICI Bank Canada had total assets of CAD 6.56 billion compared to CAD 6.63 billion at March 31, 2019. Net NPAs decreased from CAD 9.3 million at March 31, 2019 to CAD 4.4 million at March 31, 2020. ECL provision on Stage-1 and Stage-2 exposure increased from CAD 14.2 million at March 31, 2019 to CAD 43.1 million at March 31, 2020 primarily due to Covid-19 related provision. ICICI Bank Canada had a total capital adequacy ratio of 19.1% at March 31, 2020 as against 17.1% at March 31, 2019. ICICI Bank Canada distributed common share dividends of CAD 30.15 million in fiscal 2020 compared to CAD 25.6 million in fiscal 2019.

ICICI BANK UK PLC (ICICI BANK UK)

The core operating income of ICICI Bank UK was USD 40.2 million for fiscal 2020, compared to USD 50.0 for fiscal 2019, primarily due to a decrease in net interest income and an increase in operating expenses, offset, in part, by an increase in fee income and other income. Profit after tax of ICICI Bank UK increased from a loss of USD 52.9 million (₹ 3.71 billion) in fiscal 2019 to a profit after tax of USD 23.2 million (₹ 1.64 billion) in fiscal 2020 primarily due to lower impairment provision and higher recoveries in fiscal 2020.

At March 31, 2020, ICICI Bank UK had total assets of USD 3.54 billion compared to USD 3.84 billion at March 31, 2019. Net NPAs increased from USD 63.1 million (₹ 4.36 billion) at March 31, 2019 to USD 79.8 million (₹ 6.04 billion) at March 31, 2020. The gross impairment ratio was 10.0% and net impairment ratio was 3.8% in fiscal 2020 compared to 8.3% and 2.6%, respectively, in fiscal 2019. Collective provision on performing loans increased from USD 12.5 million at March 31, 2010 to USD 18.7 million at March 31, 2020 primarily due to Covid-19 related provision. ICICI Bank UK had a capital adequacy ratio of 18.6% at March 31, 2020 compared to 16.8% at March 31, 2019.

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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.

₹ in billion

Company	Profit after tax		Total assets[1]	
	Fiscal 2019	Fiscal 2020	At March 31, 2019	At March 31, 2020
ICICI Prudential Life Insurance Company Limited	₹ 11.41	₹ 10.69	**₹ 1,629.32**	**₹ 1,558.62**
ICICI Lombard General Insurance Company Limited	10.49	11.94	**334.02**	**370.42**
ICICI Prudential Asset Management Company Limited	6.87	10.49	**13.10**	**14.79**
ICICI Securities Limited (consolidated)	4.95	5.53	**46.51**	**42.83**
ICICI Bank Canada	2.79	2.17	**341.61**	**350.18**
ICICI Venture Funds Management Company Limited	0.70	0.13	**3.07**	**2.89**
ICICI Securities Primary Dealership Limited	0.61	2.26	**115.93**	**171.55**
ICICI Home Finance Company Limited	0.28	(1.17)	**138.83**	**151.19**
ICICI Bank UK PLC	₹ (3.71)	1.64	**₹ 266.43**	**₹ 269.32**

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. *See also "Financials- Statement pursuant to Section 129 of the Companies Act, 2013".*
3. *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 project as and when those are issued.

KEY FINANCIAL INDICATORS: LAST 10 YEARS

(₹ in billion, except per share data and percentages)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total deposits	2,256.02	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**
Total advances	2,163.66	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**
Equity capital & reserves	550.91	604.05	667.06	732.13	804.29	897.36	999.51	1,051.59	1,083.68	**1,165.04**
Total assets	4,062.34	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**
Total capital adequacy ratio	19.5%[1]	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]
Core operating profit	92.63	103.99	127.04	155.77	180.27	198.03	179.10	189.39	220.72	**268.08**
Net interest income	90.17	107.34	138.66	164.75	190.40	212.24	217.37	230.26	270.15	**332.67**
Net interest margin	2.64%	2.73%	3.11%	3.33%	3.48%	3.49%	3.25%	3.23%	3.42%	**3.73%**
Profit after tax	51.51	64.65	83.25	98.10	111.75	97.26	98.01	67.77	33.63	**79.31**
Earnings per share (Basic)[3,4]	8.23	10.20	13.13	15.45	17.56	15.23	15.31	10.56	5.23	**12.28**
Earnings per share (Diluted)[3,4]	8.19	10.17	13.08	15.39	17.39	15.14	15.25	10.46	5.17	**12.08**
Return on average equity	9.6%	11.1%	12.9%	13.7%	14.3%	11.3%	10.3%	6.6%	3.2%	**7.1%**
Dividend per share[3,5]	2.80	3.30	4.00	4.60	5.00	5.00	2.50	1.50	1.00	**-**

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 reflects the effect of sub-division for each of the periods presented.*
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 reflects the effect of bonus issue for each of the periods presented.*
5. *RBI through its circular 'Declaration of dividends by banks (Revised)' dated April 17, 2020, has directed that banks shall not make any further dividend payouts from the profits pertaining to FY2020 until further instructions. This is with the intent that the banks conserve capital to retain their capacity to support the economy and absorb losses in an environment of heightened uncertainty caused by Covid-19. Accordingly, the Board of Directors has not recommended dividend for FY2020.*

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 2020, 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 2020. The branches in Dubai, South Africa, and New York have been audited by the respective local 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 2020, 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 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 Schedule 18.57 of the accompanying standalone financial statements, which describes the uncertainties due to the outbreak of SARS-CoV-2 virus (COVID-19). In view of these uncertainties, the impact 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')

As at 31 March 2020, the Bank reported total loans and advances (net of provisions) of ₹ 6,452,900 million (2019: 5,866,466 million), gross NPAs of ₹ 408,291 million (2019: ₹ 456,760 million), and provision for non-performing assets of ₹ 309,058 million (2019: ₹ 322,263 million). The provision coverage ratio as at 31 March 2020 is 75.7% (2019: 70.6%). Further, the Bank has made COVID-19 related provisions of ₹ 27,250 million.

(Refer schedules 9, 17.3, 18.16, 18.19, and 18.26)

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 apply its judgement to determine the identification of NPAs by applying certain qualitative aspects; ➢ The measurement of provision under RBI guidelines is 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. Due to the ongoing COVID 19 pandemic, during our audit, we have also identified implementation of the COVID 19 Regulatory Package- Asset Classification and Provisioning ('Regulatory Package') announced by the RBI on 17 April 2020 as key in measurement of provisions for advances. Considering the significance of the above matter to the financial statements, the heightened regulatory inspections and significant auditor attention required, we have identified this as a key audit matter for the current year audit.	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. 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 to monitor to such assets. We read the RBI Annual Financial Inspection report for the financial year ended 31 March 2019 and other communication with the regulators. With respect to those borrowers to whom a moratorium was granted in accordance with the Regulatory Package, on a sample basis, we tested that such moratorium was granted in accordance with the board approved policy. We re-performed the calculations for the additional general provision made in accordance with the requirements of the Regulatory Package, including the asset classification. 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 Regulatory Package.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

c. Provisions for litigation and taxation and contingent liabilities

As at 31 March 2020 the Bank has reported the following:

(₹ in millions)

Particulars	Included under contingent liabilities	
	At 31.03.2020	**At 31.03.2019**
Legal cases	**3,300**	1,096
Taxes	**59,940**	53,914
Total claims against the Bank not acknowledged as debts	**63,240**	**55,010**

(Refer schedules 12 and 18.38)

Key Audit Matter	How our audit addressed the key audit matter
As at 31 March 2020, 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, 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 the current year audit.	Our audit procedures included, but were not limited to, the following: We understood the Bank's processes and 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. 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.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

d. Valuation of derivatives

(₹ in millions)

Particulars	Included under	At 31.03.2020	At 31.03.2019
Notional value of derivatives	Contingent liabilities	**23,649,552**	17,566,162

(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 valuation of the Bank's derivatives is determined. The financial statement risk arises particularly with respect to complex valuation models, 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 the 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. We also challenged the appropriateness of significant models and methodologies used in valuation.

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, 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 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

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

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.

    - 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.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

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 ₹ 518,398 million as at 31 March 2020, and total revenue, total net loss after tax, and net cash outflows of ₹ 19,506 million, ₹ 10,963 million, and ₹ 107,472 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 122 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.

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;

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

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 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 2020, in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date and our report dated 09 May 2020 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 18.42 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;

   ii. the Bank, as detailed in schedule 18.42 to the standalone financial statements, has made provisions as at 31 March 2020, 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 2020;

   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: 20105782AAAACK4014

Place: Mumbai
Date: 09 May 2020

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 2020

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 2020, 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 2020, 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: 20105782AAAACK4014

Place: Mumbai
Date: 09 May 2020

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

BALANCE SHEET

at March 31, 2020

₹ in '000s

	Schedule	At 31.03.2020	At 31.03.2019
CAPITAL AND LIABILITIES			
Capital	1	**12,947,649**	12,894,598
Employees stock options outstanding		**34,858**	46,755
Reserves and surplus	2	**1,152,061,563**	1,070,739,063
Deposits	3	**7,709,689,946**	6,529,196,711
Borrowings	4	**1,628,967,599**	1,653,199,742
Other liabilities and provisions	5	**479,949,877**	378,514,609
TOTAL CAPITAL AND LIABILITIES		**10,983,651,492**	**9,644,591,478**
ASSETS			
Cash and balances with Reserve Bank of India	6	**352,839,592**	378,580,118
Balances with banks and money at call and short notice	7	**838,717,797**	424,382,742
Investments	8	**2,495,314,805**	2,077,326,800
Advances	9	**6,452,899,697**	5,866,465,827
Fixed assets	10	**84,102,853**	79,314,287
Other assets	11	**759,776,748**	818,521,704
TOTAL ASSETS		**10,983,651,492**	**9,644,591,478**
Contingent liabilities	12	**25,238,257,975**	19,220,382,868
Bills for collection		**482,162,417**	493,919,862
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
President

Rakesh Jha
Group Chief Financial Officer

Ranganath Athreya
Company Secretary

Ajay Mittal
Chief Accountant

Mumbai
May 9, 2020

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2020

₹ in '000s

	Schedule	Year ended 31.03.2020	Year ended 31.03.2019
I. INCOME			
Interest earned	13	**747,983,166**	634,011,926
Other income	14	**164,486,220**	145,121,636
TOTAL INCOME		**912,469,386**	**779,133,562**
II. EXPENDITURE			
Interest expended	15	**415,312,517**	363,863,951
Operating expenses	16	**216,144,109**	180,890,620
Provisions and contingencies (refer note 18.42)		**201,704,636**	200,745,975
TOTAL EXPENDITURE		**833,161,262**	**745,500,546**
III. PROFIT/(LOSS)			
Net profit/(loss) for the year		**79,308,124**	33,633,016
Profit brought forward		**178,795,703**	184,952,554
TOTAL PROFIT/(LOSS)		**258,103,827**	**218,585,570**
IV. APPROPRIATIONS/TRANSFERS			
Transfer to Statutory Reserve		**19,828,000**	8,409,000
Transfer to Reserve Fund		**3,670**	7,568
Transfer to Capital Reserve		**3,954,400**	280,000
Transfer to Capital Redemption Reserve		**-**	3,500,000
Transfer to/(from) Investment Reserve Account		**-**	-
Transfer to/(from) Investment Fluctuation Reserve		**6,690,000**	12,692,000
Transfer to Revenue and other reserves		**-**	-
Transfer to Special Reserve		**7,900,000**	5,250,000
Dividend paid during the year		**6,453,078**	9,651,292
Corporate dividend tax paid during the year		**-**	7
Balance carried over to balance sheet		**213,274,679**	178,795,703
TOTAL		**258,103,827**	**218,585,570**
Significant accounting policies and notes to accounts	17 & 18		
Earnings per share (refer note 18.1)			
Basic (₹)		**12.28**	5.23
Diluted (₹)		**12.08**	5.17
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 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
President

Rakesh Jha
Group Chief Financial Officer

Ranganath Athreya
Company Secretary

Ajay Mittal
Chief Accountant

Mumbai
May 9, 2020

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

CASH FLOW STATEMENT

for the year ended March 31, 2020

₹ in '000s

		Year ended 31.03.2020	Year ended 31.03.2019
Cash flow from/(used in) operating activities			
Profit/(loss) before taxes		**140,480,406**	37,767,625
Adjustments for:			
Depreciation and amortisation		**10,738,916**	8,728,507
Net (appreciation)/depreciation on investments		**17,977,289**	(228,192)
Provision in respect of non-performing and other assets		**88,144,145**	168,111,998
General provision for standard assets		**31,871,122**	2,553,682
Provision for contingencies & others		**7,402,359**	22,383,465
Income from subsidiaries, joint ventures and consolidated entities		**(12,730,298)**	(10,779,490)
(Profit)/loss on sale of fixed assets		**(14,216)**	(1,919)
	(i)	**283,869,723**	**228,535,676**
Adjustments for:			
(Increase)/decrease in investments		**(55,702,939)**	195,917,120
(Increase)/decrease in advances		**(684,540,454)**	(906,414,812)
Increase/(decrease) in deposits		**1,180,493,234**	919,444,626
(Increase)/decrease in other assets		**8,898,408**	(37,800,079)
Increase/(decrease) in other liabilities and provisions		**61,686,755**	51,681,004
	(ii)	**510,835,004**	**222,827,859**
Refund/(payment) of direct taxes	(iii)	**(10,210,349)**	**(67,175,650)**
Net cash flow from/(used in) operating activities (i)+(ii)+(iii)	(A)	**784,494,378**	**384,187,885**
Cash flow from/(used in) investing activities			
Redemption/sale from/(investments in) subsidiaries and/or joint ventures (including application money)		**-**	11,383,004
Income from subsidiaries, joint ventures and consolidated entities		**12,730,298**	10,779,490
Purchase of fixed assets		**(13,674,681)**	(8,309,176)
Proceeds from sale of fixed assets		**148,126**	380,294
(Purchase)/sale of held-to-maturity securities		**(370,277,765)**	(252,986,732)
Net cash flow from/(used in) investing activities	(B)	**(371,074,022)**	**(238,753,120)**
Cash flow from/(used in) financing activities			
Proceeds from issue of share capital (including ESOPs)		**5,493,214**	3,486,300
Proceeds from long-term borrowings		**244,134,272**	144,363,924
Repayment of long-term borrowings		**(412,397,914)**	(202,012,943)
Net proceeds/(repayment) of short-term borrowings		**142,777,984**	(118,696,850)
Dividend and dividend tax paid		**(6,453,078)**	(9,651,299)
Net cash flow from/(used in) financing activities	(C)	**(26,445,522)**	**(182,510,868)**
Effect of exchange fluctuation on translation reserve	(D)	**1,619,695**	**(1,654,845)**
Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C) + (D)		**388,594,529**	**(38,730,948)**
Cash and cash equivalents at beginning of the year		**802,962,860**	**841,693,808**
Cash and cash equivalents at end of the year		**1,191,557,389**	**802,962,860**

1. 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
May 9, 2020

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

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Executive Director
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Executive Director
DIN-00105962

Sandeep Batra
President

Rakesh Jha
Group Chief Financial Officer

Ranganath Athreya
Company Secretary

Ajay Mittal
Chief Accountant

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Balance Sheet

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 1 - CAPITAL		
Authorised capital		
12,500,000,000 equity shares of ₹ 2 each (March 31, 2019: 12,500,000,000 equity shares of ₹ 2 each)	**25,000,000**	**25,000,000**
Equity share capital		
Issued, subscribed and paid-up capital		
6,446,239,653 equity shares of ₹ 2 each (March 31, 2019: 6,427,990,776 equity shares)	**12,892,479**	12,855,981
Add: 26,525,550 equity shares of ₹ 2 each (March 31, 2019: 18,248,877 equity shares) issued during the year pursuant to exercise of employee stock options	**53,051**	36,498
	12,945,530	**12,892,479**
Add: Forfeited equity shares[1]	**2,119**	2,119
TOTAL CAPITAL	**12,947,649**	**12,894,598**

1. On account of forfeiture of 266,089 equity shares of ₹ 10 each.

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 2 - RESERVES AND SURPLUS		
I. Statutory reserve		
Opening balance	**237,377,519**	228,968,519
Additions during the year	**19,828,000**	8,409,000
Deductions during the year	**-**	-
Closing balance	**257,205,519**	**237,377,519**
II. Special reserve		
Opening balance	**95,040,000**	89,790,000
Additions during the year	**7,900,000**	5,250,000
Deductions during the year	**-**	-
Closing balance	**102,940,000**	**95,040,000**
III. Securities premium		
Opening balance	**329,160,858**	325,709,362
Additions during the year[1]	**5,452,060**	3,451,496
Deductions during the year	**-**	-
Closing balance	**334,612,918**	**329,160,858**
IV. Investment reserve account		
Opening balance	**-**	-
Additions during the year	**-**	-
Deductions during the year	**-**	-
Closing balance	**-**	**-**
V. Investment fluctuation reserve		
Opening balance	**12,692,000**	-
Additions during the year[2]	**6,690,000**	12,692,000
Deductions during the year	**-**	-
Closing balance	**19,382,000**	**12,692,000**

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Standalone Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2020	At 31.03.2019
VI. Capital reserve		
Opening balance	**128,541,725**	128,261,725
Additions during the year[3]	**3,954,400**	280,000
Deductions during the year	**-**	-
Closing balance	**132,496,125**	**128,541,725**
VII. Capital redemption reserve		
Opening balance	**3,500,000**	-
Additions during the year	**-**	3,500,000
Deductions during the year	**-**	-
Closing balance[4]	**3,500,000**	**3,500,000**
VIII. Foreign currency translation reserve		
Opening balance	**14,908,515**	16,563,360
Additions during the year	**1,619,695**	-
Deductions during the year	**-**	(1,654,845)
Closing balance	**16,528,210**	**14,908,515**
IX. Revaluation reserve (refer note 18.34)		
Opening balance	**30,445,093**	30,031,905
Additions during the year[5]	**1,395,700**	1,023,923
Deductions during the year[6]	**(692,088)**	(610,735)
Closing balance	**31,148,705**	**30,445,093**
X. Reserve fund		
Opening balance	**73,968**	66,400
Additions during the year[7]	**3,670**	7,568
Deductions during the year	**-**	-
Closing balance	**77,638**	**73,968**
XI. Revenue and other reserves		
Opening balance	**40,203,682**	39,585,696
Additions during the year	**692,087**	617,986
Deductions during the year	**-**	-
Closing balance	**40,895,769**	**40,203,682**
XII. Balance in profit and loss account	**213,274,679**	**178,795,703**
TOTAL RESERVES AND SURPLUS	**1,152,061,563**	**1,070,739,063**

1. *Represents amount on account of exercise of employee stock options.*
2. *Represents amount transferred to Investment Fluctuation Reserve (IFR) on net profit on sale of AFS and HFT investments during the year. 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 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.*
3. *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.*
4. *Represents amount transferred from accumulated profit on account of Redeemable Non-Cumulative Preference Shares (350 RNCPS) of ₹ 10.0 million each redeemed at par during the year ended March 31, 2019. The Bank created Capital redemption reserve, as required under the Companies Act, 2013, out of surplus profits available for previous years.*
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.*

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Standalone Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 3 - DEPOSITS		
A. I. Demand deposits		
i) From banks	**65,212,698**	74,379,016
ii) From others	**957,063,014**	888,315,153
II. Savings bank deposits	**2,455,908,874**	2,276,709,040
III. Term deposits		
i) From banks	**202,585,695**	165,000,950
ii) From others	**4,028,919,665**	3,124,792,552
TOTAL DEPOSITS	**7,709,689,946**	**6,529,196,711**
B. I. Deposits of branches in India	**7,637,416,010**	6,474,983,663
II. Deposits of branches outside India	**72,273,936**	54,213,048
TOTAL DEPOSITS	**7,709,689,946**	**6,529,196,711**

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
i) Reserve Bank of India[1]	**86,810,000**	35,000,000
ii) Other banks	**-**	8,644,375
iii) Other institutions and agencies		
a) Government of India	**-**	-
b) Financial institutions[2]	**493,020,910**	233,005,364
iv) Borrowings in the form of bonds and debentures (excluding subordinated debt)	**197,869,634**	197,590,424
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)	**-**	33,800,000
c) Unsecured redeemable debentures/bonds (subordinated debt included in Tier 2 capital)	**116,974,946**	135,347,140
TOTAL BORROWINGS IN INDIA	**995,875,490**	**744,587,303**
II. Borrowings outside India		
i) Capital instruments	**-**	-
ii) Bonds and notes	**294,811,272**	428,236,204.0
iii) Other borrowings	**338,280,837**	480,376,235.0
TOTAL BORROWINGS OUTSIDE INDIA	**633,092,109**	**908,612,439**
TOTAL BORROWINGS	**1,628,967,599**	**1,653,199,742**

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, 2019: Nil) except borrowings of ₹ 340,756.8 million (March 31, 2019: ₹ 61,716.3 million) 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.*

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Standalone Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	**53,443,331**	83,343,117
II. Inter-office adjustments (net)	**7,439,584**	717,556
III. Interest accrued	**26,959,112**	33,721,860
IV. Sundry creditors	**93,832,003**	92,952,935
V. General provision for standard assets (refer note 18.18)[1]	**60,995,182**	28,737,645
VI. Others (including provisions)[2]	**237,280,665**	139,041,496
TOTAL OTHER LIABILITIES AND PROVISIONS	**479,949,877**	**378,514,609**

1. At March 31, 2020, includes Covid-19 related provision amounting to ₹ 27,250.0 million.
2. Includes specific provision for standard loans amounting to ₹ 3,196.1 million (March 31, 2019: ₹ 4,769.0 million).

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	**99,437,514**	87,038,841
II. Balances with Reserve Bank of India in current accounts	**253,402,078**	291,541,277
TOTAL CASH AND BALANCES WITH RESERVE BANK OF INDIA	**352,839,592**	**378,580,118**

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
i) Balances with banks		
a) In current accounts	**1,620,749**	2,626,426
b) In other deposit accounts	**66,791**	5,066,921
ii) Money at call and short notice		
a) With banks[1]	**594,212,800**	89,457,750
b) With other institutions[2]	**69,211,816**	13,410,213
TOTAL	**665,112,156**	**110,561,310**
II. Outside India		
i) In current accounts	**116,434,071**	143,207,910
ii) In other deposit accounts	**25,335,217**	48,901,848
iii) Money at call and short notice	**31,836,353**	121,711,674
TOTAL	**173,605,641**	**313,821,432**
TOTAL BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	**838,717,797**	**424,382,742**

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 31.03.2020	At 31.03.2019
SCHEDULE 8 - INVESTMENTS			
I.	**Investments in India [net of provisions]**		
i)	Government securities	**1,883,318,796**	1,479,230,542
ii)	Other approved securities	**-**	-
iii)	Shares (includes equity and preference shares)	**24,622,430**	18,840,258
iv)	Debentures and bonds	**119,852,513**	142,328,392
v)	Subsidiaries and/or joint ventures[1]	**61,201,686**	61,201,686
vi)	Others (commercial paper, mutual fund units, pass through certificates, security receipts, certificate of deposits and other related investments)	**326,595,257**	312,175,395
TOTAL INVESTMENTS IN INDIA		**2,415,590,682**	**2,013,776,273**
II.	**Investments outside India [net of provisions]**		
i)	Government securities	**28,909,637**	20,026,853
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)	**13,987,624**	6,696,812
TOTAL INVESTMENTS OUTSIDE INDIA		**79,724,123**	**63,550,527**
TOTAL INVESTMENTS		**2,495,314,805**	**2,077,326,800**
A.	**Investments in India**		
	Gross value of investments	**2,472,213,814**	2,062,886,134
	Less: Aggregate of provision/depreciation/(appreciation)	**56,623,132**	49,109,861
	Net investments	**2,415,590,682**	**2,013,776,273**
B.	**Investments outside India**		
	Gross value of investments	**81,130,342**	64,377,243
	Less: Aggregate of provision/depreciation/(appreciation)	**1,406,219**	826,716
	Net investments	**79,724,123**	**63,550,527**
TOTAL INVESTMENTS		**2,495,314,805**	**2,077,326,800**

1. *During the year ended March 31, 2019, the Bank sold a part of its equity investment in a subsidiary, ICICI Prudential Life Insurance Company Limited, through an offer for sale on stock exchanges.*
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 31.03.2020	At 31.03.2019
SCHEDULE 9 - ADVANCES [NET OF PROVISIONS]		
A. i) Bills purchased and discounted[1]	**444,802,983**	346,315,071
ii) Cash credits, overdrafts and loans repayable on demand	**1,557,314,567**	1,458,967,622
iii) Term loans	**4,450,782,147**	4,061,183,134
TOTAL ADVANCES	**6,452,899,697**	**5,866,465,827**
B. i) Secured by tangible assets (includes advances against book debts)	**4,663,199,942**	4,139,796,885
ii) Covered by bank/government guarantees	**98,100,926**	111,759,404
iii) Unsecured	**1,691,598,829**	1,614,909,538
TOTAL ADVANCES	**6,452,899,697**	**5,866,465,827**
C. I. Advances in India		
i) Priority sector	**1,909,002,118**	1,696,365,965
ii) Public sector	**159,541,485**	146,431,801
iii) Banks	**4,468,311**	3,253,967
iv) Others	**3,840,221,670**	3,390,090,132
TOTAL ADVANCES IN INDIA	**5,913,233,584**	**5,236,141,865**
II. Advances outside India		
i) Due from banks	**4,732,195**	18,471,145
ii) Due from others		
a) Bills purchased and discounted	**163,653,671**	149,622,161
b) Syndicated and term loans	**326,238,831**	308,156,810
c) Others	**45,041,416**	154,073,846
TOTAL ADVANCES OUTSIDE INDIA	**539,666,113**	**630,323,962**
TOTAL ADVANCES	**6,452,899,697**	**5,866,465,827**

1. *Net of bills re-discounted amounting to Nil (March 31, 2019: Nil).*

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Standalone Balance Sheet *(Contd.)*

₹ in '000s

		At 31.03.2020	At 31.03.2019
SCHEDULE 10 - FIXED ASSETS			
I.	**Premises**		
	Gross block		
	At cost at March 31 of preceding year	**75,541,590**	73,921,124
	Additions during the year[1]	**2,542,536**	2,125,674
	Deductions during the year	**(615,822)**	(505,208)
	Closing balance	**77,468,304**	**75,541,590**
	Less: Depreciation to date[2]	**(16,668,165)**	(15,309,915)
	Net block[3]	**60,800,139**	**60,231,675**
II.	**Other fixed assets (including furniture and fixtures)**		
	Gross block		
	At cost at March 31 of preceding year	**59,431,918**	59,585,000
	Additions during the year	**11,591,192**	6,368,177
	Deductions during the year	**(2,288,102)**	(6,521,259)
	Closing balance	**68,735,008**	**59,431,918**
	Less: Depreciation to date[4]	**(48,172,061)**	(42,763,904)
	Net block	**20,562,947**	**16,668,014**
III.	**Lease assets**		
	Gross block		
	At cost at March 31 of preceding year	**16,714,629**	16,714,629
	Additions during the year	**339,420**	-
	Deductions during the year	**-**	-
	Closing balance[5]	**17,054,049**	**16,714,629**
	Less: Depreciation to date, accumulated lease adjustment and provisions[6]	**(14,314,282)**	(14,300,031)
	Net block	**2,739,767**	**2,414,598**
TOTAL FIXED ASSETS		**84,102,853**	**79,314,287**

1. *Includes revaluation gain amounting to ₹ 1,395.7 million (March 31, 2019: ₹ 1,023.9 million) on account of revaluation carried out by the Bank.*
2. *Includes depreciation charge amounting to ₹ 1,887.8 million for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 1,789.2 million), including depreciation charge on account of revaluation of ₹ 649.9 million for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 584.8 million).*
3. *Includes assets of amounting to Nil (March 31, 2019: ₹ 22.2 million) which are held for sale.*
4. *Includes depreciation charge amounting to ₹ 7,583.4 million for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 5,979.9 million).*
5. *At March 31, 2020, includes assets taken on lease amounting to ₹ 339.4 million (March 31, 2019: Nil).*
6. *Includes depreciation charge/lease adjustment/provisions amounting to ₹ 14.2 million for the year ended March 31, 2020 (year ended March 31, 2019: insignificant amount).*

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Standalone Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 11 - OTHER ASSETS		
I. Inter-office adjustments (net)	**-**	-
II. Interest accrued	**86,517,207**	76,326,429
III. Tax paid in advance/tax deducted at source (net)	**68,018,795**	95,268,761
IV. Stationery and stamps	**2,252**	973
V. Non-banking assets acquired in satisfaction of claims[1,2]	**-**	10,040,166
VI. Advances for capital assets	**2,917,965**	1,802,579
VII. Deposits	**24,315,002**	14,078,922
VIII. Deferred tax assets (net) (refer note 18.44)	**80,681,176**	104,365,701
IX. Deposits in Rural Infrastructure and Development Fund	**287,570,782**	292,545,621
X. Others	**209,753,569**	224,092,552
TOTAL OTHER ASSETS	**759,776,748**	**818,521,704**

1. During the year ended March 31, 2020, the Bank has not acquired any assets (year ended March 31, 2019: Nil) in satisfaction of claims under debt-asset swap transactions. Assets amounting to ₹ 1,317.4 million were sold during the year ended March 31, 2020 (year ended March 31, 2019: Nil).

2. Net of provision amounting to ₹ 30,517.8 million (March 31, 2019: ₹ 22,147.3 million).

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 12 - CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	**63,240,222**	55,009,794
II. Liability for partly paid investments	**12,455**	12,455
III. Liability on account of outstanding forward exchange contracts[1]	**7,441,459,466**	4,701,000,557
IV. Guarantees given on behalf of constituents		
a) In India	**878,239,296**	855,465,382
b) Outside India	**209,893,394**	211,192,112
V. Acceptances, endorsements and other obligations	**347,118,775**	433,788,146
VI. Currency swaps[1]	**509,589,938**	423,344,515
VII. Interest rate swaps, currency options and interest rate futures[1]	**15,698,503,091**	12,441,817,000
VIII. Other items for which the Bank is contingently liable	**90,201,338**	98,752,907
TOTAL CONTINGENT LIABILITIES	**25,238,257,975**	**19,220,382,868**

1. Represents notional amount.

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Profit and Loss Account

₹ in '000s

		Year ended 31.03.2020	Year ended 31.03.2019
SCHEDULE 13 - INTEREST EARNED			
I.	Interest/discount on advances/bills	**575,511,126**	479,426,244
II.	Income on investments	**146,732,068**	127,968,772
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	**6,821,500**	7,360,862
IV.	Others[1,2]	**18,918,472**	19,256,048
TOTAL INTEREST EARNED		**747,983,166**	**634,011,926**

1. *Includes interest on income tax refunds amounting to ₹ 2,699.8 million (March 31, 2019: ₹ 4,482.3 million).*
2. *Includes interest and amortisation of premium on non-trading interest rate swaps and foreign currency swaps.*

₹ in '000s

		Year ended 31.03.2020	Year ended 31.03.2019
SCHEDULE 14 - OTHER INCOME			
I.	Commission, exchange and brokerage	**116,450,747**	102,318,773
II.	Profit/(loss) on sale of investments (net)[1]	**19,010,897**	13,006,602
III.	Profit/(loss) on revaluation of investments (net)	**(2,619,008)**	387,624
IV.	Profit/(loss) on sale of land, buildings and other assets (net)[2]	**14,216**	1,919
V.	Profit/(loss) on exchange/derivative transactions (net)	**18,065,638**	17,711,181
VI.	Income earned by way of dividends, etc. from subsidiary companies and/or joint ventures abroad/in India	**12,730,298**	10,779,490
VII.	Miscellaneous income (including lease income)	**833,432**	916,047
TOTAL OTHER INCOME		**164,486,220**	**145,121,636**

1. *For the year ended March 31, 2019, includes gain on sale of a part of equity investment in a subsidiary, ICICI Prudential Life Insurance Company Limited, through an offer for sale on stock exchanges. Refer note 18.10 - Investments.*
2. *Includes profit/(loss) on sale of assets given on lease.*

₹ in '000s

		Year ended 31.03.2020	Year ended 31.03.2019
SCHEDULE 15 - INTEREST EXPENDED			
I.	Interest on deposits	**326,877,706**	265,246,797
II.	Interest on Reserve Bank of India/inter-bank borrowings	**10,809,220**	15,907,990
III.	Others (including interest on borrowings of erstwhile ICICI Limited)	**77,625,591**	82,709,164
TOTAL INTEREST EXPENDED		**415,312,517**	**363,863,951**

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forming part of the Profit and Loss Account *(Contd.)*

₹ in '000s

		Year ended 31.03.2020	Year ended 31.03.2019
SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for employees	**82,712,407**	68,082,380
II.	Rent, taxes and lighting[1]	**12,714,278**	11,988,705
III.	Printing and stationery	**2,300,408**	2,056,233
IV.	Advertisement and publicity	**8,886,382**	7,290,475
V.	Depreciation on Bank's property	**9,471,163**	7,769,089
VI.	Depreciation (including lease equalisation) on leased assets	**14,238**	13
VII.	Directors' fees, allowances and expenses	**37,188**	36,766
VIII.	Auditors' fees and expenses	**87,884**	89,675
IX.	Law charges	**1,103,906**	1,077,091
X.	Postages, courier, telephones, etc.	**4,229,716**	4,068,143
XI.	Repairs and maintenance	**17,682,686**	15,384,867
XII.	Insurance	**7,823,295**	6,504,334
XIII.	Direct marketing agency expenses	**17,875,865**	15,971,240
XIV.	Other expenditure[2]	**51,204,693**	40,571,609
TOTAL OPERATING EXPENSES		**216,144,109**	**180,890,620**

1. *Includes lease expense amounting to ₹ 10,010.9 million (March 31, 2019: ₹ 9,236.7 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, Sri Lanka, 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.

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 from finance leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding on the lease over the primary lease period.

c) Income on discounted instruments is recognised over the tenure of the instrument on a constant yield basis.

d) Dividend income is accounted on accrual basis when the right to receive the dividend is established.

e) Loan processing fee is accounted for upfront when it becomes due.

f) Project appraisal/structuring fee is accounted for on the completion of the agreed service.

g) Arranger fee is accounted for as income when a significant portion of the arrangement is completed and right to receive is established.

h) Commission received on guarantees issued is amortised on a straight-line basis over the period of the guarantee.

i) The annual/renewal fee on credit cards and debit cards are amortised on a straight line basis over one year.

j) Fees paid/received for priority sector lending certificates (PSLC) is amortised on straight-line basis over the period of the certificate.

k) All other fees are accounted for as and when they become due.

l) Net income arising from sell-down/securitisation of loan assets prior to February 1, 2006 has been recognised upfront as interest income. With effect from February 1, 2006, net income arising from securitisation of loan assets is amortised over the life of securities issued or to be issued by the special purpose vehicle/special purpose entity to which the assets are sold. 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

FINANCIAL STATEMENTS OF ICICI BANK LIMITED
SCHEDULES
forming part of the Accounts *(Contd.)*

direct assignment, without any recourse obligation, is recognised at the time of sale. Net loss arising on account of the sell-down/securitisation and direct assignment of loan assets is recognised at the time of sale.

m) The Bank deals in bullion business on a consignment basis. The difference between price recovered from customers and cost of bullion is accounted for at the time of sales to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted on accrual basis.

2. Investments

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation as given below.

1. All investments are classified into 'Held to Maturity', 'Available for Sale' and 'Held for Trading'. 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.

2. 'Held to Maturity' 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.

3. 'Available for Sale' and 'Held for Trading' 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 'Available for Sale', 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.

   Unquoted equity shares are valued at the break-up value, if the latest balance sheet is available, or at ₹ 1, as per RBI guidelines.

   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.

4. Treasury bills, commercial papers and certificate of deposits being discounted instruments, are valued at carrying cost.

5. The units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund.

6. Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the profit and loss account. Cost of investments is computed based on the First-In-First-Out (FIFO) method.

7. Equity investments in subsidiaries/joint ventures are classified under 'Held to Maturity' and 'Available for Sale'. The Bank assesses these investments for any permanent diminution in value and appropriate provisions are made.

8. Profit/loss on sale of investments in the 'Held to Maturity' category is recognised in the profit and loss account and profit is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit/loss on sale of investments in 'Available for Sale' and 'Held for Trading' categories is recognised in the profit and loss account.

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

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forming part of the Accounts *(Contd.)*

9. 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.

10. Broken period interest (the amount of interest from the previous interest payment date till the date of purchase/ sale of instruments) on debt instruments is treated as a revenue item.

11. 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.

12. 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.

13. 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.

3. Provision/write-offs on loans and other credit facilities

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 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. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. 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.

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 provided/written-off as per the extant RBI guidelines. For loans and advances booked in overseas branches, which are standard as per the extant RBI guidelines but are classified as NPAs based on host country guidelines, provisions are made as per the host country regulations. For loans and advances booked in overseas branches, which are NPAs as per the extant RBI guidelines and as per host country guidelines, provisions are made at the higher of the provisions required under RBI regulations and host country regulations. Provisions on homogeneous retail loans and advances, subject to minimum provisioning requirements of RBI, are assessed on the basis of the ageing of the loan in the non-performing category. As per RBI guidelines, in respect of non-retail loans reported as fraud to RBI and classified in doubtful category, the entire amount, without considering the value of security, 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 extant 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. The assessment of incremental specific provisions is made after taking into consideration the existing specific provision held. The specific provisions on retail loans and advances held by the Bank are higher than the minimum regulatory requirements.

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.

Amounts recovered against debts written-off in earlier years and provisions no longer considered necessary in the context of the current status of the borrower 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 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.

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.

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 circular dated March 27, 2020. The Bank makes general provision on such loans at rates equal or higher than requirements stipulated in RBI circular.

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 Bank accounts for any loss arising from securitisation immediately at the time of sale and 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 over the life of the transaction based on the method prescribed in the guidelines.

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.

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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 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[1]
Plant and machinery[1] (including office equipment)	5 -10 years[1]
Electric installations and equipments	10 - 15 years
Computers	3 years
Servers and network equipment[1]	4 – 10 years[1]
Furniture and fixtures[1]	5 – 10 years[1]
Motor vehicles[1]	5 years[1]
Others (including software and system development expenses)[1]	3-4 years[1]

1. The useful life of 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.

a) Assets purchased/sold during the year are depreciated on a pro-rata basis for the actual number of days the asset has been capitalised.

b) Items individually costing upto ₹ 5,000/- are depreciated fully in the year of acquisition.

c) Assets at residences of Bank's employees are depreciated over the estimated useful life of 5 years.

d) 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.

e) The profit on sale of premises is appropriated to capital reserve, net of transfer to Statutory Reserve and taxes, in accordance with RBI guidelines.

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. Transactions involving foreign exchange

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 included 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.

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The premium or discount arising on inception of forward exchange contracts that are entered into to establish the amount of reporting currency required or available at the settlement date of a transaction 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.

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. Accounting for derivative contracts

The Bank enters into derivative contracts such as interest rate options, currency options and bond options, interest rate and currency futures, interest rate and currency swaps, credit default swaps and cross currency interest rate swaps.

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. Hedge swaps are accounted for on an accrual basis and are not marked to market unless their underlying transaction is marked to market.

Foreign currency and rupee 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 Scheme provides that employees are granted an option to subscribe to equity shares of the Bank that vest in a graded manner. The options 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 latest closing price, immediately prior to the grant date, which is generally the date of the meeting of the Board Governance, Remuneration & Nomination Committee in which the options are granted, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

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 a trust which administers the funds on its own account or through insurance companies. The actuarial gains or losses arising during the year are recognised in the profit and loss account.

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.

Superannuation Fund and National Pension Scheme

The Bank contributes 15.0% of the total annual basic salary or an amount of ₹ 0.15 million for certain employees to superannuation funds, defined contribution plans, managed and administered by insurance companies. Further, the

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Bank contributes 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 Bank also gives an option to its employees allowing them to receive the amount 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.

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.

Actuarial valuation for the interest rate guarantee 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.

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 at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

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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.

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.

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 during 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. Lease transactions

Lease payments 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 leases. Minimum lease payments under finance lease are apportioned between the finance costs and reduction of the outstanding liability.

15. 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, 2020	Year ended March 31, 2019
Basic		
Weighted average number of equity shares outstanding	**6,460,003,715**	6,435,966,473
Net profit/(loss) attributable to equity share holders	**79,308.1**	33,633.0
Basic earnings per share (₹)	**12.28**	5.23
Diluted		
Weighted average number of equity shares outstanding	**6,566,771,281**	6,509,276,099
Net profit/(loss) attributable to equity share holders	**79,308.1**	33,633.0
Diluted earnings per share (₹)[1]	**12.08**	5.17
Nominal value per share (₹)	**2.00**	2.00

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, 2020	Year ended March 31, 2019
1.	Interest income to working funds[1]	**7.68%**	7.35%
2.	Non-interest income to working funds[1]	**1.69%**	1.68%
3.	Operating profit to working funds[1,2]	**2.88%**	2.72%
4.	Return on assets[3]	**0.81%**	0.39%
5.	Net profit/(loss) per employee[4] (₹ in million)	**0.8**	0.4
6.	Business (average deposits plus average advances) per employee[4,5] (₹ in million)	**127.5**	122.2

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, 2020. As per the guidelines, the Tier-1 capital is made up of Common Equity Tier-1 (CET1) and Additional Tier-1.

At March 31, 2020, 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, 2020	At March 31, 2019
CET1 CRAR (%)	**13.39%**	13.63%
Tier-1 CRAR (%)	**14.72%**	15.09%
Tier-2 CRAR (%)	**1.39%**	1.80%
Total CRAR (%)	**16.11%**	16.89%
Amount of equity capital raised	**-**	-
Amount of Additional Tier-1 capital raised; of which		
1. Perpetual Non-Cumulative Preference Shares	**-**	-
2. Perpetual Debt Instruments	**-**	11,400.0
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)]	**-**	-

4. Liquidity coverage ratio

The Basel Committee for 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. At March 31, 2020, the applicable minimum LCR required to be maintained by banks is 100.0% (effective from January 1, 2019).

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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, 2020		Three months ended March 31, 2019		Three months ended December 31, 2019		Three months ended September 30, 2019		Three months ended June 30, 2019	
		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.**	**1,827,380.8**	N.A.	1,434,622.0	N.A.	1,719,258.3	N.A.	1,521,633.4	N.A.	1,461,412.7
Cash outflows											
2.	Retail deposits and deposits from small business customers, of which:	**4,287,871.7**	**369,466.7**	3,594,998.9	330,341.9	4,166,642.9	386,224.5	3,955,964.2	366,357.8	3,797,060.8	350,293.4
	(i) Stable deposits	**1,186,409.5**	**59,320.5**	583,159.0	29,157.9	608,796.2	30,439.8	584,773.4	29,238.7	588,252.5	29,412.6
	(ii) Less stable deposits	**3,101,462.2**	**310,146.2**	3,011,839.9	301,184.0	3,557,846.7	355,784.7	3,371,190.8	337,119.1	3,208,808.3	320,880.8
3.	Unsecured wholesale funding, of which:	**2,144,027.5**	**1,033,801.0**	1,618,174.0	807,596.3	1,972,023.8	946,274.7	1,845,754.7	900,859.6	1,749,556.0	859,454.4
	(i) Operational deposits (all counterparties)	**544,448.7**	**136,112.2**	441,904.0	110,476.0	545,648.5	136,412.1	518,822.4	129,705.6	493,832.4	123,458.1
	(ii) Non-operational deposits (all counterparties)	**1,505,459.5**	**803,569.5**	1,100,694.0	621,544.3	1,352,487.4	735,974.7	1,247,111.0	691,332.7	1,168,061.3	648,334.0
	(iii) Unsecured debt	**94,119.3**	**94,119.3**	75,576.0	75,576.0	73,887.9	73,887.9	79,821.3	79,821.3	87,662.3	87,662.3
4.	Secured wholesale funding	**N.A.**	**-**	N.A.	14.8	N.A.	-	N.A.	-	N.A.	-
5.	Additional requirements, of which:	**304,367.8**	**105,629.7**	436,662.0	109,813.0	457,529.0	122,124.0	446,070.4	116,426.2	435,826.7	112,052.9
	(i) Outflows related to derivative exposures and other collateral requirements	**77,021.2**	**77,021.2**	60,355.4	60,355.4	72,234.2	72,234.2	66,171.7	66,171.7	61,834.4	61,834.4
	(ii) Outflows related to loss of funding on debt products	**188.0**	**188.0**	244.4	244.4	194.1	194.1	220.0	220.0	230.9	230.9
	(iii) Credit and liquidity Facilities	**227,158.6**	**28,420.5**	376,062.2	49,213.2	385,100.7	49,695.7	379,678.7	50,034.5	373,761.4	49,987.6
6.	Other contractual funding obligations	**158,059.6**	**158,059.6**	101,512.4	101,512.4	129,860.6	129,860.6	103,527.5	103,527.5	122,614.2	122,614.2
7.	Other contingent funding obligations	**2,766,693.1**	**111,727.6**	2,273,724.0	88,278.7	2,447,134.3	95,340.2	2,361,939.4	91,612.7	2,299,749.9	89,440.9
8.	**Total cash outflows**	**N.A.**	**1,778,684.6**	**N.A.**	**1,437,557.1**	**N.A.**	**1,679,824.0**	**N.A.**	**1,578,783.8**	**N.A.**	**1,533,855.8**
9.	Secured lending (e.g. reverse repos)	**132,524.0**	**3.5**	71,815.3	-	102,640.5	-	23,696.6	-	9,910.6	-
10.	Inflows from fully performing exposures	**381,803.1**	**282,842.3**	390,191.0	310,120.9	430,623.8	326,046.0	436,445.8	350,062.0	422,869.2	341,041.3
11.	Other cash inflows	**63,038.4**	**38,416.1**	59,141.1	36,495.0	61,485.5	36,355.4	57,244.9	33,636.6	55,832.2	32,836.1
12.	**Total cash inflows**	**577,365.5**	**321,261.9**	**521,147.4**	**346,615.9**	**594,749.8**	**362,401.4**	**517,387.3**	**383,698.6**	**488,612.0**	**373,877.4**
13.	**Total HQLA**	**N.A.**	**1,827,380.8**	**N.A.**	**1,434,622.0**	**N.A.**	**1,719,258.3**	**N.A**	**1,521,633.4**	**N.A.**	**1,461,412.7**
14.	Total net cash outflows (8)-(12)	**N.A.**	**1,457,422.7**	N.A.	1,090,941.2	N.A.	1,317,422.6	N.A.	1,195,085.2	N.A.	1,159,978.4
15.	**Liquidity coverage ratio (%)**	**N.A.**	**125.38%**	**N.A.**	**131.50%**	**N.A.**	**130.50%**	**N.A.**	**127.32%**	**N.A.**	**125.99%**

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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, 2020 maintained average HQLA (after haircut) of ₹ 1,827,380.8 million (March 31, 2019: ₹ 1,434,622.0 million) against the average HQLA requirement of ₹ 1,457,422.7 million (March 31, 2019: ₹ 1,090,941.2 million) at minimum LCR requirement of 100.0% (March 31, 2019: 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 ₹ 1,600,071.6 million (March 31, 2019 : ₹ 1,189,674.2 million).

RBI increased the limit of Marginal Standing Facility (MSF) under which banks can borrow overnight at their discretion by dipping into their SLR from 2.0% to 3.0% with effect from March 27, 2020. This takes the total carve out from SLR available to banks at 17.5% of their NDTL including 14.5% of FALLCR. 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 ₹ 135,769.6 million (March 31, 2019: ₹ 178,691.5 million). Further, average level 2 assets primarily consisting of AA- and above rated corporate bonds and commercial papers, amounted to ₹ 59,552.0 million (March 31, 2019: ₹ 47,040.3 million).

At March 31, 2020, top liability products/instruments and their percentage contribution to the total liabilities of the Bank were term deposits 38.53% (March 31, 2019: 34.11%), savings account deposits 22.36% (March 31, 2019: 23.61%), current account deposits 9.31% (March 31, 2019: 9.98%) and bond borrowings 6.47% (March 31, 2019: 9.29%). Top 20 depositors constituted 4.88% (March 31, 2019: 5.74%) of total deposits of the Bank at March 31, 2020. 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 5.78% (March 31, 2019: 7.04%) of the total liabilities of the Bank at March 31, 2020.

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, 2020, unsecured wholesale funding contributed 58.12% (March 31, 2019: 56.18%) of the total weighted cash outflows. The non-operational deposits include term deposits with premature withdrawal facility. Retail deposits including deposits from small business customers and other contingent funding obligations contributed 20.77% (March 31, 2019: 22.98%) and 6.28% (March 31, 2019: 6.14%) 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.

In accordance with the regulatory package announced by the Reserve Bank of India on March 27, 2020, the Bank has extended the option of payment moratorium for all dues falling due between March 1, 2020 and May 31, 2020 to its borrowers. As the moratorium has been given effect subsequent to March 2020, inflows from advances are based on the original cash flows prevailing at March 31, 2020.

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 margin reset and consequent collateral exchange would be as governed by Credit Support Annex (CSA). The margin rules are applicable for both the domestic and overseas operations of the Bank. The Bank has entered into CSAs which would require maintenance of collateral due to valuation changes on transactions under the CSA framework. The Bank considers the increased liquidity requirement 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.

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The average LCR of the Bank for the three months ended March 31, 2020 was 125.38% (March 31, 2019: 131.50%). During the three months ended March 31, 2020, 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 52.44% for the three months ended March 31, 2020 (March 31, 2019: 117.77%).

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, 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.

₹ in million

Sr. No.	Particulars	For the year ended March 31, 2019				
		Retail Banking	Wholesale Banking	Treasury	Other Banking Business	Total
1.	Revenue	591,723.3	341,685.1	539,240.6	15,621.1	1,488,270.1
2.	Less: Inter-segment revenue					709,136.5
3.	Total revenue (1)–(2)					779,133.6
4.	**Segment results**	**82,231.2**	**(102,423.5)**	**51,651.3**	**6,308.6**	**37,767.6**
5.	Unallocated expenses					-
6.	Operating profit (4)-(5)					37,767.6
7.	Income tax expenses (including deferred tax credit)					4,134.6
8.	**Net profit/(loss) (6)-(7)**					**33,633.0**
9.	Segment assets	3,071,558.3	2,884,954.5	3,329,564.1	158,880.1	9,444,957.0
10.	Unallocated assets					199,634.5
11.	**Total assets (9)+(10)**					**9,644,591.5**
12.	Segment liabilities	4,889,760.0	1,874,784.2	2,800,228.1[1]	79,819.2	9,644,591.5
13.	Unallocated liabilities					-
14.	**Total liabilities (12)+(13)**					**9,644,591.5**
15.	Capital expenditure	5,436.5	1,966.4	-	67.0	7,469.9
16.	Depreciation	5,559.0	2,111.0	0.4	98.7	7,769.1

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, 2020	Year ended March 31, 2019
Domestic operations	**879,210.2**	736,185.1
Foreign operations	**33,259.2**	42,948.5
Total	**912,469.4**	**779,133.6**

₹ in million

Assets	At March 31, 2020	At March 31, 2019
Domestic operations	**10,075,025.4**	8,554,413.9
Foreign operations	**759,926.1**	890,543.1
Total	**10,834,951.5**	**9,444,957.0**

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, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Domestic operations	**12,929.2**	7,329.9	**9,390.5**	7,679.8
Foreign operations	**148.2**	140.0	**94.9**	89.3
Total	**13,077.4**	**7,469.9**	**9,485.4**	**7,769.1**

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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, 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 following table sets forth, the maturity pattern of assets and liabilities of the Bank at March 31, 2019.

₹ 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	18,074.7	327,197.8	112,052.1	-	235,787.1	3,566.6
2 to 7 days	42,903.4	135,338.6	443,751.3	74,566.7	124,344.4	19,645.1
8 to 14 days	44,478.6	62,223.9	162,499.0	1,116.9	16,749.6	8,186.2
15 to 30 days	153,054.5	89,610.7	140,542.6	53,488.3	65,936.0	52,279.6
31 days to 2 months	215,897.3	51,194.8	210,081.1	130,147.6	89,126.2	142,897.9
2 to 3 months	229,534.3	48,940.1	171,189.6	45,880.0	81,016.6	54,264.0
3 to 6 months	476,884.4	100,862.9	335,622.8	164,802.0	136,678.8	177,512.8
6 months to 1 year	673,180.7	212,942.9	722,505.4	256,331.1	127,971.4	285,663.2
1 to 3 years	1,544,031.3	237,442.3	653,019.0	336,246.3	129,809.1	206,655.1
3 to 5 years	1,036,848.4	332,798.6	1,795,681.7	314,786.8	84,077.9	109,048.7
Above 5 years	1,431,578.2	478,774.2	1,782,252.1	275,834.0	140,159.2	115,570.4
Total	**5,866,465.8**	**2,077,326.8**	**6,529,196.7**	**1,653,199.7**	**1,231,656.3**	**1,175,289.6**

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.

In accordance with the regulatory package announced by the Reserve Bank of India on March 27, 2020, the Bank has extended the option of payment moratorium for all dues falling due between March 1, 2020 and May 31, 2020 to its borrowers. As the moratorium has been given effect subsequent to March 2020, inflows from advances are based on the original cash flows prevailing at March 31, 2020 along with the effect of applicable behavioral studies.

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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, 2020 (year ended March 31, 2019: Nil). If the Bank had used the fair value of options based on binomial tree model, compensation cost in the year ended March 31, 2020 would have been higher by ₹ 3,826.2 million (year ended March 31, 2019: ₹ 3,179.0 million) and proforma profit after tax would have been ₹ 75,481.9 million (year ended March 31, 2019: ₹ 30,454.0 million). On a proforma basis, the Bank's basic and diluted earnings per share would have been ₹ 11.68 (year ended March 31, 2019: ₹ 4.73) and ₹ 11.49 (year ended March 31, 2019: ₹ 4.68) respectively for the year ended March 31, 2020. The weighted average fair value of options granted during the year ended March 31, 2020 was ₹ 149.62 (year ended March 31, 2019: ₹ 107.22).

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, 2019
Risk-free interest rate	**6.18% to 7.62%**	7.32% to 8.31%
Expected life	**3.46 to 5.46 years**	3.64 to 6.64 years
Expected volatility	**29.06% to 31.17%**	30.79% to 32.22%
Expected dividend yield	**0.19% to 0.37%**	0.43% to 0.80%

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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, 2020		Year ended March 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	**232,427,774**	**235.40**	235,672,250	224.19
Add: Granted during the year[1]	**34,288,400**[1]	**402.16**	35,419,900	283.91
Less: Lapsed during the year, net of re-issuance	**1,904,051**[2]	**316.72**	20,415,499	229.88
Less: Exercised during the year	**26,525,550**	**207.09**	18,248,877	191.04
Outstanding at the end of the year	**238,286,573**[1]	**261.89**	232,427,774	235.40
Options exercisable	**169,975,899**	**231.93**	152,151,329	222.84

1. *Includes options pertaining to Whole-time Directors of ICICI Bank and its subsidiaries in May 2019, 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, 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 following table sets forth, the summary of stock options outstanding at March 31, 2019.

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	1,602,975	79.15	3.84
100-199	33,771,457	166.66	4.23
200-299	196,076,442	248.04	8.11
300-399	976,900	329.56	8.64

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, 2020 was ₹ 451.25 (year ended March 31, 2019: ₹ 326.37).

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8. Subordinated debt

During the year ended March 31, 2020, the Bank has not raised subordinated debt bonds qualifying for Additional Tier-1 capital.

The following table sets forth, the details of subordinated debt bonds qualifying for Additional Tier-1 capital raised during the year ended March 31, 2019.

₹ in million

Particulars	Date of Issue	Coupon Rate (%)	Tenure	Amount
Subordinate Additional Tier-1	December 28, 2018	9.90% (annually)	Perpetual[1]	11,400.0

1. Call option exercisable on December 28, 2023 and on every interest payment date thereafter (exercisable with RBI approval).

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).

During the year ended March 31, 2019, the Bank did not raise any subordinated debt bonds qualifying for Tier-2 capital.

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, 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.

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₹ in million

Sr. No.	Particulars	Minimum outstanding balance during the Year ended March 31, 2019	Maximum outstanding balance during the Year ended March 31, 2019	Daily average outstanding balance during the Year ended March 31, 2019	Outstanding balance at March 31, 2019
Securities sold under Repo, LAF and MSF					
i)	Government Securities	-	183,972.2	37,694.6	61,716.3
ii)	Corporate Debt Securities	-	1,000.0	2.7	-
iii)	Any other securities	-	-	-	-
Securities purchased under Reverse Repo and LAF					
i)	Government Securities	-	293,919.6	59,525.3	99,000.0
ii)	Corporate Debt Securities	-	2,000.0	49.3	-
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, 2020	At March 31, 2019
1.	**Value of Investments**		
	i) Gross value of investments		
	a) In India	**2,472,213.9**	2,062,886.2
	b) Outside India	**81,130.3**	64,377.2
	ii) Provision for depreciation		
	c) In India	**(56,623.2)**	(49,109.9)
	d) Outside India	**(1,406.2)**	(826.7)
	iii) Net value of investments		
	e) In India	**2,415,590.7**	2,013,776.3
	f) Outside India	**79,724.1**	63,550.5
2.	**Movement of provisions held towards depreciation on investments**		
	i) Opening balance	**49,936.6**	47,087.8
	ii) Add: Provisions made during the year	**13,244.4**	9,757.5
	iii) Less: Write-off/write-back of excess provisions during the year	**(5,151.6)**	(6,908.7)
	iv) Closing balance	**58,029.4**	49,936.6

During the year ended March 31, 2019, the Bank sold 2.00% of its shareholding in ICICI Prudential Life Insurance Company Limited and made a net gain of ₹ 11,095.9 million on this sale.

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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, 2020	At March 31, 2019
I.	**In India**		
	Pass through certificates	**130,774.8**	136,172.1
	Commercial paper	**139,563.6**	105,614.9
	Certificate of deposits	**23,431.1**	30,301.1
	Security receipts	**19,253.3**	32,856.3
	Venture funds	**3,229.7**	2,923.9
	Others	**10,342.8**	4,307.1
	Total	**326,595.3**	**312,175.4**
II.	**Outside India**		
	Certificate of deposits	**4,918.2**	4,493.9
	Shares	**1,616.3**	310.1
	Bonds	**5,311.0**	-
	Venture funds	**2,142.1**	1,892.8
	Total	**13,987.6**	**6,696.8**
Grand total		**340,582.9**	**318,872.2**

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, 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 PTC's of ₹ 1,981.4 million.*

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The following table sets forth, the issuer composition of investments of the Bank in securities, other than governent and other approved securities at March 31, 2019.

₹ 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	56,242.6	48,032.5	-	-	-
2.	FIs	103,246.7	84,848.2	797.0	187.2	-
3.	Banks	39,093.3	29,358.1	-	-	-
4.	Private corporates	147,387.6	145,949.3	7,209.4	2,494.4	8,924.7
5.	Subsidiaries/Joint ventures	98,028.5	-	-	-	-
6.	Others[3,4]	183,868.7	180,059.8	37,367.8	20.0	20.0
7.	Provision held towards depreciation	(49,798.0)	N.A.	N.A.	N.A.	N.A.
	Total	**578,069.4**	**488,247.9**	**45,374.2**	**2,701.6**	**8,944.7**

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 ₹ 20,026.9 million.*
4. *Excludes investments in non-SLR government of India securities amounting to ₹ 135.0 million.*

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, 2020	Year ended March 31, 2019
Opening balance	**44,287.2**	38,440.3
Additions during the year	**15,838.1**	13,827.3
Reduction during the year	**(9,055.9)**	(7,980.4)
Closing balance	**51,069.4**	44,287.2
Total provision held	**46,722.8**	**37,597.3**

12. Sales and transfers of securities to/from Held to Maturity (HTM) category

During the three months ended June 30, 2019, with the approval of Board of Directors, the Bank transferred securities amounting to ₹ 109,963.8 million from held-to-maturity (HTM) category to available-for-sale (AFS) category, being transfer of securities at the beginning of the accounting year as permitted by RBI. During the year ended March 31, 2020, the Bank undertook 170 transactions for sale of securities with a net book value of ₹ 53,103.4 million, which was 4.32% of the HTM portfolio at April 1, 2019. During the year ended March 31, 2019, the Bank undertook one transaction for sale of securities with a net book value of ₹ 2,283.2 million, which was 0.20% of the HTM portfolio at April 1, 2018. The above sale was excluding sale to RBI under pre-announced open market operation auctions, repurchase of government securities by Government of India and repurchase of the state development loans (SDLs) by concerned state government, as permitted by RBI guidelines. The market value of investments held in the HTM category was ₹ 2,041,351.1 million at March 31, 2020 (March 31, 2019: ₹ 1,722,629.5 million). This includes investments in unlisted subsidiaries/joint ventures classified in the HTM category at cost.

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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 Service Group (TCSG) conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, accounting, risk monitoring and reporting and ensures compliance with various internal and regulatory guidelines.

The market making and the proprietary trading activities in derivatives are governed by the Investment policy and Derivative policy of the Bank, which lays down the position limits, stop loss limits as well as other risk limits. The Risk Management Group (RMG) lays down the methodology for computation and monitoring of risk. The Risk Committee of the Board (RCB) reviews the Bank's risk management policy in relation to various risks including credit and recovery policy, investment policy, derivative policy, asset liability management (ALM) policy and operational risk management policy. The RCB comprises independent directors and the Managing Director & CEO.

The Bank measures and monitors risk of its derivatives portfolio using such risk metrics as Value at Risk (VaR), stop loss limits and relevant greeks for options. Risk reporting on derivatives forms an integral part of the management information system.

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. 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.

Over the counter (OTC) derivative transactions are 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, 2020		At March 31, 2019	
			Currency derivative[1]	**Interest rate derivative[2]**	**Currency derivative[1]**	**Interest rate derivative[2]**
1.	Derivatives (Notional principal amount)					
	a)	For hedging	**-**	**286,628.5**	-	405,113.5
	b)	For trading	**1,153,447.5**	**14,768,017.0**	1,169,273.7	11,290,774.4
2.	Marked to market positions[3]					
	a)	Asset (+)	**35,072.2**	**77,348.6**	21,822.9	28,898.7
	b)	Liability (-)	**(29,087.5)**	**(88,278.3)**	(16,486.8)	(30,163.3)
3.	Credit exposure[4]		**99,270.5**	**219,115.7**	72,219.9	124,854.3
4.	Likely impact of one percentage change in interest rate (100*PV01)[5]					
	a)	On hedging derivatives[6]	**-**	**8,875.3**	-	10,011.7
	b)	On trading derivatives	**3,305.3**	**3,262.6**	423.5	62.7

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₹ in million

Sr. No.	Particulars	At March 31, 2020		At March 31, 2019	
		Currency derivative[1]	Interest rate derivative[2]	Currency derivative[1]	Interest rate derivative[2]
5.	Maximum and minimum of 100*PV01 observed during the period				
	a) On hedging[6]				
	Maximum	**-**	**10,255.4**	1.3	12,807.0
	Minimum	**-**	**8,238.1**	-	9,779.7
	b) On trading				
	Maximum	**3,333.3**	**6,018.0**	1,482.1	2,210.6
	Minimum	**1.7**	**7.3**	423.1	10.7

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.*

The following tables set forth, for the periods indicated, the details of forex contracts.

₹ in million

Sr. No.	Particulars	At March 31, 2020		At March 31, 2019	
		Trading	Non-trading	Trading	Non-trading
1.	Forex contracts (Notional principal amount)	**7,017,268.9**	**424,190.6**	4,144,178.3	556,822.2
2.	Marked to market positions				
	a) Asset (+)	**30,575.3**	**1,776.5**	19,107.0	2,261.8
	b) Liability (-)	**(18,728.9)**	**(9,695.9)**	(17,799.0)	(6,000.7)
3.	Credit exposure[1]	**202,270.7**	**11,408.5**	132,225.8	16,396.5
4.	Likely impact of one percentage change in interest rate (100*PV01)[2]	**243.9**	**43.2**	53.6	15.2

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 shall adopt the comprehensive approach, which allows fuller offset of collateral against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral'. Therefore, MTM receivable has been fully offsetted 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, 2020, collateral utilized against MTM receivable is ₹ 15,185.9 million, excess collateral posted over net MTM payable is ₹ 348.6 million and the net credit exposure post collateral netting on forex and derivatives is ₹ 517,228.1 million.

The net overnight open position (NOOP) at March 31, 2020 (as per last NOOP value reported to RBI for the year ended March 31, 2020) was ₹ 4,620.9 million (March 31, 2019: ₹ 2,688.1 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, 2020 (March 31, 2019: Nil).

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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, 2020	At March 31, 2019
1.	Notional principal amount of exchange traded interest rate derivatives undertaken during the year - 10 year Government Security Notional Bond	**244,208.8**	23,272.8
2.	Notional principal amount of exchange traded interest rate derivatives outstanding - 10 year Government Security Notional Bond	**1,080.0**	6,250.0
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.

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, 2020	At March 31, 2019
1.	Notional principal amount of exchange traded currency derivatives undertaken during the year	**2,448,869.3**	1,965,113.3
2.	Notional principal amount of exchange traded currency derivatives outstanding	**88,225.0**	31,719.2
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.

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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, 2020	At March 31, 2019
1.	Notional principal of FRA/IRS	**14,991,626.2**	11,628,471.9
2.	Losses which would be incurred if all counter parties failed to fulfil their obligations under the agreement[1]	**78,846.5**	31,039.6
3.	Collateral required by the Bank upon entering into FRA/IRS	**-**	-
4.	Concentration of credit risk[2]	**6,197.7**	2,496.6
5.	Fair value of FRA/IRS[3]	**4,321.4**	(1,623.4)

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.*

The following table sets forth, for the periods indicated, the details of the CCS.

₹ in million

Sr. No.	Particulars	At March 31, 2020	At March 31, 2019
1.	Notional principal of CCS[1]	**510,277.6**	423,344.5
2.	Losses which would be incurred if all counter parties failed to fulfil their obligations under the agreement[2]	**31,241.5**	18,520.0
3.	Collateral required by the Bank upon entering into CCS	**-**	-
4.	Concentration of credit risk[3]	**12,003.5**	7,911.7
5.	Fair value of CCS[4]	**11,127.6**	8,116.3

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.*

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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, 2020		At March 31, 2019	
		Notional principal	**No. of deals**	**Notional principal**	**No. of deals**
AUD LIBOR	Fixed receivable v/s floating payable	**-**	**-**	7,353.0	3
CHF LIBOR	Fixed receivable v/s floating payable	**-**	**-**	6,934.9	2
JPY LIBOR	Fixed receivable v/s floating payable	**10,451.2**	**2**	9,362.9	2
SGD SOR	Fixed receivable v/s floating payable	**-**	**-**	11,483.4	5
USD LIBOR	Fixed receivable v/s floating payable	**276,177.3**	**40**	369,979.3	63
Total		**286,628.5**	**42**	**405,113.5**	**75**

Trading

₹ in million

Benchmark	Type	At March 31, 2020		At March 31, 2019	
		Notional principal	**No. of deals**	**Notional principal**	**No. of deals**
AUD LIBOR	Floating receivable v/s fixed payable	**414.7**	**1**	468.6	17
AUD LIBOR	Fixed receivable v/s floating payable	**440.5**	**17**	441.2	1
CAD CDOR	Fixed receivable v/s floating payable	**903.1**	**1**	-	-
CAD CDOR	Floating receivable v/s fixed payable	**927.0**	**3**	244.3	5
EURIBOR	Fixed receivable v/s floating payable	**17,175.4**	**48**	16,319.6	53
EURIBOR	Floating receivable v/s fixed payable	**17,156.8**	**30**	17,794.3	32
EURIBOR	Floating receivable v/s floating payable	**415.2**	**1**	388.3	1
GBP LIBOR	Fixed receivable v/s floating payable	**12,974.3**	**23**	12,194.8	22
GBP LIBOR	Floating receivable v/s fixed payable	**13,161.8**	**28**	13,469.7	30
INBMK	Floating receivable v/s fixed payable	**12,310.3**	**17**	21,431.0	29
INBMK	Fixed receivable v/s floating payable	**4,000.0**	**7**	10,000.0	15
JPY LIBOR	Fixed receivable v/s floating payable	**6,432.3**	**9**	5,628.2	13
JPY LIBOR	Floating receivable v/s fixed payable	**6,671.9**	**8**	5,043.3	7
JPY LIBOR	Floating receivable v/s floating payable	**-**	**-**	624.2	1
MIBOR	Floating receivable v/s fixed payable	**5,425,960.0**	**6,862**	4,082,550.5	4,522
MIBOR	Fixed receivable v/s floating payable	**5,287,644.4**	**7,891**	4,107,599.7	5,096
MIFOR	Floating receivable v/s fixed payable	**788,350.0**	**1,113**	459,260.0	829
MIFOR	Fixed receivable v/s floating payable	**854,735.0**	**1,435**	553,185.0	984
USD LIBOR	Fixed receivable v/s floating payable	**990,125.4**	**876**	855,667.1	849
USD LIBOR	Floating receivable v/s fixed payable	**1,152,420.8**	**854**	951,302.9	827
USD LIBOR	Floating receivable v/s floating payable	**108,722.9**	**61**	105,356.0	66
Other	Fixed receivable v/s fixed payable	**4,055.9**	**48**	4,389.7	69
Total		**14,704,997.7**	**19,333**	**11,223,358.4**	**13,468**

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The following tables set forth, for the periods indicated, the nature and terms of CCS.

Trading

₹ in million

Benchmark	Type	At March 31, 2020 Notional principal	At March 31, 2020 No. of deals	At March 31, 2019 Notional principal	At March 31, 2019 No. of deals
AUD BBSW V/s USD LIBOR	Floating receivable v/s floating payable	**-**	**-**	7,359.3	1
CHF LIBOR V/s USD LIBOR	Floating receivable v/s floating payable	**-**	**-**	6,946.8	2
CAD CDOR	Floating receivable v/s fixed payable	**5,319.6**	**1**	-	-
EURIBOR	Fixed receivable v/s floating payable	**2,235.1**	**16**	110.5	2
EURIBOR V/s GBP LIBOR	Floating payable v/s floating receivable	**-**	**-**	2,703.5	2
EURIBOR V/s USD LIBOR	Floating receivable v/s floating payable	**8,308.1**	**10**	8,223.5	19
EURIBOR V/s USD LIBOR	Floating payable v/s floating receivable	**12,945.1**	**13**	4,970.8	9
GBP LIBOR V/s USD LIBOR	Floating receivable v/s floating payable	**4,376.6**	**7**	3,556.8	6
GBP LIBOR V/s USD LIBOR	Floating payable v/s floating receivable	**3,907.3**	**8**	7,088.9	9
HIBOR v/s USD LIBOR	Floating receivable v/s floating payable	**-**	**-**	13,673.1	2
JPY LIBOR	Floating receivable v/s fixed payable	**331.1**	**1**	310.7	1
JPY LIBOR	Fixed receivable v/s floating payable	**361.9**	**4**	851.5	7
JPY LIBOR V/s USD LIBOR	Floating receivable v/s floating payable	**11,205.1**	**8**	12,785.5	12
JPY LIBOR V/s USD LIBOR	Floating payable v/s floating receivable	**1,293.6**	**3**	2,765.3	4
MIFOR v/s USD LIBOR	Floating receivable v/s floating payable	**4,626.3**	**3**	-	-
SGD SOR V/s USD LIBOR	Floating receivable v/s floating payable	**454.0**	**1**	11,982.2	3
SGD SOR V/s USD LIBOR	Floating payable v/s floating receivable	**378.3**	**2**	345.8	2
USD LIBOR	Fixed receivable v/s floating payable	**162,255.6**	**174**	90,338.7	197
USD LIBOR	Floating receivable v/s fixed payable	**91,440.3**	**99**	95,754.7	110
Others	Fixed receivable v/s fixed payable	**200,839.7**	**205**	153,577.1	216
Total		**510,277.7**	**555**	**423,344.7**	**604**

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, 2020	Year ended March 31, 2019
1.	Net NPAs (funded) to net advances (%)	**1.54%**	2.29%
2.	Movement of NPAs (Gross)		
	a) Opening balance[2]	**456,760.4**	532,401.8
	b) Additions: Fresh NPAs during the year[3]	**138,020.0**	105,959.6
	Sub-total (1)	**594,780.4**	**638,361.4**
	c) Reductions during the year		
	1. Upgradations	**(11,542.1)**	(11,903.6)
	2. Recoveries (excluding recoveries made from upgraded accounts)	**(65,428.8)**	(54,126.1)
	3. Technical/prudential write-offs	**(102,697.1)**	(102,638.4)
	4. Write-offs other than technical/prudential write-offs	**(6,821.5)**	(12,932.9)
	Sub-total (2)	**(186,489.5)**	**(181,601.0)**
	d) Closing balance[2] (1)-(2)	**408,290.9**	456,760.4
3.	Movement of net NPAs		
	a) Opening balance[2]	**134,497.2**	278,235.6
	b) Additions during the year[3]	**67,049.0**	53,969.5
	c) Reductions during the year	**(102,313.8)**	(197,707.9)
	d) Closing balance[2]	**99,232.4**	134,497.2
4.	Movement of provision for NPAs (excluding provision on standard assets)		
	a) Opening balance[2]	**322,263.2**	254,166.2
	b) Addition during the year[3]	**141,862.4**	197,391.4
	Sub-total (1)	**464,125.6**	**451,557.6**
	c) Write-off/(write-back) of excess provisions		
	1. Write-back of excess provision on account of upgradations	**(2,500.0)**	(2,360.6)
	2. Write-back of excess provision on account of reduction in NPAs	**(43,393.5)**	(12,392.7)
	3. Provision utilised for write-offs	**(109,173.6)**	(114,541.1)
	Sub-total (2)	**(155,067.1)**	**(129,294.4)**
	d) Closing balance[2] (1)-(2)	**309,058.5**	322,263.2

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, 2020	Year ended March 31, 2019
Opening balance	**238,659.6**	172,128.4
Add: Technical/prudential write-offs during the year[1]	**115,925.6**	102,638.4
Sub-total (1)	**354,585.2**	**274,766.8**
Less: Recoveries made from previously technical/ prudential written-off accounts during the year	**(3,395.6)**	(13,871.5)
Less: Sacrifice made from previously technical/ prudential written-off accounts during the year	**(9,811.1)**	(22,235.7)
Sub-total (2)	**(13,206.7)**	**(36,107.2)**
Closing balance (1)-(2)	**341,378.5**	238,659.6

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. During the year ended March 31, 2020, the Bank classified certain loans as NPAs at overseas branches amounting to ₹ 19,795.3 million (year ended March 31, 2019: ₹ 3,244.1 million) as per the requirement of these guidelines and made a provision of ₹ 10,305.8 million (year ended March 31, 2019: ₹ 718.2 million) on these loans.

Divergence in asset classification and provisioning for NPAs

In terms of the RBI circular no. //DBR.BP.BC.No.32/21.04.018/2019-19 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, 2019 and for the year ended March 31, 2018.

17. Floating provision

During the year ended March 31, 2020, the Bank did not make any floating provision (March 31, 2019: 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, 2020	At March 31, 2019
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, 2020 was ₹ 33,745.2 million (March 31, 2019: ₹ 28,737.6 million). General provision on standard assets (excluding Covid-19 related provision) amounting to ₹ 4,621.1 million was made during the year ended March 31, 2020 (year ended March 31, 2019: ₹ 2,553.7 million) as per applicable RBI guidelines. For Covid-19 related provision refer to Note no. 26 – 'Classification and provisioning under RBI Covid-19 Regulatory Package'.

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 ₹ 2,500.0 million (March 31, 2019: ₹ 2,250.0 million) on advances to entities with UFCE at March 31, 2020. The Bank made provision amounting to ₹ 250.0 million during the year ended March 31, 2020 (year ended March 31, 2019: ₹ 350.0 million). The Bank held incremental capital of ₹ 7,752.5 million at March 31, 2020 on advances to borrowers with UFCE (March 31, 2019: ₹ 8,048.3 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, 2020, Bank made provision amounting to ₹ 911.9 million (year ended March 31, 2019: write back of provision ₹ 483.4 million). At March 31, 2020, the Bank held provision of ₹ 2,340.0 million (March 31, 2019: ₹ 1,428.1 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, 2020, there was a write-back of provision amounting to ₹ 42.7 million (year ended March 31, 2019: provision made of ₹ 124.2 million) on these specified borrowers. The Bank held provision amounting to ₹ 81.5 million at March 31, 2020 (March 31, 2019: ₹ 124.2 million).

19. Provision Coverage Ratio

The provision coverage ratio of the Bank at March 31, 2020 computed as per the extant RBI guidelines was 75.7% (March 31, 2019: 70.6%).

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, 2020		Year ended March 31, 2019	
	Bought	**Sold**	**Bought**	**Sold**
General	**48,500.0**	**167,980.0**	-	197,500.0
Agriculture	**333,480.0**	**-**	249,175.0	-
Micro enterprise	**-**	**223,462.5**	-	47,252.5
Total	**381,980.0**	**391,442.5**	**249,175.0**	**244,752.5**

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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, 2020	Year ended March 31, 2019
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]	**8.3**	24.2

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, 2020	At March 31, 2019
Outstanding credit enhancement (funded)	**3,464.6**	3,468.8
Outstanding liquidity facility	**2.6**	0.7
Net outstanding servicing asset/(liability)	**(9.3)**	(12.1)
Outstanding subordinate contributions	**1,459.1**	1,462.2

Outstanding liquidity facility in the form of guarantees amounted to ₹ 263.2 million at March 31, 2020 (March 31, 2019: ₹ 265.1 million).

The outstanding credit enhancement in the form of guarantees for third party originated securitisation transactions amounted to ₹ 5,065.1 million at March 31, 2020 (March 31, 2019: ₹ 4,858.6 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, 2020	Year ended March 31, 2019
Opening balance	**831.9**	823.3
Additions during the year	**16.7**	12.0
Deductions during the year	**(3.0)**	(3.4)
Closing balance	**845.6**	831.9

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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, 2020 (March 31, 2019: 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, 2020	At March 31, 2019
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 six loans through direct assignment amounting to ₹ 6,886.3 million during the year ended March 31, 2020 (year ended March 31, 2019: seven loans amounting to ₹ 4,684.1 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. 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, 2020	Year ended March 31, 2019
Number of accounts	**5**	15
Aggregate value (net of provisions) of accounts sold to SC/RC	**7.8**	2,764.1
Aggregate consideration	**310.9**	3,851.5
Additional consideration realised in respect of accounts transferred in earlier years	**-**	-
Aggregate gain/(loss) over net book value[1,2]	**303.1**	1,087.4

1. *During the year ended March 31, 2020, the Bank made no loss on sale of financial assets to ARCs (year ended March 31, 2019: ₹ 1,024.0 million).*
2. *During the year ended March 31, 2020, the Bank made a gain of ₹ 303.1 million on sale of financial assets to ARCs (year ended March 31, 2019: gain of ₹ 2,111.4 million).*

The following tables set forth, for the periods indicated, the details of investments in security receipts (SRs).

₹ in million

Particulars	At March 31, 2020	At March 31, 2019
Net book value of investments in SRs which are -		
- Backed by NPAs sold by the Bank as underlying[1]	**10,547.6**	22,450.4
- Backed by NPAs sold by other banks/financial institutions(FIs)/non–banking financial companies (NBFCs) as underlying	**10.5**	10.5
Total	**10,558.1**	**22,460.9**

1. *During the year ended March 31, 2020, the entire investment in security receipts of two trusts amounting to ₹ 1,138.7 million, which was fully provided, was redeemed at Nil consideration (year ended March 31, 2019: Nil) and there was no gain/loss to the Bank (year ended March 31, 2019: Nil).*

₹ 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**

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

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forming part of the Accounts *(Contd.)*

₹ in million

Sr. No.	Particulars	At March 31, 2019			
		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	24,933.6	1,138.7	-	26,072.3
	Provision held against above	2,483.2	1,138.7	-	3,621.9
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		**24,933.6**	**1,149.2**	**-**	**26,082.8**
Total provision held against above		2,483.2	1,138.7	-	3,621.9
Net book value		**22,450.4**	**10.5**	**-**	**22,460.9**

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, 2020 (year ended March 31, 2019: 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, 2020	Year ended March 31, 2019
Number of accounts	**2**	-
Aggregate value (net of provisions) of accounts sold, excluding those sold to SC/RC	**649.0**	-
Aggregate consideration	**995.9**	-
Aggregate gain/(loss) over net book value	**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, 2020	Year ended March 31, 2019
Number of accounts	**-**	2
Aggregate value (net of provisions) of accounts sold, excluding those sold to SC/RC	**-**	-
Aggregate consideration	**-**	28,653.3
Aggregate gain/(loss) over net book value	**-**	28,653.3

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Accounts *(Contd.)*

24. Information in respect of restructured assets

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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forming part of the Accounts *(Contd.)*

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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forming part of the Accounts *(Contd.)*

The following table sets forth, for the year ended March 31, 2019, 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, 2018										
	No. of borrowers	8	-	30	5	**43**	1	-	-	-	**1**
	Amount outstanding	4,169.8	-	41,833.9	276.8	**46,280.5**	0.3	-	-	-	**0.3**
	Provision thereon	356.1	-	35,677.2	276.8	**36,310.1**	-	-	-	-	**-**
2.	Fresh restructuring during the year ended March 31, 2019										
	No. of borrowers	-	-	-	-	**-**	1	-	-	-	**1**
	Amount outstanding	-	-	-	-	**-**	279.6	-	-	-	**279.6**
	Provision thereon	-	-	-	-	**-**	-	-	-	-	**-**
3.	Upgradations to restructured standard category during the year ended March 31, 2019										
	No. of borrowers	-	-	-	-	**-**	-	-	-	-	**-**
	Amount outstanding	-	-	-	-	**-**	-	-	-	-	**-**
	Provision thereon	-	-	-	-	**-**	-	-	-	-	**-**
4.	Increase/(decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2019[1]										
	No. of borrowers	-	-	-	-	**-**	-	-	-	-	**-**
	Amount outstanding	(213.1)	-	40.9	(1.3)	**(173.5)**	-	-	-	-	**-**
	Provision thereon	1,580.2	-	4,525.2	(1.3)	**6,104.1**	-	-	-	-	**-**
5.	Restructured standard advances at April 1, 2018, which cease to attract higher provisioning and/or additional risk weight at March 31, 2019 and hence need not be shown as restructured standard advances at April 1, 2019										
	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, 2019										
	No. of borrowers	(3)	-	(1)	4	**-**	-	-	-	-	**-**
	Amount outstanding	(1,710.8)	-	(1,713.3)	3,378.3	**(45.8)**	-	-	-	-	**-**
	Provision thereon	(1,710.8)	-	(1,713.3)	3,378.3	**(45.8)**	-	-	-	-	**-**
7.	Write-offs/recovery/sale of restructured accounts during the year ended March 31, 2019										
	No. of borrowers	-	-	(6)	(1)	**(7)**	(1)	-	-	-	**(1)**
	Amount outstanding	-	-	(13,008.0)	(6.1)	**(13,014.1)**	(0.3)	-	-	-	**(0.3)**
	Provision thereon	-	-	(11,926.5)	(6.1)	**(11,932.6)**	-	-	-	-	**-**
8.	Restructured accounts at March 31, 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**	-	-	-	-	**-**

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, 2019, 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, 2018										
	No. of borrowers	233	231	973	91	**1,528**	242	231	1,003	96	**1,572**
	Amount outstanding	11,779.7	58.8	93,040.4	675.8	**105,554.7**	15,949.8	58.8	134,874.3	952.6	**151,835.5**
	Provision thereon	65.7	31.5	52,577.5	675.8	**53,350.5**	421.8	31.5	88,254.7	952.6	**89,660.6**
2.	Fresh restructuring during the year ended March 31, 2019										
	No. of borrowers	-	1,001	1,194	16	**2,211**	1	1,001	1,194	16	**2,212**
	Amount outstanding	-	2,850.9	3,441.7	5.9	**6,298.5**	279.6	2,850.9	3,441.7	5.9	**6,578.1**
	Provision thereon	-	561.9	3,401.6	5.9	**3,969.4**	-	561.9	3,401.6	5.9	**3,969.4**
3.	Upgradations to restructured standard category during the year ended March 31, 2019										
	No. of borrowers	11	-	-	(11)	**-**	11	-	-	(11)	**-**
	Amount outstanding	13.0	-	-	(13.5)	**(0.5)**	13.0	-	-	(13.5)	**(0.5)**
	Provision thereon	0.1	-	-	(13.5)	**(13.4)**	0.1	-	-	(13.5)	**(13.4)**
4.	Increase/(Decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2019[1]										
	No. of borrowers	-	-	-	-	**-**	-	-	-	-	**-**
	Amount outstanding	(422.5)	(0.1)	424.9	63.9	**66.2**	(635.6)	(0.1)	465.8	62.6	**(107.3)**
	Provision thereon	(12.4)	0.3	11,126.6	63.9	**11,178.4**	1,567.8	0.3	15,651.8	62.6	**17,282.5**
5.	Restructured standard advances at April 1, 2018, which cease to attract higher provisioning and/ or additional risk weight at March 31, 2019 and hence need not be shown as restructured standard advances at April 1, 2019										
	No. of borrowers	(2)	N.A.	N.A.	N.A.	**(2)**	(2)	N.A.	N.A.	N.A.	**(2)**
	Amount outstanding	(10,402.1)	N.A.	N.A.	N.A.	**(10,402.1)**	(10,402.1)	N.A.	N.A.	N.A.	**(10,402.1)**
	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, 2019										
	No. of borrowers	(6)	(99)	99	6	**-**	(9)	(99)	98	10	**-**
	Amount outstanding	(2.0)	(28.5)	(268.6)	223.3	**(75.8)**	(1,712.8)	(28.5)	(1,981.9)	3,601.6	**(121.6)**
	Provision thereon	-	(18.3)	(271.3)	223.3	**(66.3)**	(1,710.8)	(18.3)	(1,984.6)	3,601.6	**(112.1)**
7.	Write-offs/recovery/sale of restructured accounts during the year ended March 31, 2019										
	No. of borrowers	(1)	(128)	(243)	(10)	**(382)**	(2)	(128)	(249)	(11)	**(390)**
	Amount outstanding	(0.7)	(28.4)	(39,026.8)	(610.5)	**(39,666.4)**	(1.0)	(28.4)	(52,034.8)	(616.6)	**(52,680.8)**
	Provision thereon	-	(12.9)	(20,094.5)	(610.5)	**(20,717.9)**	-	(12.9)	(32,021.0)	(616.6)	**(32,650.5)**
8.	Restructured accounts at March 31, 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[3]	562.5[3]	73,302.5[3]	3,992.6[3]	**78,136.5[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 ₹ 386.9 million on these accounts.

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forming part of the Accounts *(Contd.)*

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, 2020	At March 31, 2019
Number of borrowers where S4A has been applied	**6**	6
Total gross amount outstanding[1]		
- Standard	**1,977.1**[2]	6,243.6[2]
- NPA	**5,992.2**	1,236.2
Gross amount outstanding in Part A		
- Standard	**1,225.3**[2]	3,340.4[2]
- NPA	**3,384.1**	712.4
Gross amount outstanding in Part B		
- Standard	**751.8**[2]	2,903.2[2]
- NPA	**2,608.1**	523.7
Provision held		
- Standard	**455.6**	1,924.9
- NPA	**4,267.9**	1,377.0

1. *Represents loans, credit substitutes and shares under S4A scheme.*
2. *Includes outstanding amounting to ₹ 1,225.3 million at March 31, 2020 (March 31, 2019: ₹ 1,081.6 million) which was upgraded to standard from NPA on implementation of S4A and ₹ 751.8 million at March 31, 2020 (March 31, 2019: ₹ 832.4 million) which was upgraded to standard from NPA at March 31, 2019 on satisfactory performance during specified period.*

The Bank does not recognise any amount towards interest on the cases under S4A.

25. Resolution of stressed assets

During the year ended March 31, 2020, the Bank has implemented resolution plan for one borrower amounting to ₹ 24,631.9 million under the prudential framework for stressed assets issued by RBI on June 7, 2019.

26. Classification and provisioning under RBI Covid-19 Regulatory Package

In accordance with the regulatory package announced by the Reserve Bank of India on March 27, 2020, the Bank has extended the option of payment moratorium for all dues falling due between March 1, 2020 and May 31, 2020 to its borrowers. In line with the RBI guidelines issued on April 17, 2020, in respect of all accounts classified as standard as on February 29, 2020, even if overdue, the moratorium period, wherever granted, shall be excluded from the number of days past-due for the purpose of asset classification.

The Bank has extended the moratorium option to its borrowers under a Board-approved policy. For certain loan categories, moratorium is the default choice with an option to the borrowers to opt-out of the moratorium. At March 31, 2020, the aggregate outstanding of the borrowers to whom moratorium has been extended by the end of April 2020 and which were overdue but standard at February 29, 2020 and continued to be overdue at March 31, 2020, amounted to ₹ 121,453.6 million. Of these, borrowers with aggregate outstanding of ₹ 13,092.6 million were extended asset classification benefit at March 31, 2020 under RBI's norms. At March 31, 2020, the Bank has made Covid-19 related provision of ₹ 27,250.0 million. The provision made by the Bank is more than the requirement under RBI guidelines dated April 17, 2020.

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27. Concentration of Deposits, Advances, Exposures and NPAs

(I) Concentration of deposits, advances, exposures and NPAs

₹ in million

Concentration of deposits	At March 31, 2020	At March 31, 2019
Total deposits of 20 largest depositors	**376,510.0**	374,674.8
Deposits of 20 largest depositors as a percentage of total deposits of the Bank	**4.88%**	5.74%

₹ in million

Concentration of advances[1]	At March 31, 2020	At March 31, 2019
Total advances to 20 largest borrowers (including banks)	**1,300,672.3**	1,285,208.1
Advances to 20 largest borrowers as a percentage of total advances of the Bank	**10.96%**	12.05%

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, 2020	At March 31, 2019
Total exposure to 20 largest borrowers/customers (including banks)	**1,435,623.3**	1,329,728.6
Exposures to 20 largest borrowers/customers as a percentage of total exposure of the Bank	**11.53%**	11.87%

1. Represents credit and investment exposures as per RBI guidelines on exposure norms.

₹ in million

Concentration of NPAs	At March 31, 2020	At March 31, 2019
Total exposure[1] to top four NPA accounts	**96,544.6**	126,059.0

1. Represents gross exposure (funded and non-funded).

(II) Sector-wise advances

₹ 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%**

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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
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.*

₹ in million, except percentages

Sr. No.	Particulars	At March 31, 2019		
		Outstanding advances	Gross NPAs[1]	% of gross NPAs[1] to total advances in that sector
A.	**Priority sector**			
1.	Agriculture and allied activities	447,302.2	16,663.8	3.73%
2.	Advances to industries sector eligible as priority sector lending	397,708.1	4,386.3	1.10%
3.	Services	225,975.2	3,942.0	1.74%
	of which:			
	Transport operators	141,403.9	1,845.5	1.31%
	Wholesale trade	58,202.1	1,310.5	2.25%
4.	Personal loans	643,945.1	8,239.1	1.28%
	of which:			
	Housing	472,491.4	4,138.4	0.88%
	Vehicle loans	146,710.1	3,666.9	2.50%
	Sub-total (A)	**1,714,930.6**	**33,231.2**	**1.94%**

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₹ in million, except percentages

Sr. No.	Particulars	At March 31, 2019		
		Outstanding advances	Gross NPAs[1]	% of gross NPAs[1] to total advances in that sector
B.	**Non-priority sector**			
1.	Agriculture and allied activities	-	-	-
2.	Advances to industries sector	1,564,129.6	333,459.9	21.32%
	of which:			
	Infrastructure	487,267.8	96,141.2	19.73%
	Basic metal and metal products	216,009.7	41,442.0	19.19%
	Chemicals and chemical products	179,564.7	6,131.7	3.41%
3.	Services	1,168,240.2	66,989.5	5.73%
	of which:			
	Commercial real estate	322,897.1	15,332.8	4.75%
	Wholesale trade	150,220.3	9,712.9	6.47%
	Non-banking financial companies	218,295.4	2,500.1	1.15%
4.	Personal loans[2]	1,742,551.9	23,079.8	1.32%
	of which:			
	Housing	1,108,918.5	9,970.3	0.90%
	Sub-total (B)	**4,474,921.7**	**423,529.2**	**9.46%**
	Total (A)+(B)	**6,189,852.3**	**456,760.4**	**7.38%**

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.*

(III) Overseas assets, NPAs[1] and revenue

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Total assets[2]	**759,926.1**	890,543.1
Total NPAs (net)	**21,666.5**	31,624.1
Total revenue[2]	**33,259.2**	42,948.5

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, 2020

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.*

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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

28. 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, 2020	At March 31, 2019
1.	Total amount of intra-group exposures	**114,962.0**	100,938.0
2.	Total amount of top 20 intra-group exposures	**114,961.8**	100,938.0
3.	Percentage of intra-group exposure to total exposures of the Bank on borrowers/customers	**0.92%**	0.90%
4.	Details of breach of limits on intra-group exposures and regulatory action thereon, if any	**Nil**	Nil

29. 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, 2020	At March 31, 2019
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	**71,562.0**	32,604.3
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	**2,087.8**	1,170.7
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	**36,919.0**	23,458.2
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	**-**	2,031.7
5.	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	**109,641.9**	89,571.4
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	**-**	-

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₹ in million

Sr. No.	Particulars	At March 31, 2020	At March 31, 2019
7.	Bridge loans to companies against expected equity flows/issues	**-**	1,500.0
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)	**10,479.3**	6,019.6
11.	Others	**15,000.0**	3,148.2
	Total exposure to capital market[1]	**245,690.0**	**159,504.1**

1. At March 31, 2020, excludes investment in equity shares of ₹ 24,310.4 million (March 31, 2019: ₹ 26,626.7 million) exempted from the regulatory ceiling, out of which investments of ₹ 22,707.1 million (March 31, 2019: ₹ 25,023.4 million) were acquired under resolution schemes of RBI.

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, 2020	At March 31, 2019
I.	**Direct exposure**	**2,502,742.5**	**2,306,322.6**
	1. Residential mortgages	**1,922,051.9**	1,801,730.9
	of which: individual housing loans eligible for priority sector advances	**292,905.8**	300,507.8
	2. Commercial real estate[1]	**541,521.0**	458,878.9
	3. Investments in Mortgage Backed Securities (MBS) and other securitised exposure	**39,169.6**	45,712.8
	1. Residential	**34,195.7**	40,267.1
	2. Commercial real estate	**4,973.9**	5,445.7
II.	**Indirect exposure**	**207,157.4**	**189,347.5**
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	**207,157.4**	189,347.5
	Total exposure to real estate sector	**2,709,899.9**	**2,495,670.1**

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.

30. Factoring business

At March 31, 2020, the outstanding receivables acquired by the Bank under factoring business were ₹ 6,475.8 million (March 31, 2019: ₹ 3,382.0 million).

31. 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 1.86% (March 31, 2019: 2.69%), for Singapore was 1.03% (March 31, 2019: 1.12%) and for United Kingdom was Nil (March 31, 2019: 1.06%). As the net funded exposure to United States of America and Singapore at March 31, 2020, exceeded 1.0% of total funded assets (March 31, 2019: United States of America, Singapore and United Kingdom), the Bank held a provision of ₹ 465.0 million on country exposure at March 31, 2020 (March 31, 2019: ₹ 595.0 million) based on RBI guidelines.

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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, 2020	Provision held at March 31, 2020	Exposure (net) at March 31, 2019	Provision held at March 31, 2019
Insignificant	**902,891.2**	**465.0**	1,051,721.0	595.0
Low	**300,756.5**	**-**	287,964.5	-
Moderately Low	**954.6**	**-**	1,525.9	-
Moderate	**26,775.7**	**-**	15,601.1	-
Moderately High	**38.8**	**-**	9.6	-
High	**-**	**-**	-	-
Very High	**-**	**-**	-	-
Total	**1,231,416.8**	**465.0**	**1,356,822.1**	**595.0**

32. Details of Single Counterparty Limit and Group of Connected Counterparties Limit exceeded by the Bank

During the year ended March 31, 2020, the Bank has complied with the relevant RBI guidelines on exposure limits to single counterparty and group of connected counterparties.

During the year ended March 31, 2019, the Bank has complied with the RBI guidelines on single borrower and borrower group limit.

33. 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, 2020 (March 31, 2019: Nil).

34. 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 comparison method and income generation method and the incremental amount has been taken to revaluation reserve. The revalued amount at March 31, 2020 was ₹ 57,072.8 million (March 31, 2019: ₹ 56,852.6 million) as compared to the historical cost less accumulated depreciation of ₹ 25,924.1 million (March 31, 2019: ₹ 26,407.5 million).

The revaluation reserve is not available for distribution of dividend.

35. 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, 2020	At March 31, 2019
At cost at March 31 of preceding year	**17,403.4**	18,608.1
Additions during the year	**2,682.7**	2,477.2
Deductions during the year	**(206.7)**	(3,681.9)
Depreciation to date	**(15,592.6)**	(12,789.4)
Net block	**4,286.8**	4,614.0

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36. Debt assets swap transactions

The following table sets forth, for the periods indicated, details of non-banking assets acquired under debt asset swap transactions.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Number of borrowers	-	-
Aggregate value of debt relinquished	-	-
Aggregate value of non-banking assets acquired	-	-
Aggregate gain/(loss) over net book value	-	-

During the year ended March 31, 2020, the Bank sold non-banking assets having a book value of ₹ 1,317.4 million, which were fully provided, at a sale consideration of ₹ 1,632.0 million (March 31, 2019: Nil).

The net book value of non-banking assets acquired in satisfaction of claims by the Bank outstanding at March 31, 2020 amounted to Nil (March 31, 2019: ₹ 10,040.2 million), net of provision held of ₹ 30,517.8 million (March 31, 2019: ₹ 22,147.3 million).

37. Lease

I. Assets taken under operating lease

The following table sets forth, for the periods indicated, the details of future rentals payable on operating leases.

₹ in million

Particulars	At March 31, 2020	At March 31, 2019
Not later than one year	244.2	82.7
Later than one year and not later than five years	126.4	46.3
Later than five years	-	-
Total	**370.6**	**129.0**

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, 2020	At March 31, 2019
A. Total Minimum lease payments outstanding		
Not later than one year	112.6	-
Later than one year and not later than five years	369.0	-
Later than five years	-	-
Total	**481.6**	**-**
B. Interest cost payable		
Not later than one year	52.2	-
Later than one year and not later than five years	101.8	-
Later than five years	-	-
Total	**154.0**	**-**
C. Present value of minimum lease payments payable (A-B)		
Not later than one year	60.4	-
Later than one year and not later than five years	267.2	-
Later than five years	-	-
Total	**327.6**	**-**

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38. 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.

39. 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, 2020	Year ended March 31, 2019
1.	Income from selling life insurance policies	**8,499.9**	9,792.3
2.	Income from selling non-life insurance policies	**1,772.5**	1,382.8
3.	Income from selling mutual fund/collective investment scheme products	**1,548.8**	3,156.7

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40. 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, 2020	Year ended March 31, 2019
Opening obligations	**16,540.3**	**15,391.1**
Service cost	**226.1**	232.2
Interest cost	**1,147.4**	1,123.7
Actuarial (gain)/loss	**4,633.7**	1,803.8
Liabilities extinguished on settlement	**(2,518.0)**	(1,833.7)
Benefits paid	**(115.2)**	(176.8)
Obligations at the end of year	**19,914.3**	**16,540.3**
Opening plan assets, at fair value	**15,438.8**	**16,303.7**
Expected return on plan assets	**1,235.8**	1,381.1
Actuarial gain/(loss)	**741.1**	(125.9)
Assets distributed on settlement	**(2,797.7)**	(2,037.4)
Contributions	**2,469.3**	94.1
Benefits paid	**(115.2)**	(176.8)
Closing plan assets, at fair value	**16,972.1**	**15,438.8**
Fair value of plan assets at the end of the year	**16,972.1**	15,438.8
Present value of the defined benefit obligations at the end of the year	**(19,914.3)**	(16,540.3)
Amount not recognised as an asset (limit in Para 59(b) of AS 15 on 'employee benefits')	**-**	-
Asset/(liability)	**(2,942.2)**	**(1,101.5)**
Cost[1]		
Service cost	**226.1**	232.2
Interest cost	**1,147.4**	1,123.7
Expected return on plan assets	**(1,235.8)**	(1,381.1)
Actuarial (gain)/loss	**3,892.6**	1,929.7
Curtailments & settlements (gain)/loss	**279.7**	203.7
Effect of the limit in para 59(b) of AS 15 on 'employee benefits'	**-**	(310.1)
Net cost	**4,310.0**	**1,798.1**
Actual return on plan assets	**1,976.9**	1,255.2
Expected employer's contribution next year	**1,000.0**	1,000.0
Investment details of plan assets		
Insurer managed funds	**1.01%**	1.00%
Government of India securities	**50.33%**	49.63%
Corporate bonds	**44.85%**	44.91%
Equity securities in listed companies	**2.59%**	3.55%
Others	**1.22%**	0.91%
Assumptions		
Discount rate	**6.00%**	7.05%
Salary escalation rate:		
On Basic pay	**1.50%**	1.50%
On Dearness relief	**7.00%**	7.00%
Estimated rate of return on plan assets	**8.00%**	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.

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Experience adjustment

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Plan assets	**16,972.1**	15,438.8	16,303.7	16,888.1	13,191.6
Defined benefit obligations	**(19,914.3)**	(16,540.3)	(15,391.1)	(16,686.9)	(14,191.6)
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**-**	-	(310.1)	(68.4)	-
Surplus/(deficit)	**(2,942.2)**	(1,101.5)	602.5	132.8	(1,000.0)
Experience adjustment on plan assets	**741.1**	(125.9)	(449.6)	589.5	(4.1)
Experience adjustment on plan liabilities	**2,186.1**	1,038.6	290.1	(80.0)	1,503.4

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, 2020	Year ended March 31, 2019
Opening obligations	**10,114.4**	**9,087.7**
Add: Adjustment for exchange fluctuation on opening obligations	**14.3**	3.0
Adjusted opening obligations	**10,128.7**	**9,090.7**
Service cost	**1,051.4**	942.9
Interest cost	**772.8**	710.4
Actuarial (gain)/loss	**865.6**	269.0
Past service cost	**-**	-
Liability transferred from/to other companies	**(9.4)**	12.1
Benefits paid	**(870.4)**	(910.7)
Obligations at the end of the year	**11,938.7**	**10,114.4**
Opening plan assets, at fair value	**9,821.2**	**8,979.9**
Expected return on plan assets	**762.2**	726.3
Actuarial gain/(loss)	**(125.0)**	(60.3)
Contributions	**1,298.5**	1,073.9
Asset transferred from/to other companies	**(9.4)**	12.1
Benefits paid	**(870.4)**	(910.7)
Closing plan assets, at fair value	**10,877.1**	**9,821.2**
Fair value of plan assets at the end of the year	**10,877.1**	9,821.2
Present value of the defined benefit obligations at the end of the year	**(11,938.7)**	(10,114.4)
Amount not recognised as an asset (limit in Para 59(b) of AS 15 on 'employee benefits')	**-**	-
Asset/(liability)	**(1,061.6)**	**(293.2)**
Cost[1]		
Service cost	**1,051.4**	942.9

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₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest cost	**772.8**	710.4
Expected return on plan assets	**(762.2)**	(726.3)
Actuarial (gain)/loss	**990.6**	329.3
Past service cost	**-**	-
Exchange fluctuation loss/(gain)	**14.3**	3.0
Effect of the limit in para 59(b) of AS 15 on 'employee benefits'	**-**	-
Net cost	**2,066.9**	**1,259.3**
Actual return on plan assets	**637.2**	666.0
Expected employer's contribution next year	**800.0**	800.0
Investment details of plan assets		
Insurer managed funds	**-**	-
Government of India securities	**27.64%**	29.90%
Corporate bonds	**54.49%**	43.51%
Special deposit schemes	**2.67%**	2.96%
Equity	**0.89%**	12.89%
Others	**14.30%**	10.74%
Assumptions		
Discount rate	**6.60%**	7.40%
Salary escalation rate	**7.00%**	7.00%
Estimated rate of return on plan assets	**8.00%**	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, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Plan assets	**10,877.1**	9,821.2	8,979.9	8,559.0	6,933.0
Defined benefit obligations	**(11,938.7)**	(10,114.4)	(9,087.7)	(8,701.8)	(7,386.7)
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**-**	-	-	-	-
Surplus/(deficit)	**(1,061.6)**	(293.2)	(107.8)	(142.8)	(453.7)
Experience adjustment on plan assets	**(125.0)**	(60.3)	(115.9)	454.5	(345.7)
Experience adjustment on plan liabilities	**181.3**	118.4	162.0	125.2	120.1

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, 2020 (year ended March 31, 2019: 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, 2020	Year ended March 31, 2019
Opening obligations	**28,757.5**	**25,524.4**
Service cost	**1,780.6**	1,330.0
Interest cost	**2,152.1**	1,920.9
Actuarial (gain)/loss	**(171.5)**	402.6
Employees contribution	**3,325.7**	2,449.0
Liability transferred from/to other companies	**490.7**	288.6
Benefits paid	**(2,910.8)**	(3,158.0)
Obligations at end of the year	**33,424.3**	**28,757.5**
Opening plan assets	**28,757.5**	**25,524.4**
Expected return on plan assets	**2,607.4**	2,311.7
Actuarial gain/(loss)	**(626.7)**	11.8
Employer contributions	**1,780.5**	1,330.0
Employees contributions	**3,325.7**	2,449.0
Asset transferred from/to other companies	**490.7**	288.6
Benefits paid	**(2,910.8)**	(3,158.0)
Closing plan assets	**33,424.3**	**28,757.5**
Plan assets at the end of the year	**33,424.3**	28,757.5
Present value of the defined benefit obligations at the end of the year	**(33,424.3)**	(28,757.5)
Asset/(liability)	**-**	-
Cost[1]		
Service cost	**1,780.6**	1,330.0
Interest cost	**2,152.1**	1,920.9
Expected return on plan assets	**(2,607.4)**	(2,311.7)
Actuarial (gain)/loss	**455.2**	390.8
Net cost	**1,780.5**	**1,330.0**
Actual return on plan assets	**1,980.7**	2,323.5
Expected employer's contribution next year	**1,905.3**	1,423.1
Investment details of plan assets		
Government of India securities	**48.48%**	47.49%
Corporate bonds	**45.22%**	45.54%
Special deposit scheme	**1.62%**	1.88%
Others	**4.68%**	5.09%
Assumption		
Discount rate	**6.60%**	7.40%
Expected rate of return on assets	**9.16%**	8.75%
Discount rate for the remaining term to maturity of investments	**6.11%**	7.46%
Average historic yield on the investment	**8.68%**	8.81%
Guaranteed rate of return	**8.50%**	8.65%

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, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Plan assets	**33,424.3**	28,757.5	25,524.4	22,596.8	19,920.6
Defined benefit obligations	**(33,424.3)**	(28,757.5)	(25,524.4)	(22,596.8)	(19,920.6)
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**-**	-	-	-	-
Surplus/(deficit)	**-**	-	-	-	-
Experience adjustment on plan assets	**(626.7)**	11.8	(35.6)	(26.8)	8.7
Experience adjustment on plan liabilities	**(171.5)**	402.6	412.4	252.8	199.0

The Bank has contributed ₹ 2,855.8 million to provident fund for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 2,067.3 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 ₹ 230.8 million for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 224.9 million) to Superannuation Fund for employees who had opted for the scheme.

National Pension Scheme (NPS)

The Bank has contributed ₹ 183.3 million for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 95.2 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, 2020	Year ended March 31, 2019
Cost[1]	**891.5**	734.9
Assumptions		
Discount rate	**6.60%**	7.40%
Salary escalation rate	**7.00%**	7.00%

1. Included in line item 'Payments to and provision for employees' of Schedule-16 Operating expenses.

41. 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, 2020	Year ended March 31, 2019
Opening provision for reward points	**2,085.9**	1,892.9
Provision for reward points made during the year	**1,667.1**	1,892.3
Utilisation/write-back of provision for reward points	**(1,317.9)**	(1,699.3)
Closing provision for reward points[1]	**2,435.1**	2,085.9

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, 2020	Year ended March 31, 2019
Opening provision for reward points	**196.9**	179.6
Provision for reward points made during the year	**142.0**	170.6
Utilisation/write-back of provision for reward points	**(204.4)**	(153.3)
Closing provision for reward points	**134.5**	196.9

42. 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, 2020	Year ended March 31, 2019
Provisions for depreciation of investments	**13,114.7**	3,562.2
Provision towards non-performing and other assets[1]	**88,144.1**	168,112.0
Provision towards income tax		
(A) Current	**37,460.3**	33,606.0
(B) Deferred	**23,712.0**	(29,471.4)
Floating provision	**-**	-
Covid-19 related provision	**27,250.0**	-
Other provisions and contingencies[2]	**12,023.5**	24,937.2
Total provisions and contingencies	**201,704.6**	**200,746.0**

1. *Includes provision towards NPA amounting to ₹ 88,726.2 million (March 31, 2019: ₹ 170,969.1 million).*
2. *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.

During the three months ended September 30, 2019, the Bank decided to exercise the option of lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from the year ended March 31, 2020. Accordingly, the Bank has recognised the provision for income tax and re-measured the accumulated deferred tax asset at March 31, 2019 based on the rate prescribed under Section 115BAA. The resultant impact has been taken through the profit and loss account. The impact of this change on the tax expense for the year ended March 31, 2020, including both, the one-time additional charge due to re-measurement of accumulated deferred tax asset at March 31, 2019, and the tax expense at lower rate for the year ended March 31, 2020 was ₹ 13,905.8 million.

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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, 2020	Year ended March 31, 2019
Opening provision	**20,618.7**	10,996.6
Movement during the year (net)	**(1,268.3)**	9,622.1
Closing provision	**19,350.4**	20,618.7

1. *Excludes provision towards sundry expenses.*

43. Provision for income tax

The provision for income tax (including deferred tax) for the year ended March 31, 2020 amounted to ₹ 61,172.3 million (March 31, 2019: ₹ 4,134.6 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.

44. Deferred tax

At March 31, 2020, the Bank has recorded net deferred tax assets of ₹ 80,681.2 million (March 31, 2019: ₹ 104,365.7 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, 2020[1]	At March 31, 2019[2]
Deferred tax assets		
Provision for bad and doubtful debts	**97,674.9**	132,736.9
Foreign currency translation reserve[3]	**611.4**	282.9
Others	**10,240.4**	9,276.5
Total deferred tax assets	**108,526.7**	**142,296.3**
Deferred tax liabilities		
Special reserve deduction	**23,930.8**	30,482.0
Depreciation on fixed assets	**3,402.3**	4,816.0
Interest on refund of taxes[3]	**386.6**	2,632.6
Others	**125.8**	-
Total deferred tax liabilities	**27,845.5**	**37,930.6**
Total net deferred tax assets/(liabilities)	**80,681.2**	**104,365.7**

1. *Tax rate of 25.168% is adopted based on Finance Act, 2020.*
2. *Tax rate of 34.944% is adopted based on Finance Act, 2019.*
3. *These items are considered in accordance with the requirements of Income Computation and Disclosure Standards (ICDS).*

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45. 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, 2020	Year ended March 31, 2019
Number of frauds reported	**2,817**	2,131[1]
Amount involved in frauds	**94,728.7**	23,165.2[1]
Provision made[2]	**10,832.5**	12,207.7
Unamortised provision debited from balance in profit and loss account under 'Reserves and Surplus'	**-**	-

1. *Includes three borrower accounts with outstanding of ₹ 7,948.7 million at March 31, 2018 accounted as fraud during the year ended March 31, 2018. The Bank made a provision of ₹ 2,894.5 million through profit and loss account and ₹ 5,054.2 million through balance in profit and loss account under 'Reserves and Surplus' during the year ended March 31, 2018. As permitted by RBI, provision made through balance in profit and loss account under 'Reserves and Surplus' was reversed and recognised through profit and loss account during the year ended March 31, 2019.*
2. *Excludes amount written off and interest reversal.*

46. Proposed dividend on equity shares

RBI through its circular 'Declaration of dividends by banks (Revised)' dated April 17, 2020, has directed that banks shall not make any further dividend payouts from the profits pertaining to the year ended March 31, 2020 until further instructions. This is with the intent that the banks conserve capital to retain their capacity to support the economy and absorb losses in an environment of heightened uncertainty caused by Covid-19. Accordingly, the Board of Directors has not recommended dividend for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 1.00 per equity share).

47. Dividend distribution tax

Dividend received from Indian subsidiaries, on which dividend distribution tax is paid by them and dividend received from overseas subsidiaries, on which tax is paid under section 115BBD of the Income Tax Act, 1961, are reduced from dividend to be distributed by the Bank for the purpose of computation of dividend distribution tax as per section 115-O of the Income Tax Act, 1961.

48. 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

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Sr. No.	Name of the entity	Nature of relationship
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

Key management personnel

Sr. No.	Name of the Key management personnel	Relatives of the Key management personnel
1.	Mr. Sandeep Bakhshi (w.e.f. June 19, 2018)	• Ms. Mona Bakhshi • Mr. Shivam Bakhshi • Ms. Esha Bakhshi • Ms. Minal Bakhshi • Mr. Sameer Bakhshi (w.e.f. June 19, 2018)
2.	Ms. Vishakha Mulye	• Mr. Vivek Mulye • Ms. Vriddhi Mulye • Mr. Vignesh Mulye • Dr. Gauresh Palekar • Ms. Shalaka Gadekar • Ms. Manisha Palekar
3.	Mr. Anup Bagchi	• Ms. Mitul Bagchi • Mr. Aditya Bagchi • Mr. Shishir Bagchi • Mr. Arun Bagchi • Mr. Animesh Bagchi
4.	Mr. N. S. Kannan (upto June 18, 2018)	• Ms. Rangarajan Kumudalakshmi • Ms. Aditi Kannan • Ms. Sudha Narayanan • Mr. Raghunathan Narayanan • Mr. Rangarajan Narayanan (upto June 18, 2018)
5.	Ms. Chanda Kochhar (upto October 4, 2018)	• Mr. Deepak Kochhar • Mr. Arjun Kochhar • Ms. Aarti Kaji • Mr. Mahesh Advani (upto October 4, 2018)
6.	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)

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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, 2020	Year ended March 31, 2019
Interest income	**650.5**	**296.6**
Subsidiaries	**459.2**	240.5
Associates/joint ventures/others	**181.3**	44.4
Key management personnel	**10.0**	11.7
Relatives of key management personnel	**-**	0.0[1]
Fee, commission and other income	**10,966.0**	**12,245.9**
Subsidiaries	**10,929.6**	12,225.7
Associates/joint ventures/others	**36.4**	20.0
Key management personnel	**0.0[1]**	0.2
Relatives of key management personnel	**0.0[1]**	0.0[1]
Commission income on guarantees issued	**27.4**	**30.3**
Subsidiaries	**27.3**	30.2
Associates/joint ventures/others	**0.1**	0.1
Income from custodial services	**41.4**	**16.8**
Subsidiaries	**36.4**	16.8
Associates/joint ventures/others	**5.0**	-
Gain/(loss) on forex and derivative transactions (net)[2]	**1,164.3**	**665.4**
Subsidiaries	**1,164.3**	665.3
Associates/joint ventures/others	**-**	0.1
Dividend income	**12,844.4**	**10,842.4**
Subsidiaries	**12,730.3**	10,779.5
Associates/joint ventures/others	**114.1**	62.9
Insurance claims received	**197.7**	**111.8**
Subsidiaries	**197.7**	111.8
Recovery of lease of premises, common corporate and facilities expenses	**1,815.4**	**1,792.2**
Subsidiaries	**1,764.6**	1,732.5
Associates/joint ventures/others	**50.8**	59.7
Payment of lease of premises, common corporate and facilities expenses	**148.5**	**76.9**
Subsidiaries	**148.5**	76.9
Recovery for secondment of employees (net)	**30.5**	**37.1**
Subsidiaries	**19.1**	27.7
Associates/joint ventures/others	**11.4**	9.4
Reimbursement of expenses from related parties	**1.0**	**1.3**
Subsidiaries	**1.0**	1.3
Interest expense	**176.0**	**205.0**
Subsidiaries	**123.1**	191.3
Associates/joint ventures/others	**50.8**	7.8
Key management personnel	**1.7**	4.2
Relatives of key management personnel	**0.4**	1.7
Remuneration to wholetime directors[3]	**203.0**	**270.5**
Key management personnel	**203.0**	270.5

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₹ in million

Items	Year ended March 31, 2020	Year ended March 31, 2019
Reimbursement of expenses to related parties	**280.6**	**46.0**
Subsidiaries	**67.0**	45.9
Associates/joint ventures/others	**213.6**	0.1
Insurance premium paid	**9,038.6**	**5,779.0**
Subsidiaries	**9,038.6**	5,779.0
Brokerage, fee and other expenses	**13,165.4**	**9,937.8**
Subsidiaries	**302.7**	486.7
Associates/joint ventures/others	**12,862.7**	9,451.1
Donation given	**50.0**	**380.0**
Associates/joint ventures/others	**50.0**	380.0
Dividend paid	**1.4**	**6.6**
Key management personnel	**1.4**	6.6
Relatives of key management personnel	**0.0**[1]	0.0[1]
Purchase of investments	**16,013.8**	**35,839.6**
Subsidiaries	**16,013.8**	35,839.6
Investments in the securities issued by related parties	**-**	**2,740.0**
Associates/joint ventures/others	**-**	2,740.0
Sale of investments	**53,007.6**	**37,759.6**
Subsidiaries	**53,007.6**	37,759.6
Redemption/buyback of investments	**200.7**	**175.2**
Associates/joint ventures/others	**200.7**	175.2
Sale of loans	**968.0**	**88.7**
Subsidiaries	**-**	88.7
Associates/joint ventures/others	**968.0**	-
Purchase of loans	**21,455.9**	**-**
Subsidiaries	**21,455.9**	-
Purchase of fixed assets	**2.5**	**21.3**
Subsidiaries	**2.5**	21.3
Sale of fixed assets	**4.6**	**13.3**
Subsidiaries	**4.6**	6.1
Key management personnel	**-**	7.2
Purchase of consumer finance business	**1,190.2**	**-**
Subsidiaries[4]	**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.*

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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, 2020	Year ended March 31, 2019
Interest income			
1.	ICICI Home Finance Company Limited	**394.8**	171.6
2.	India Infradebt Limited	**177.6**	41.1
3.	ICICI Securities Primary Dealership Limited	**60.8**	66.6
Fee, commission and other income			
1.	ICICI Prudential Life Insurance Company Limited	**8,492.8**	9,822.5
2.	ICICI Lombard General Insurance Company Limited	**1,842.3**	1,440.7
Commission income on guarantees issued			
1.	ICICI Bank UK PLC	**25.7**	28.2
Income from custodial services			
1.	ICICI Prudential Asset Management Company Limited	**31.9**	12.7
2.	ICICI Securities Primary Dealership Limited	**3.8**	4.0
Gain/(loss) on forex and derivative transactions (net)[1]			
1.	ICICI Securities Primary Dealership Limited	**1,456.0**	(472.6)
2.	ICICI Home Finance Company Limited	**(245.0)**	1,244.3
3.	ICICI Bank UK PLC	**(155.6)**	(177.4)
Dividend income			
1.	ICICI Prudential Asset Management Company Limited	**3,758.6**	1,656.5
2.	ICICI Securities Limited	**2,539.4**	1,939.6
3.	ICICI Prudential Life Insurance Company Limited	**1,783.9**	3,719.6
4.	ICICI Lombard General Insurance Company Limited	**1,776.9**	1,269.2
5.	ICICI Bank Canada	**1,626.3**	1,373.6
Insurance claims received			
1.	ICICI Prudential Life Insurance Company Limited	**102.1**	60.9
2.	ICICI Lombard General Insurance Company Limited	**95.6**	50.9
Recovery of lease of premises, common corporate and facilities expenses			
1.	ICICI Prudential Life Insurance Company Limited	**320.5**	289.8
2.	ICICI Home Finance Company Limited	**305.3**	373.5
3.	ICICI Securities Limited	**294.2**	291.1
4.	ICICI Bank UK PLC	**287.0**	248.0
5.	ICICI Lombard General Insurance Company Limited	**278.1**	269.4
6.	ICICI Bank Canada	**190.0**	175.0
Payment of lease of premises, common corporate and facilities expenses			
1.	ICICI Venture Funds Management Company Limited	**78.2**	68.1
2.	ICICI Home Finance Company Limited	**66.7**	5.9
Recovery for secondment of employees			
1.	I-Process Services (India) Private Limited	**11.4**	9.4
2.	ICICI Securities Limited	**10.7**	22.7
3.	ICICI Prudential Life Insurance Company Limited	**6.5**	5.4

FINANCIAL STATEMENTS OF ICICI BANK LIMITED
SCHEDULES
forming part of the Accounts *(Contd.)*

₹ in million

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
Reimbursement of expenses from related parties			
1.	ICICI Investment Management Company Limited	**1.0**	-
2.	ICICI Home Finance Company Limited	**-**	1.3
Interest expense			
1.	ICICI Securities Limited	**95.0**	107.6
2.	ICICI Merchant Services Private Limited	**40.4**	1.2
3.	ICICI Bank UK PLC	**21.2**	39.4
4.	ICICI Prudential Life Insurance Company Limited	**-**	41.8
Remuneration to wholetime directors[2]			
1.	Mr. Sandeep Bakhshi	**60.8**	47.2
2.	Ms. Vishakha Mulye	**70.3**	50.2
3.	Mr. Anup Bagchi	**63.9**	44.1
4.	Mr. N. S. Kannan	**N.A.**	9.4
5.	Ms. Chanda Kochhar	**N.A.**	74.1
6.	Mr. Vijay Chandok	**8.0**	45.5
Reimbursement of expenses to related parties			
1.	ICICI Foundation for Inclusive Growth	**213.2**	-
2.	ICICI Bank Canada	**34.1**	12.6
3.	ICICI Bank UK PLC	**33.0**	28.7
Insurance premium paid			
1.	ICICI Prudential Life Insurance Company Limited	**6,925.2**	3,876.5
2.	ICICI Lombard General Insurance Company Limited	**2,113.4**	1,902.5
Brokerage, fee and other expenses			
1.	I-Process Services (India) Private Limited	**6,844.0**	5,327.1
2.	ICICI Merchant Services Private Limited	**5,978.7**	4,112.9
Donation given			
1.	ICICI Foundation for Inclusive Growth	**50.0**	380.0
Dividend paid			
1.	Mr. Sandeep Bakhshi	**0.4**	0.7
2.	Ms. Vishakha Mulye	**1.0**	1.3
3.	Ms. Chanda Kochhar	**N.A.**	4.6
4.	Mr. Vijay Chandok	**N.A.**	0.0[3]
Purchase of investments			
1.	ICICI Securities Primary Dealership Limited	**14,750.5**	32,457.9
Investments in the securities issued by related parties			
1.	India Infradebt Limited	**-**	2,740.0
Sale of investments			
1.	ICICI Securities Primary Dealership Limited	**26,407.1**	16,598.0
2.	ICICI Prudential Life Insurance Company Limited	**19,324.6**	19,144.6
3.	ICICI Lombard General Insurance Company Limited	**6,595.8**	2,016.9
Redemption/buyback of investments			
1.	ICICI Strategic Investments Fund	**100.0**	-
2.	India Advantage Fund - III	**57.1**	119.4
3.	India Advantage Fund - IV	**43.5**	55.8

FINANCIAL STATEMENTS OF ICICI BANK LIMITED
SCHEDULES
forming part of the Accounts *(Contd.)*

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of loans		
1. India Infradebt Limited	**968.0**	-
2. ICICI Home Finance Company Limited	**-**	88.7
Purchase of loans		
1. ICICI Home Finance Company Limited	**21,455.9**	-
Purchase of fixed assets		
1. ICICI Prudential Life Insurance Company Limited	**1.8**	20.7
2. ICICI Securities Limited	**0.7**	-
Sale of fixed assets		
1. ICICI Securities Limited	**4.6**	0.8
2. ICICI Home Finance Company Limited	**-**	4.0
3. Ms. Chanda Kochhar	**-**	7.2
Purchase of consumer finance business		
1. ICICI Home Finance Company Limited	**1,190.2**	-

1. *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.*
2. *Excludes the perquisite value on employee stock options exercised, contribution to gratuity fund and includes performance bonus paid during the period.*
3. *Insignificant amount.*

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, 2020	At March 31, 2019
Deposits with the Bank	**19,775.7**	**27,764.8**
Subsidiaries	**13,470.8**	27,168.2
Associates/joint ventures/others	**6,236.1**	523.1
Key management personnel	**59.1**	63.2
Relatives of key management personnel	**9.7**	10.3
Investments of related parties in the Bank	**2.6**	**1,590.4**
Subsidiaries	**-**	1,587.3
Key management personnel	**2.6**	3.1
Relatives of key management personnel	**0.0**[1]	0.0[1]
Payables[2]	**3,287.3**	**1,900.5**
Subsidiaries	**0.7**	111.3
Associates/joint ventures/others	**3,286.6**	1,789.2
Key management personnel	**0.0**[1]	0.0[1]
Relatives of key management personnel	**0.0**[1]	0.0[1]
Deposits by the Bank	**2,327.7**	**1,415.6**
Subsidiaries	**2,327.7**	1,415.6

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Accounts *(Contd.)*

₹ in million

Items	At March 31, 2020	At March 31, 2019
Investments of the Bank	**109,262.6**	**105,488.5**
Subsidiaries	**98,028.5**	98,028.5
Associates/joint ventures/others	**11,234.1**	7,460.0
Advances by the Bank	**5,270.3**	**1,411.0**
Subsidiaries	**5,024.8**	1,111.5
Associates/joint ventures/others	**48.7**	45.0
Key management personnel	**196.7**	254.1
Relatives of key management personnel	**0.1**	0.4
Receivables[2]	**1,736.7**	**2,169.2**
Subsidiaries	**1,660.1**	2,154.5
Associates/joint ventures/others	**76.6**	14.7
Guarantees/letters of credit/indemnity given by the Bank	**7,353.6**	**11,832.2**
Subsidiaries	**7,341.8**	11,821.0
Associates/joint ventures/others	**11.8**	11.2
Guarantees/letters of credit/indemnity issued by related parties	**6,260.3**	**4,399.2**
Subsidiaries	**6,260.3**	4,399.2
Swaps/forward contracts (notional amount)	**447,819.6**	**274,720.7**
Subsidiaries	**447,819.6**	274,720.7
Unfunded risk participation	**460.7**	**819.4**
Subsidiaries	**460.7**	819.4

1. *Insignificant amount.*
2. *Excludes mark-to-market on outstanding derivative transactions.*
3. *At March 31, 2020, 16,184,250 (March 31, 2019, 20,022,000) 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, 2020, 1,173,000 (year ended March 31, 2019: 2,062,000) employee stock options with total exercise price of ₹ 240.1 million (year ended March 31, 2019: ₹ 296.3 million) were exercised by the key management personnel.*

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, 2020	Year ended March 31, 2019
Deposits with the Bank	**35,005.0**	**34,133.1**
Subsidiaries	**27,633.1**	28,243.8
Associates/joint ventures/others	**7,138.3**	5,479.4
Key management personnel	**167.6**	234.6
Relatives of key management personnel	**66.0**	175.3
Investments of related parties in the Bank[2]	**1,588.2**	**1,646.6**
Subsidiaries	**1,585.3**	1,637.3
Key management personnel	**2.9**	9.3
Relatives of key management personnel	**0.0[1]**	0.0[1]
Repurchase transactions	**163.8**	**-**
Subsidiaries	**163.8**	-
Reverse repurchase transactions	**-**	**23,044.5**
Subsidiaries	**-**	23,044.5

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forming part of the Accounts *(Contd.)*

₹ in million

Items	Year ended March 31, 2020	Year ended March 31, 2019
Payables[2,3]	**3,393.7**	**1,900.6**
Subsidiaries	**107.0**	111.3
Associates/joint ventures/others	**3,286.6**	1,789.2
Key management personnel	**0.1**	0.0[1]
Relatives of key management personnel	**0.0[1]**	0.1
Deposits made by the Bank	**6,113.3**	**9,298.5**
Subsidiaries	**6,113.3**	9,298.5
Call/term money lent by the Bank	**10,500.0**	**10,000.0**
Subsidiaries	**10,500.0**	10,000.0
Investments of the Bank	**109,338.2**	**106,491.2**
Subsidiaries	**98,028.5**	98,315.7
Associates/joint ventures/others	**11,309.7**	8,175.5
Advances by the Bank	**22,418.3**	**8,111.6**
Subsidiaries	**22,112.4**	7,809.5
Associates/joint ventures/others	**50.8**	45.0
Key management personnel	**254.2**	256.2
Relatives of key management personnel	**0.9**	0.9
Receivables[3]	**3,034.5**	**3,851.4**
Subsidiaries	**2,805.0**	3,735.6
Associates/joint ventures/others	**229.5**	115.8
Guarantees/letters of credit/indemnity given by the Bank	**12,038.6**	**16,196.9**
Subsidiaries	**12,026.8**	16,184.2
Associates/joint ventures/others	**11.8**	12.7
Guarantees/letters of credit/indemnity issued by related parties[2]	**6,260.3**	**4,432.1**
Subsidiaries	**6,260.3**	4,432.1
Swaps/forward contracts (notional amount)	**455,450.3**	**935,892.4**
Subsidiaries	**455,450.3**	935,892.4
Unfunded risk participation	**835.5**	**1,415.7**
Subsidiaries	**835.5**	1,415.7

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.*

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, 2019: Singapore dollar 10.0 million (equivalent to ₹ 530.3 million at March 31, 2020, ₹ 510.4 million at March 31, 2019) 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 (currently equivalent to ₹ 132.7 million), aggregating to Canadian dollar 12.5 million (March 31, 2019: Canadian dollar 15.0 million) (equivalent to ₹ 663.5 million at March 31, 2020 and ₹ 773.1 million at March 31, 2019). The aggregate amount of ₹ 1,193.8 million at March 31, 2020 (March 31, 2019: ₹ 1,283.5 million) is included in the contingent liabilities.

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The letters of comfort in the nature of letters of awareness that were outstanding at March 31, 2020 issued by the Bank on behalf of its subsidiaries in respect of their borrowings made or proposed to be made, aggregated to Nil (March 31, 2019: ₹ 7,060.0 million).

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.

49. 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, 2020	Year ended March 31, 2019
Opening balance	**8,330.7**	6,654.6
Add: Amounts transferred during the year	**2,169.0**	1,776.7
Less: Amounts reimbursed by the Fund towards claims during the year	**(146.9)**	(100.6)
Closing balance	**10,352.8**	8,330.7

50. 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, 2020		At March 31, 2019	
		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.**	**1.4**	N.A.	0.3
4.	The amount of interest accrued and remaining unpaid	**N.A.**	**1.4**	N.A.	0.3
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.	0.0[1]

1. Represents insignificant amount.

51. 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, 2020 (year ended March 31, 2019: ₹ 10.0 million).

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52. 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 and other employees, recommending to the Board the remuneration (including performance bonus 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 bonus payable to 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 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, 2020, 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 Board at their meetings held on October 26, 2019, 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, 2020 was 97,354.

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.

  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 bonus based on the financial and strategic plan approved by the Board. The KPIs include both quantitative and qualitative aspects. 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 bonus for employees, including senior management and key management personnel.

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- 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. In addition, the Bank has an employee stock option scheme aimed at aligning compensation to long term performance through stock option grants that vest over a period of time. Compensation of staff in financial 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, 2020, the Bank's Compensation Policy was reviewed by the BGRNC and the Board at their meetings held on May 6, 2019 and was later amended at their meetings held on July 27, 2019 and October 26, 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 Risk and Compliance depends on their performance, which is based on achievement of the key results 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 risk framework for the Bank and 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, 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 targets 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.

- **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.

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- **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 achievements compared to their goal sheets, which incorporate various aspects/metrics 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 on none, part or all of the unvested deferred variable compensation.

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 quantum of bonus for an employee does not exceed a certain percentage (as stipulated in the compensation policy) of the total fixed pay in a year. Within this percentage, if the quantum of bonus exceeds a predefined threshold percentage of the total fixed pay, a part of the bonus is deferred and paid over a period. These thresholds for deferrals are same across employees.

- **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 is subject to malus, under which the Bank would prevent vesting of all or part of the variable pay in the event of an enquiry determining gross negligence, breach of integrity or in the event of a reasonable evidence of deterioration in financial performance. In such cases, 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**

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employees or group of employees, a description of the factors that determine the mix and their relative importance

The Bank pays performance linked retention pay (PLRP) to its front-line staff and junior management and performance bonus to its middle and senior 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 also pays variable pay to sales officers and relationship managers in wealth management roles while ensuring that such pay-outs are in accordance with applicable regulatory requirements.

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 equivalent positions.

₹ in million, except numbers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Number of meetings held by the BGRNC	**5**	12
Remuneration paid to its members during the financial year (sitting fees)	**1**	1.9
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**	274.7
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.**	N.A.
Shares (nos.)	**-**	-
Shares-linked instruments	**4,690,430**	6,260,597
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 the year ended March 31, 2020.*
3. *For the years ended March 31, 2020 and March 31, 2019, variable 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.*

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Accounts *(Contd.)*

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, 2020, subject to requisite approvals. During the year ended March 31, 2020, the Bank paid ₹ 5.9 million as profit related commission payable to the non-executive Directors for the year ended March 31, 2019.

53. 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, 2020 was ₹ 1,273.0 million (March 31, 2019: ₹ 1,189.6 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, 2020			Year ended March 31, 2019		
		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	**1,048.9**	**294.6**	**1,343.5**	787.2	134.9	922.1

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, 2020	Year ended March 31, 2019
	ICICI Foundation	**263.2**	380.0
	Total	**263.2**	**380.0**

The following table sets forth, for the periods indicated, the details of movement of amounts yet to be paid for CSR related activities.

₹ in million

Particulars	At March 31, 2020	At March 31, 2019
Opening balance	**273.7**	1,080.0
Provided during the year	**1,343.5**	922.1
Paid/settled during the year	**(1,271.0)**	(1,728.4)
Closing balance	**346.2**	273.7

54. Disclosure of customer complaints

The following table sets forth, for the periods indicated, the movement of the outstanding number of complaints.

Complaints relating to the Bank's customers on the Bank's ATMs	Year ended March 31, 2020	Year ended March 31, 2019
No. of complaints pending at the beginning of the year	**52**	75
No. of complaints received during the year	**1,333**	1,049
No. of complaints redressed during the year	**1,364**	1,072
No. of complaints pending at the end of the year	**21**	52

1. The above does not include complaints redressed within one working day.

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Accounts *(Contd.)*

Complaints relating to the Bank's customers on other banks' ATMs	Year ended March 31, 2020	Year ended March 31, 2019
No. of complaints pending at the beginning of the year	**7,128**	3,944
No. of complaints received during the year	**142,479**	183,159
No. of complaints redressed during the year	**148,241**	179,975
No. of complaints pending at the end of the year	**1,366**	7,128

1. *The above does not include complaints redressed within one working day.*

Complaints relating to other than ATM transactions	Year ended March 31, 2020	Year ended March 31, 2019
No. of complaints pending at the beginning of the year	**1,496**	2,190
No. of complaints received during the year	**91,000**	80,518
No. of complaints redressed during the year	**89,926**	81,212
No. of complaints pending at the end of the year	**2,570**	1,496

1. *The above does not include complaints redressed within one working day.*

Total complaints	Year ended March 31, 2020	Year ended March 31, 2019
No. of complaints pending at the beginning of the year	**8,676**	6,209
No. of complaints received during the year	**234,812**	264,726
No. of complaints redressed during the year	**239,531**	262,259
No. of complaints pending at the end of the year	**3,957**	8,676

1. *The above does not include complaints redressed within one working day.*

The following table sets forth, for the periods indicated, the details of awards during the year.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
No. of unimplemented awards at the beginning of the year	**-**	-
No. of awards passed by the Banking Ombudsmen during the year	**-**	-
No. of awards implemented during the year	**-**	-
No. of unimplemented awards at the end of the year	**-**	-

55. Drawdown from reserves

The Bank has not drawn any amount from reserves during the year ended March 31, 2020 (year ended March 31, 2019: Nil).

56. 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, 2020, has been transferred without any delay.

57. Impact of Covid-19 on the performance of the Bank

Since the first quarter of CY2020, the Covid-19 pandemic has impacted most of the countries, including India. This 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 18, 2020 in two phases. Several countries took unprecedented fiscal and monetary actions to help alleviate the

FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Accounts *(Contd.)*

impact of the crisis. The Reserve Bank of India (RBI) has announced several measures to ease the financial system stress, including enhancing system liquidity, moratorium of three months on loan repayments for specific borrower segments, asset classification standstill benefit to overdue accounts where a moratorium has been granted and relaxation in liquidity coverage requirement, among others.

The Indian economy would be impacted by this pandemic with contraction in industrial and services output across small and large businesses. The Bank's business is expected to be impacted by lower lending opportunities and revenues in the short to medium term. The impact of the Covid-19 pandemic on Bank's results, including credit quality and provisions, remains uncertain and dependent on the spread of Covid-19, further steps taken by the government and the central bank to mitigate the economic impact, steps taken by the Bank and the time it takes for economic activities to resume at normal levels. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period.

58. 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** President
	Rakesh Jha Group Chief Financial Officer	**Ranganath Athreya** Company Secretary	**Ajay Mittal** Chief Accountant

Mumbai
May 9, 2020

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 2020, 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 2020, 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 18.18 of the accompanying consolidated financial statements, which describes the uncertainties due to the outbreak of SARS-CoV-2 virus (COVID-19). In view of these uncertainties, the impact 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; and ➢ 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 2020, the Group has reported total loans and advances (net of provisions) of ₹ 7,062,461 million (2019: ₹ 6,469,617 million) of which ₹ 6,452,900 million* (2019: ₹ 5,866,466 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 apply its judgement to determine the identification of NPAs by applying certain qualitative aspects; ➢ The measurement of provision under RBI guidelines is 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. Due to the ongoing COVID 19 pandemic, during our audit, we have also identified implementation of the COVID 19 Regulatory Package- Asset Classification and Provisioning ('Regulatory Package') announced by the RBI on 17 April 2020 as key in measurement of provisions for advances. Considering the significance of the above matter to the financial statements, the heightened regulatory inspections and significant auditor attention required, we have identified this as a key audit matter for the current year audit.	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. 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 to monitor to such assets. We read the RBI Annual Financial Inspection report for the financial year ended 31 March 2019 and other communication with the regulators. With respect to those borrowers to whom a moratorium was granted in accordance with the Regulatory Package, on a sample basis, we tested that such moratorium was granted in accordance with the board approved policy. We re-performed the calculations for the additional general provision made in accordance with the requirements of the Regulatory Package, including the asset classification. 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 Regulatory Package.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

c. Provisions for litigation and taxation and contingent liabilities in relation to the Bank

As at 31 March 2020, the Group has reported 'Claims against the Group not acknowledged as debts' of ₹ 73,591 million (2019: ₹ 65,030 million), of which the following relate to the Bank:

(₹ in millions)

Particulars	Included under contingent liabilities	
	At 31.03.2020	At 31.03.2019
Legal cases	3,300	1,096
Taxes	59,940	53,914
Total claims against the Bank not acknowledged as debts	**63,240**	**55,010**

(Refer schedule 12)

Key Audit Matter	How the key audit matter was addressed
As at 31 March 2020, 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, 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 the current year audit.	Our audit procedures included, but were not limited to, the following: We understood the Bank's processes and 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. 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.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

d. Valuation of derivatives in relation to the Bank

As at 31 March 2020, the Group has reported notional value of derivatives of ₹ 28,417,030 million (2019: ₹ 24,442,124 million), of which the following relate to the Bank:

(₹ in millions)

Particulars	Included under	At 31.03.2020	At 31.03.2019
Notional value of derivatives	Contingent liabilities	23,649,552*	17,566,162*

(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, 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. We also challenged 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 25 April 2020, 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:

a. Information technology systems relating to ICICI Prudential Life Insurance Company Limited	
Key Audit Matter	**How the key audit matter was addressed**
The Company's key financial accounting and reporting processes such as Premium income, Benefits paid, Investments amongst others are highly dependent on information systems including automated controls, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. The Company uses several systems for its overall financial reporting process. Further, the prevailing COVID-19 situation has caused the required IT applications to be made accessible to the employees on a remote basis. 'Information Technology systems' has been identified as a key audit matter because of the high level automation, significant number of systems being used by the management, the complexity of the IT architecture and the risks associated with remote access of key applications by a large population of employees at the year end.	The key audit procedures with the involvement of IT Specialists included, but were not limited to the following: ➢ Understood the General IT Control (GITC) i.e. Access Controls, Program/ System Change, Program Development, Computer Operations (i.e. Job Processing, Data/System Backup Incident Management) over key financial accounting and reporting systems, and supporting control systems (referred to as in-scope systems); ➢ Understood the IT infrastructure i.e. operating systems and databases supporting the in-scope systems and related data security controls in relation to large number of users working on the entity's systems remotely in the light of COVID-19; ➢ Tested the controls over the IT infrastructure covering user access (including privilege users), and system changes; ➢ Tested the General IT Controls for design and operating effectiveness for the audit period over the in-scope systems; ➢ Understood the application controls for the in-scope systems including key interfaces, system generated reports, reconciliations and system processing, as determined by us during our risk assessment; ➢ Tested the application controls for design and operating effectiveness for the audit period; and ➢ Tested the controls to determine whether these controls remained unchanged during the audit period or were changed following the standard change management process.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

b. Valuation of Investments relating to ICICI Prudential Life Insurance Company Limited

As at 31 March 2020, ICICI Prudential Life Insurance Company Limited reported investments of ₹ 1,512,562 million* (2019: ₹ 1,590,085 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 represents significant portion of the Company's total assets as at 31 March 2020. The Company's investments are valued in accordance with its accounting policy which is in line with the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (the "Investment Regulations") issued by Insurance Regulatory and Development Authority of India and / or policies approved by Board of Directors of the Company which details the valuation methodology to be used for each class of investment. Further, the prevailing COVID-19 situation, has caused economic stress in various sectors and there may be investments where the operations of the investee companies may be adversely impacted, resulting in a need for detailed valuation assessment in relation such investments. Valuation of investments was considered to be one of the areas which would require significant auditor attention and was one of the matter of most significance in the standalone financial statements due to the materiality of total value of investments to the standalone financial statements	The audit procedures for this area included but were not limited to the following: ➢ Tested the design, implementation and operating effectiveness of key controls over the valuation process, including the Company's review and approval of the estimates and assumptions used for the valuation including key authorization and data input controls; ➢ For selected samples, assessed appropriateness of the valuation methodologies with reference to Investment Regulations issued by IRDAI and / or the Company's own Board approved valuation policies; ➢ For selected samples of listed investments, performed independent price checks using external quoted prices and by agreeing the observable inputs that were used in the Company's valuation techniques to external data; ➢ For other investments, evaluated for selected samples, the assessment and resulting conclusions by the Company in order to determine the reasonableness of the valuations recorded and impairments, if any. This included an evaluation of the methodology and assumptions used with reference to the Company's policies; and ➢ Evaluated management's assessment on consideration of COVID-19 disruptions in determination of valuations / impairment.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

8. The joint auditors of ICICI Lombard General Insurance Company Limited, vide their audit report dated 02 May 2020, 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. Investments of ICICI Lombard General Insurance Company Limited

As at 31 March 2020, ICICI Lombard General Insurance Company Limited reported investments of ₹ 263,267 million* (2019: ₹ 222,308 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% of the assets as at March 31, 2020 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 Investment 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.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

d. Assessing the impact of Pandemic COVID 19 on the financial statements and internal control processes of ICICI Lombard General Insurance Company Limited	
Key Audit Matter	**How the key audit matter was addressed**
The pandemic has created huge uncertainties on the operations of many established businesses and exposed them to several new risks. Due to this, organizations have had to make significant changes to their normal processes to adapt to this sudden and unexpected turn of situation. These changes could impact the measurement of assets and liabilities on varying degree. Due to COVID-19, the Company is also exposed to various risks such as assessment of counter parties' risks for receivables, receipt of timely data from parties including reinsurers/ coinsurers, operational controls, compliance and several other risks. In view of the estimation uncertainties involved this was considered as a key audit matter.	Audit procedures included the following: ➢ Looked at the company's exhaustive risk identification and mitigation analysis using its well established enterprise risk management framework to understand the implications, assessment process and the company's current mitigation plans. ➢ Assessment of risks of counter party defaults by examining external credit rating movements, if any and the process of identification of risky receivables and making suitable provisions in the financial statements. ➢ Assessment of the temporary changes made to the internal control framework over financial reporting and carrying suitable tests for the effectiveness of key controls on the balance sheet date. ➢ Evaluating the overall presentation of the financial statements and ensuring the appropriateness and adequacy of the disclosures. Checking the compliance against the various regulatory prescriptions applicable to the company to the extent those are relevant in the preparation of financial statement.

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

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

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.

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.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

- 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.

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 ₹ 518,397 million as at 31 March 2020, and total revenue, total net loss after tax, and net cash outflows of ₹ 19,506 million, ₹ 10,963 million and ₹ 107,472 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 15 subsidiaries, whose financial statements reflect total assets of ₹ 1,373,893 million as at 31 March 2020 and total revenues, total net profit after taxes, and net cash outflows of ₹ 214,367 million, ₹ 33,372 million, and ₹ 6,317 million, respectively, for the year ended on that date. The consolidated financial statements also include the Group's share of net profit of ₹ 1,097 million for the year ended 31 March 2020, in respect of 1 associate, 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 ₹ 1,558,623 million as at 31 March 2020 and total revenue, total net profit after tax, and net cash inflows of ₹ 397,042 million, ₹ 10,687 million, and ₹ 8,460 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 ₹ 656 million for the year ended 31 March 2020, in respect of 6 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,

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

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 25 April 2020, 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 2020 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 2020, 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 on the financial statements of the Company.

22. The joint auditors of ICICI Lombard General Insurance Company Limited, vide their audit report dated 02 May 2020, 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 ('IBNR'), Incurred But Not Enough Reported ('IBNER') and Premium Deficiency Reserve (the 'PDR') is the responsibility of the Company's Panel Actuary (the 'Panel Actuary'). The actuarial valuation of these liabilities, that are estimated using statistical methods as at 31 March 2020, has been duly certified by the Panel 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 Panel 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.

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 by ₹ 61.2 million and is subject to the approval of the shareholders' of ICICI Home Finance Company Limited, by way of a special resolution, which will be sought in the ensuing annual general meeting. Further, of the associates referred to paragraph 20 above, whose financial statements/information have not been audited, for 1 associate covered under the Act, 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 2020, 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.

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

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 2020 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 2020, 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

    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 2020;

        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: 20105782AAAACL5220

Place: Mumbai
Date: 09 May 2020

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 2020

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 2020, 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 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.

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

ANNEXURE A *(Contd.)*

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 2020, 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 where premium is discontinued but liability exists as at 31 March 2020 has been certified by the Appointed Actuary as per the IRDA Financial Statements Regulations, and has been relied upon by us, as mentioned in para "Other Matters" of our audit report on the financial statements for the year ended 31 March 2020. Accordingly, our opinion on the internal financial controls with reference to financial statements does not include reporting on the 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 Panel Actuary (the "Panel Actuary"). The actuarial valuation of these liabilities, that are estimated using statistical methods as at 31 March 2020 has been duly certified by the Panel 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 2020. Accordingly, our opinion on the internal financial controls over 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 12 subsidiaries, which are companies covered under the Act, whose financials reflect total assets of ₹ 754,275 million as at 31 March 2020 and total revenue, total net profit after tax, and net cash outflows of ₹ 191,088 million, ₹ 29,566 million, and ₹ 12,949 million, respectively, for the year ended on that date.

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 ₹ 1,558,623 million as at 31 March 2020 and total revenue, total net profit after tax, and net cash inflows of ₹ 397,042 million, ₹ 10,687 million, and ₹ 8,460 million, respectively, for the year ended on that date.

13. The consolidated financial statements also include the Group's share of net profit of ₹ 1,097 million for the year ended 31 March 2020, 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: 20105782AAAACL5220

Place: Mumbai
Date: 09 May 2020

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

CONSOLIDATED BALANCE SHEET

at March 31, 2020

₹ in '000s

	Schedule	At 31.03.2020	At 31.03.2019
CAPITAL AND LIABILITIES			
Capital	1	**12,947,649**	12,894,598
Employees stock options outstanding		**34,858**	46,755
Reserves and surplus	2	**1,216,618,065**	1,129,592,715
Minority interest	2A	**67,947,696**	65,805,358
Deposits	3	**8,007,844,610**	6,813,169,361
Borrowings	4	**2,138,517,821**	2,103,241,208
Liabilities on policies in force		**1,454,862,509**	1,523,787,542
Other liabilities and provisions	5	**874,149,115**	739,401,370
TOTAL CAPITAL AND LIABILITIES		**13,772,922,323**	**12,387,938,907**
ASSETS			
Cash and balances with Reserve Bank of India	6	**353,119,341**	380,662,784
Balances with banks and money at call and short notice	7	**925,409,876**	493,246,169
Investments	8	**4,434,726,298**	3,982,007,553
Advances	9	**7,062,461,122**	6,469,616,813
Fixed assets	10	**104,086,576**	96,604,227
Other assets	11	**893,119,110**	965,801,361
TOTAL ASSETS		**13,772,922,323**	**12,387,938,907**
Contingent liabilities	12	**30,030,535,324**	26,120,719,378
Bills for collection		**484,012,620**	495,791,861
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
President

Rakesh Jha
Group Chief Financial Officer

Ranganath Athreya
Company Secretary

Ajay Mittal
Chief Accountant

Mumbai
May 9, 2020

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2020

₹ in '000s

		Schedule	Year ended 31.03.2020	Year ended 31.03.2019
I.	**INCOME**			
	Interest earned	13	**848,357,730**	719,816,540
	Other income	14	**649,503,301**	593,248,453
	TOTAL INCOME		**1,497,861,031**	**1,313,064,993**
II.	**EXPENDITURE**			
	Interest expended	15	**446,655,222**	391,775,414
	Operating expenses	16	**715,178,988**	642,588,800
	Provisions and contingencies (refer note 18.6)		**223,772,141**	221,809,173
	TOTAL EXPENDITURE		**1,385,606,351**	**1,256,173,387**
III.	**PROFIT/(LOSS)**			
	Net profit for the year		**112,254,680**	56,891,606
	Less: Minority interest		**16,591,602**	14,349,219
	Net profit after minority interest		**95,663,078**	**42,542,387**
	Profit brought forward		**220,201,086**	219,991,613
	TOTAL PROFIT/(LOSS)		**315,864,164**	**262,534,000**
IV.	**APPROPRIATIONS/TRANSFERS**			
	Transfer to Statutory Reserve		**19,828,000**	8,409,000
	Transfer to Reserve Fund		**3,670**	7,569
	Transfer to Capital Reserve		**3,954,400**	280,000
	Transfer to Capital Redemption Reserve		**-**	3,500,000
	Transfer to/(from) Investment Reserve Account		**-**	-
	Transfer to/(from) Investment Fluctuation Reserve		**6,690,000**	12,692,000
	Transfer to Special Reserve		**7,966,300**	5,352,000
	Transfer to/(from) Revenue and other reserves		**686,312**	245,223
	Dividend paid during the year		**6,453,078**	9,651,292
	Corporate dividend tax paid during the year		**2,282,446**	1,933,076
	Balance carried over to balance sheet		**267,999,958**	220,463,840
	TOTAL		**315,864,164**	**262,534,000**
Significant accounting policies and notes to accounts		17 & 18		
Earnings per share (refer note 18.1)				
	Basic (₹)		**14.81**	6.61
	Diluted (₹)		**14.55**	6.53
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
President

Rakesh Jha
Group Chief Financial Officer

Ranganath Athreya
Company Secretary

Ajay Mittal
Chief Accountant

Mumbai
May 9, 2020

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2020

₹ in '000s

		Year ended 31.03.2020	Year ended 31.03.2019
Cash flow from/(used in) operating activities			
Profit/(loss) before taxes		**169,294,471**	59,733,445
Adjustments for:			
Depreciation and amortisation		**13,696,381**	10,453,730
Net (appreciation)/depreciation on investments		**21,809,159**	57,889
Provision in respect of non-performing and other assets		**89,627,398**	176,113,934
General provision for standard assets		**34,439,929**	2,414,407
Provision for contingencies & others		**7,936,906**	22,498,491
(Profit)/loss on sale of fixed assets		**(1,450)**	22,012
Employees stock options grants		**114,130**	79,246
	(i)	**336,916,924**	**271,373,154**
Adjustments for:			
(Increase)/decrease in investments		**(315,313,149)**	33,463,685
(Increase)/decrease in advances		**(692,434,146)**	(972,978,394)
Increase/(decrease) in deposits		**1,194,675,249**	955,208,236
(Increase)/decrease in other assets		**24,560,834**	(31,691,451)
Increase/(decrease) in other liabilities and provisions		**271,160,685**	314,897,698
	(ii)	**482,649,473**	**298,899,774**
Refund/(payment) of direct taxes	(iii)	**(23,918,931)**	**(83,562,401)**
Net cash flow from/(used in) operating activities (i)+(ii)+(iii)	(A)	**795,647,466**	**486,710,527**
Cash flow from/(used in) investing activities			
Purchase of fixed assets		**(18,734,522)**	(11,481,488)
Proceeds from sale of fixed assets		**255,374**	468,831
(Purchase)/sale of held to maturity securities		**(404,605,131)**	(290,459,494)
Net cash flow from/(used in) investing activities	(B)	**(423,084,279)**	**(301,472,151)**
Cash flow from/(used in) financing activities			
Proceeds from issue of share capital (including ESOPs)		**5,493,213**	3,486,300
Proceeds from long-term borrowings		**366,114,451**	262,388,237
Repayment of long-term borrowings		**(520,006,249)**	(304,162,713)
Net proceeds/(repayment) of short-term borrowings		**187,184,210**	(149,997,897)
Dividend and dividend tax paid		**(8,863,792)**	(11,688,270)
Net cash flow from/(used in) financing activities	(C)	**29,921,833**	**(199,974,343)**
Effect of exchange fluctuation on translation reserve	(D)	**2,135,244**	**(1,346,413)**
Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C) + (D)		**404,620,264**	**(16,082,380)**
Cash and cash equivalents at beginning of the year		**873,908,953**	**889,991,333**
Cash and cash equivalents at end of the year		**1,278,529,217**	**873,908,953**

1. 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
May 9, 2020

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
President

Rakesh Jha
Group Chief Financial Officer

Ranganath Athreya
Company Secretary

Ajay Mittal
Chief Accountant

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 1 - CAPITAL		
Authorised capital		
12,500,000,000 equity shares of ₹ 2 each (March 31, 2019: 12,500,000,000 equity shares of ₹ 2 each)	**25,000,000**	**25,000,000**
Equity share capital		
Issued, subscribed and paid-up capital		
6,446,239,653 equity shares of ₹ 2 each (March 31, 2019: 6,427,990,776 equity shares)	**12,892,479**	12,855,981
Add: 26,525,550 equity shares of ₹ 2 each (March 31, 2019: 18,248,877 equity shares) issued during the year pursuant to exercise of employee stock options	**53,051**	36,498
	12,945,530	**12,892,479**
Add: Forfeited equity shares[1]	**2,119**	2,119
TOTAL CAPITAL	**12,947,649**	**12,894,598**

1. On account of forfeiture of 266,089 equity shares of ₹ 10 each.

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 2 - RESERVES AND SURPLUS		
I. Statutory reserve		
Opening balance	**237,377,519**	228,968,519
Additions during the year	**19,828,000**	8,409,000
Deductions during the year	**-**	-
Closing balance	**257,205,519**	**237,377,519**
II. Special reserve		
Opening balance	**99,739,700**	94,387,700
Additions during the year	**7,966,300**	5,352,000
Deductions during the year	**-**	-
Closing balance	**107,706,000**	**99,739,700**
III. Securities premium		
Opening balance	**330,333,217**	326,802,474
Additions during the year[1]	**5,566,189**	3,530,743
Deductions during the year	**-**	-
Closing balance	**335,899,406**	**330,333,217**
IV. Investment reserve account		
Opening balance	**-**	-
Additions during the year	**-**	-
Deductions during the year	**-**	-
Closing balance	**-**	**-**
V. Investment fluctuation reserve		
Opening balance	**12,692,000**	-
Additions during the year[2]	**6,690,000**	12,692,000
Deductions during the year	**-**	-
Closing balance	**19,382,000**	**12,692,000**
VI. Unrealised investment reserve[3]		
Opening balance	**114,773**	187,932
Additions during the year	**8,352**	11,439
Deductions during the year	**(393,167)**	(84,598)
Closing balance	**(270,042)**	**114,773**
VII. Capital reserve		
Opening balance	**128,785,616**	128,505,616
Additions during the year[4]	**3,954,400**	280,000
Deductions during the year	**-**	-
Closing balance[5]	**132,740,016**	**128,785,616**

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2020	At 31.03.2019
VIII. Capital redemption reserve		
Opening balance	**3,500,000**	-
Additions during the year	**-**	3,500,000
Deductions during the year	**-**	-
Closing balance[6]	**3,500,000**	**3,500,000**
IX. Foreign currency translation reserve		
Opening balance	**18,004,703**	19,351,116
Additions during the year	**2,135,244**	308,432
Deductions during the year	**-**	(1,654,845)
Closing balance	**20,139,947**	**18,004,703**
X. Revaluation reserve		
Opening balance	**30,699,986**	30,276,392
Additions during the year[7]	**1,430,661**	1,038,994
Deductions during the year[8]	**(697,050)**	(615,400)
Closing balance	**31,433,597**	**30,699,986**
XI. Reserve fund		
Opening balance	**73,968**	66,399
Additions during the year[9]	**3,670**	7,569
Deductions during the year	**-**	-
Closing balance	**77,638**	**73,968**
XII. Revenue and other reserves		
Opening balance	**48,070,147**	50,099,364
Additions during the year	**1,526,651**	970,707
Deductions during the year[10]	**(8,792,772)**	(2,999,924)
Closing balance[11,12,13]	**40,804,026**	**48,070,147**
XIII. Balance in profit and loss account[14]	**267,999,958**	220,201,086
TOTAL RESERVES AND SURPLUS	**1,216,618,065**	**1,129,592,715**

1. *Includes ₹ 5,452.1 million (March 31, 2019: ₹ 3,451.5 million) on exercise of employee stock options.*
2. *Represents an amount transferred by the Bank to Investment Fluctuation Reserve (IFR) on net profit on sale of AFS and HFT investments during the year. 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 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.*
3. *Represents unrealised profit/(loss) pertaining to the investments of venture capital funds.*
4. *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.*
5. *Includes capital reserve on consolidation amounting to ₹ 79.1 million (March 31, 2019: ₹ 79.1 million).*
6. *Represents amount transferred by the Bank from accumulated profit on account of Redeemable Non-Cumulative Preference Shares (350 RNCPS) of ₹ 10.0 million each redeemed at par during the year ended March 31, 2019. The Bank created Capital redemption reserve, as required under the Companies Act, 2013, out of surplus profits available for previous years.*
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. *Includes appropriations made to Reserve Fund in accordance with regulations applicable to Sri Lanka branch.*
10. *Includes ₹ 6,896.7 million towards reduction in fair value change account of insurance subsidiaries (March 31, 2019: ₹ 2,933.1 million).*
11. *Includes unrealised profit/(loss), net of tax, of ₹ (2,441.5) million (March 31, 2019: ₹ (536.3) million) pertaining to the investments in the available-for-sale category of ICICI Bank UK PLC.*
12. *Includes restricted reserve of Nil (March 31, 2019: ₹ 3.8 million) primarily relating to lapsed contracts of the life insurance subsidiary.*
13. *Includes debenture redemption reserve amounting to ₹ 154.8 million (March 31, 2019: ₹ 135.5 million) of ICICI Lombard General Insurance Company Limited.*
14. *At March 31, 2019 includes impact of ₹ 263.0 million (equivalent to CAD 5.1 million) on account of adoption of IFRS 9– Financial instruments by ICICI Bank Canada.*

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 2A - MINORITY INTEREST		
Opening minority interest	**65,805,358**	60,081,860
Subsequent increase/(decrease) during the year	**2,142,338**	5,723,498
CLOSING MINORITY INTEREST	**67,947,696**	**65,805,358**

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 3 - DEPOSITS		
A. I. Demand deposits		
i) From banks	**64,802,599**	74,141,205
ii) From others	**985,082,977**	893,908,957
II. Savings bank deposits	**2,540,649,723**	2,355,305,786
III. Term deposits		
i) From banks	**202,585,695**	165,000,950
ii) From others	**4,214,723,616**	3,324,812,463
TOTAL DEPOSITS	**8,007,844,610**	**6,813,169,361**
B. I. Deposits of branches in India	**7,624,010,796**	6,447,910,340
II. Deposits of branches/subsidiaries outside India	**383,833,814**	365,259,021
TOTAL DEPOSITS	**8,007,844,610**	**6,813,169,361**

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
i) Reserve Bank of India[1]	**118,328,500**	66,551,500
ii) Other banks	**77,196,158**	98,446,218
iii) Other institutions and agencies		
a) Government of India	**-**	-
b) Financial institutions[2]	**583,971,583**	279,488,963
iv) Borrowings in the form of		
a) Deposits	**25,240,937**	10,506,425
b) Commercial paper	**32,372,198**	19,095,340
c) Bonds and debentures (excluding subordinated debt)	**223,537,229**	220,533,206
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)	**-**	33,800,000
c) Unsecured redeemable debentures/bonds (subordinated debt included in Tier 2 capital)	**122,224,946**	142,667,140
TOTAL BORROWINGS IN INDIA	**1,284,071,551**	**972,288,792**

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2020	At 31.03.2019
II. Borrowings outside India		
i) Capital instruments		
Unsecured redeemable debentures/bonds (subordinated debt included in Tier 2 capital)	**16,635,263**	15,445,655
ii) Bonds and notes	**317,155,245**	443,701,483
iii) Other borrowings	**520,655,762**	671,805,278
TOTAL BORROWINGS OUTSIDE INDIA	**854,446,270**	**1,130,952,416**
TOTAL BORROWINGS	**2,138,517,821**	**2,103,241,208**

1. *Includes borrowings made by the Bank amounting to ₹ 86,810.0 million (March 31, 2019: ₹ 35,000.0 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 ₹ 149,584.2 million (March 31, 2019: ₹ 158,484.7 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 31.03.2020	At 31.03.2019
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	**57,142,223**	86,191,837
II. Inter-office adjustments (net)	**7,439,584**	717,556
III. Interest accrued	**30,710,476**	36,648,114
IV. Sundry creditors	**350,493,422**	336,952,875
V. General provision for standard assets[1]	**66,235,813**	31,496,087
VI. Others (including provisions)[2,3]	**362,127,597**	247,394,901
TOTAL OTHER LIABILITIES AND PROVISIONS	**874,149,115**	**739,401,370**

1. *At March 31, 2020, includes Covid-19 related provision of the Bank amounting to ₹ 27,250.0 million.*
2. *Includes specific provision for standard loans of the Bank amounting to ₹ 8,211.4 million (March 31, 2019: ₹ 4,769.0 million).*
3. *Includes corporate dividend tax payable amounting to Nil (March 31, 2019: ₹ 128.3 million).*

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	**99,698,231**	89,113,817
II. Balances with Reserve Bank of India in current accounts	**253,421,110**	291,548,967
TOTAL CASH AND BALANCES WITH RESERVE BANK OF INDIA	**353,119,341**	**380,662,784**

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
i) Balances with banks		
a) In current accounts	**3,641,937**	4,526,342
b) In other deposit accounts	**33,350,096**	27,100,732
ii) Money at call and short notice		
a) With banks[1]	**594,212,800**	89,457,750
b) With other institutions[2]	**81,925,266**	25,216,743
TOTAL	**713,130,099**	**146,301,567**
II. Outside India		
i) In current accounts	**139,090,607**	162,722,416
ii) In other deposit accounts	**25,420,683**	48,959,266
iii) Money at call and short notice	**47,768,487**	135,262,920
TOTAL	**212,279,777**	**346,944,602**
TOTAL BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	**925,409,876**	**493,246,169**

1. Includes lending by the Bank under Liquidity Adjustment Facility (LAF).
2. Includes lending by the Bank under reverse repo.

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 8 - INVESTMENTS		
I. Investments in India [net of provisions]		
i) Government securities	**2,426,824,439**	1,876,580,127
ii) Other approved securities	**-**	-
iii) Shares (includes equity and preference shares)[1]	**140,980,322**	133,554,527
iv) Debentures and bonds	**390,872,056**	391,443,021
v) Assets held to cover linked liabilities of life insurance business	**970,849,767**	1,109,458,136
vi) Others (commercial paper, mutual fund units, pass through certificates, security receipts, certificate of deposits and other related investments)	**363,865,046**	348,419,946
TOTAL INVESTMENTS IN INDIA	**4,293,391,630**	**3,859,455,757**
II. Investments outside India [net of provisions]		
i) Government securities	**76,815,873**	62,208,341
ii) Others (equity shares, bonds and certificate of deposits)	**64,518,795**	60,343,455
TOTAL INVESTMENTS OUTSIDE INDIA	**141,334,668**	**122,551,796**
TOTAL INVESTMENTS	**4,434,726,298**	**3,982,007,553**
A. Investments in India		
Gross value of investments[2]	**4,364,490,309**	3,888,123,653
Less: Aggregate of provision/depreciation/(appreciation)	**71,098,679**	28,667,896
Net investments	**4,293,391,630**	**3,859,455,757**

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet *(Contd.)*

₹ in '000s

	At 31.03.2020	At 31.03.2019
B. Investments outside India		
Gross value of investments	**145,190,661**	124,604,590
Less: Aggregate of provision/depreciation/(appreciation)	**3,855,993**	2,052,794
Net investments	**141,334,668**	**122,551,796**
TOTAL INVESTMENTS	**4,434,726,298**	**3,982,007,553**

1. Includes cost of investment in associates amounting to ₹ 6,975.4 million (March 31, 2019: ₹ 7,293.5 million) and goodwill on consolidation of associates amounting to ₹ 163.1 million (March 31, 2019: ₹ 163.1 million).

2. Includes net depreciation amounting to ₹ 109,396.5 million (March 31, 2019: net appreciation amounting to ₹ 110,501.1 million) on investments held to cover linked liabilities of life insurance business.

₹ in '000s

	At 31.03.2020	At 31.03.2019
SCHEDULE 9 - ADVANCES [net of provisions]		
A. i) Bills purchased and discounted[1]	**452,367,010**	367,577,735
ii) Cash credits, overdrafts and loans repayable on demand	**1,569,192,857**	1,471,378,348
iii) Term loans	**5,040,901,255**	4,630,660,730
TOTAL ADVANCES	**7,062,461,122**	**6,469,616,813**
B. i) Secured by tangible assets (includes advances against book debts)	**5,191,797,182**	4,640,335,848
ii) Covered by bank/government guarantees	**102,027,895**	116,401,740
iii) Unsecured	**1,768,636,045**	1,712,879,225
TOTAL ADVANCES	**7,062,461,122**	**6,469,616,813**
C. I. Advances in India		
i) Priority sector	**1,909,009,874**	1,696,365,965
ii) Public sector	**159,541,485**	146,431,801
iii) Banks	**4,468,311**	3,253,967
iv) Others	**3,983,772,642**	3,526,902,944
TOTAL ADVANCES IN INDIA	**6,056,792,312**	**5,372,954,677**
II. Advances outside India		
i) Due from banks	**7,567,003**	22,387,781
ii) Due from others		
a) Bills purchased and discounted	**169,229,147**	166,989,637
b) Syndicated and term loans	**572,197,077**	558,394,839
c) Others	**256,675,583**	348,889,879
TOTAL ADVANCES OUTSIDE INDIA	**1,005,668,810**	**1,096,662,136**
TOTAL ADVANCES	**7,062,461,122**	**6,469,616,813**

1. Net of bills re-discounted amounting to Nil (March 31, 2019: Nil).

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet *(Contd.)*

₹ in '000s

		At 31.03.2020	At 31.03.2019
SCHEDULE 10 - FIXED ASSETS			
I.	**Premises**		
	Gross block		
	At cost at March 31 of preceding year	**91,641,299**	89,546,213
	Additions during the year[1]	**3,406,276**	2,896,928
	Deductions during the year	**(757,682)**	(801,842)
	Closing balance	**94,289,893**	**91,641,299**
	Less: Depreciation to date[2]	**(19,790,481)**	(18,131,632)
	Net block[3]	**74,499,412**	**73,509,667**
II.	**Other fixed assets (including furniture and fixtures)**		
	Gross block		
	At cost at March 31 of preceding year	**72,962,862**	71,014,065
	Additions during the year	**15,799,750**	9,171,004
	Deductions during the year	**(2,947,622)**	(7,222,207)
	Closing balance	**85,814,990**	**72,962,862**
	Less: Depreciation to date[4]	**(58,967,593)**	(52,282,900)
	Net block	**26,847,397**	**20,679,962**
III.	**Lease assets**		
	Gross block		
	At cost at March 31 of preceding year	**16,714,629**	16,714,629
	Additions during the year	**339,420**	-
	Deductions during the year	**-**	-
	Closing balance[5]	**17,054,049**	**16,714,629**
	Less: Depreciation to date, accumulated lease adjustment and provisions[6]	**(14,314,282)**	(14,300,031)
	Net block	**2,739,767**	**2,414,598**
TOTAL FIXED ASSETS		**104,086,576**	**96,604,227**

1. *Includes revaluation gain amounting to ₹ 1,430.7 million (March 31, 2019: ₹ 1,039.0 million) on account of revaluation carried out by the Bank and its housing finance subsidiary.*
2. *Includes depreciation charge amounting to ₹ 2,267.5 million for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 2,096.6 million), including depreciation charge on account of revaluation of ₹ 654.9 million for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 589.5 million).*
3. *Includes assets of the Bank amounting to Nil (March 31, 2019: ₹ 22.2 million) which are held for sale.*
4. *Includes depreciation charge amounting to ₹ 9,430.4 million for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 7,361.8 million).*
5. *At March 31, 2020, includes assets taken on lease by the Bank amounting to ₹ 339.4 million (March 31, 2019: Nil).*
6. *Includes depreciation charge/lease adjustment/provisions amounting to ₹ 14.2 million for the year ended March 31, 2020 (year ended March 31, 2019: insignificant amount).*

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Balance Sheet *(Contd.)*

₹ in '000s

		At 31.03.2020	At 31.03.2019
SCHEDULE 11 - OTHER ASSETS			
I.	Inter-office adjustments (net)	**-**	-
II.	Interest accrued	**111,769,955**	98,043,710
III.	Tax paid in advance/tax deducted at source (net)	**73,879,871**	101,872,667
IV.	Stationery and stamps	**40,686**	66,696
V.	Non-banking assets acquired in satisfaction of claims[1,2]	**-**	10,040,166
VI.	Advance for capital assets	**3,393,922**	2,219,891
VII.	Deposits	**31,384,252**	17,221,877
VIII.	Deferred tax asset (net) (refer note 18.9)	**88,070,295**	109,372,947
IX.	Deposits in Rural Infrastructure and Development Fund	**287,570,782**	292,545,621
X.	Others[3]	**297,009,347**	334,417,786
TOTAL OTHER ASSETS		**893,119,110**	**965,801,361**

1. During the year ended March 31, 2020, the Bank has not acquired any assets (year ended March 31, 2019: Nil) in satisfaction of claims under debt-asset swap transactions. Assets amounting to ₹ 1,317.4 million were sold by the Bank during the year ended March 31, 2020 (year ended March 31, 2019: Nil).

2. Net of provision held by the Bank amounting to ₹ 30,517.8 million (March 31, 2019: ₹ 22,147.3 million).

3. Includes goodwill on consolidation amounting to ₹ 1,097.0 million (March 31, 2019: ₹ 1,097.0 million).

₹ in '000s

		At 31.03.2020	At 31.03.2019
SCHEDULE 12 - CONTINGENT LIABILITIES			
I.	Claims against the Group not acknowledged as debts	**73,590,691**	65,029,948
II.	Liability for partly paid investments	**4,519,980**	12,455
III.	Liability on account of outstanding forward exchange contracts[1]	**7,598,623,656**	4,889,593,918
IV.	Guarantees given on behalf of constituents		
	a) In India	**872,909,267**	851,493,764
	b) Outside India	**223,256,667**	218,124,554
V.	Acceptances, endorsements and other obligations	**346,874,154**	433,839,126
VI.	Currency swaps[1]	**513,321,692**	426,896,157
VII.	Interest rate swaps, currency options and interest rate futures[1]	**20,305,084,769**	19,125,634,207
VIII.	Other items for which the Group is contingently liable	**92,354,448**	110,095,249
TOTAL CONTINGENT LIABILITIES		**30,030,535,324**	**26,120,719,378**

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 31.03.2020	Year ended 31.03.2019
SCHEDULE 13 - INTEREST EARNED		
I. Interest/discount on advances/bills	**609,283,070**	508,848,307
II. Income on investments	**209,712,041**	181,022,872
III. Interest on balances with Reserve Bank of India and other inter-bank funds	**9,074,114**	9,271,072
IV. Others[1,2]	**20,288,505**	20,674,289
TOTAL INTEREST EARNED	**848,357,730**	**719,816,540**

1. Includes interest on income tax refunds amounting to ₹ 2,998.6 million (March 31, 2019: ₹ 4,904.1 million).
2. Includes interest and amortisation of premium on non-trading interest rate swaps and foreign currency swaps.

₹ in '000s

	Year ended 31.03.2020	Year ended 31.03.2019
SCHEDULE 14 - OTHER INCOME		
I. Commission, exchange and brokerage	**141,948,800**	126,056,742
II. Profit/(loss) on sale of investments (net)[1]	**36,883,852**	24,897,889
III. Profit/(loss) on revaluation of investments (net)	**(4,507,654)**	1,079,594
IV. Profit/(loss) on sale of land, buildings and other assets (net)[2]	**1,450**	(22,012)
V. Profit/(loss) on exchange/derivative transactions (net)	**16,898,500**	17,837,857
VI. Premium and other operating income from insurance business	**455,011,126**	420,938,652
VII. Miscellaneous income (including lease income)[3]	**3,267,227**	2,459,731
TOTAL OTHER INCOME	**649,503,301**	**593,248,453**

1. For the year ended March 31, 2019 includes gain on sale of a part of equity investment in a subsidiary, ICICI Prudential Life Insurance Company Limited, through an offer for sale on stock exchanges.
2. Includes profit/(loss) on sale of assets given on lease.
3. Includes share of profit/(loss) from associates of ₹ 1,752.2 million (March 31, 2019: ₹ 803.2 million).

₹ in '000s

	Year ended 31.03.2020	Year ended 31.03.2019
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on deposits	**332,242,790**	269,951,782
II. Interest on Reserve Bank of India/inter-bank borrowings	**21,664,948**	24,717,716
III. Others (including interest on borrowings of erstwhile ICICI Limited)	**92,747,484**	97,105,916
TOTAL INTEREST EXPENDED	**446,655,222**	**391,775,414**

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forming part of the Consolidated Profit and Loss Account *(Contd.)*

₹ in '000s

		Year ended 31.03.2020	Year ended 31.03.2019
SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for employees	**111,567,453**	94,252,552
II.	Rent, taxes and lighting[1]	**15,505,773**	14,347,677
III.	Printing and stationery	**2,659,297**	2,392,372
IV.	Advertisement and publicity	**27,773,081**	23,542,134
V.	Depreciation on property	**11,697,938**	9,458,399
VI.	Depreciation (including lease equalisation) on leased assets	**14,238**	13
VII.	Directors' fees, allowances and expenses	**128,167**	117,683
VIII.	Auditors' fees and expenses	**286,115**	294,854
IX.	Law charges	**1,881,787**	2,120,159
X.	Postages, courier, telephones, etc.	**6,079,798**	5,601,896
XI.	Repairs and maintenance	**20,160,035**	17,785,647
XII.	Insurance	**7,172,033**	5,898,349
XIII.	Direct marketing agency expenses	**19,656,229**	19,569,165
XIV.	Claims and benefits paid pertaining to insurance business	**88,931,563**	77,540,597
XV.	Other expenses pertaining to insurance business[2]	**336,654,949**	314,145,809
XVI.	Other expenditure[3]	**65,010,532**	55,521,494
TOTAL OPERATING EXPENSES		**715,178,988**	**642,588,800**

1. *Includes lease expense amounting to ₹ 12,286.1 million (March 31, 2019: ₹ 11,425.5 million).*
2. *Includes commission expenses and reserves for actuarial liabilities (including the investible portion of the premium on the unit-linked policies).*
3. *During the year ended March 31, 2019, in accordance with the directions of Securities and Exchange Board of India (SEBI) with respect to certain investments by schemes of ICICI Prudential Mutual Fund (the Schemes), ICICI Prudential Asset Management Company Limited paid ₹ 1,094.5 million to the Schemes and their investors. Further, ICICI Prudential Asset Management Company Limited has settled the proceedings on this matter with SEBI and paid an amount of ₹ 9.0 million towards settlement terms.*

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

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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
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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	79.22%
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	100.00%
13.	ICICI Prudential Life Insurance Company Limited	India	Subsidiary	Life insurance	52.87%
14.	ICICI Lombard General Insurance Company Limited	India	Subsidiary	General insurance	55.86%
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 Limited[3]	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

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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. Transactions involving foreign exchange

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 included 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.

The premium or discount arising on inception of forward exchange contracts that are entered into to establish the amount of reporting currency required or available at the settlement date of a transaction 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.

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 from finance leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding on the lease over the primary lease period.

c) Income on discounted instruments is recognised over the tenure of the instrument.

d) Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

e) 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.

f) Project appraisal/structuring fee is accounted for on the completion of the agreed service.

g) Arranger fee is accounted for as income when a significant portion of the arrangement is completed and right to receive is established.

h) Commission received on guarantees issued is amortised on a straight-line basis over the period of the guarantee.

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i) Fund management and portfolio management fees are recognised on an accrual basis.

j) The annual/renewal fee on credit cards and debit cards are amortised on a straight line basis over one year.

k) All other fees are accounted for as and when they become due.

l) The Bank deals in bullion business on a consignment basis. The difference between price recovered from customers and cost of bullion is accounted for at the time of sales to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted on accrual basis.

m) Fees paid/received for priority sector lending certificates (PSLC) is amortised on straight-line basis over the period of the certificate.

n) 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.

o) 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.

p) 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 recognised as income as per the reinsurance treaty conditions as confirmed by reinsurers and combined with commission on reinsurance ceded.

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q) In case of life insurance business, reinsurance premium ceded is accounted in accordance with the terms of the relevant treaty with the reinsurer. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

r) 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 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.

s) 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 Scheme provides that employees are granted an option to subscribe to equity shares of the Bank that vest in a graded manner. The options may be exercised within a specified period. ICICI Prudential Life Insurance Company Limited, ICICI Lombard General Insurance Company Limited 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 latest closing price, immediately prior to the grant date, which is generally the date of the meeting of the Board Governance, Remuneration & Nomination Committee or other relevant committee in which the options are granted, on the stock exchange on which the shares of the Bank, ICICI Prudential Life Insurance Company Limited, ICICI Lombard General Insurance Company Limited and ICICI Securities Limited are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered. 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.

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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 at 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 experience and 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.

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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.

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 4.25% to 6.59% per annum (previous year – 4.44% to 6.48% 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 4.05% per annum (previous year – 4.19%).

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 trusts which administer the funds on their own account or through insurance companies.

The actuarial gains or losses arising during the year are recognised in the profit and loss account.

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.

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Superannuation Fund and National Pension Scheme

The Bank contributes 15.0% of the total annual basic salary or an amount of ₹ 0.15 million for certain employees to superannuation funds, a defined contribution plan, managed and administered by insurance companies. ICICI Prudential Life Insurance Company Limited, ICICI Prudential Asset Management Company Limited, and ICICI Venture Funds Management Company Limited have accrued for superannuation liability based on a percentage of basic salary payable to eligible employees for the period of service.

The Group contributes 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 Group also gives an option to its employees allowing them to receive the amount 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.

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.

Actuarial valuation for the interest rate guarantee 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.

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 as given below.

a) All investments are classified into ‘Held to Maturity’, ‘Available for Sale’ and ‘Held for Trading’. 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.

b) ‘Held to Maturity’ 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.

c) ‘Available for Sale’ and ‘Held for Trading’ 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 ‘Available for Sale’, 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 the 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.

Unquoted equity shares are valued at the break-up value, if the latest balance sheet is available or at ₹ 1, as per RBI guidelines.

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 loan is fully provided for. Non-performing investments are identified based on the RBI guidelines.

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d) Treasury bills, commercial papers and certificate of deposits being discounted instruments, are valued at carrying cost.

e) The units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund.

f) Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the profit and loss account. Cost of investments is computed based on the First-In-First-Out (FIFO) method.

g) Profit/loss on sale of investments in the 'Held to Maturity' category is recognised in the profit and loss account and profit is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit/loss on sale of investments in 'Available for Sale' and 'Held for Trading' categories is recognised in the profit and loss account.

h) 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.

i) Broken period interest (the amount of interest from the previous interest payment date till the date of purchase/sale of instruments) on debt instruments is treated as a revenue item.

j) 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.

k) 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.

l) 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.

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

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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 'Available for Sale'/'Fair Value Through Other Comprehensive Income' (FVOCI) category directly in their reserves. Further unrealised gain/loss on investment in 'Held for Trading'/'Fair Value Through Profit and Loss' (FVTPL) category is accounted directly in the profit and loss account. Investments in 'Held to Maturity'/'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.

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 total proportion of investments for which subsidiaries have applied accounting policies different from the Bank as mentioned above, is approximately 24.06% of the total investments at March 31, 2020.

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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 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. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. 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.

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 provided/written-off as per the extant RBI guidelines. For loans and advances booked in overseas branches, which are standard as per the extant RBI guidelines but are classified as NPAs based on host country guidelines, provisions are made as per the host country regulations. For loans and advances booked in overseas branches, which are NPAs as per the extant RBI guidelines and as per host country guidelines, provisions are made at the higher of the provisions required under RBI regulations and host country regulations. Provisions on homogeneous retail loans and advances, subject to minimum provisioning requirements of RBI, are assessed on the basis of the ageing of the loan in the non-performing category. As per RBI guidelines, in respect of non-retail loans reported as fraud to RBI and classified in doubtful category, the entire amount, without considering the value of security, 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 extant 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. The assessment of incremental specific provisions is made after taking into consideration the existing specific provision held. The specific provisions on retail loans and advances held by the Bank are higher than the minimum regulatory requirements.

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.

c) Amounts recovered against debts written-off in earlier years and provisions no longer considered necessary in the context of the current status of the borrower 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.

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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.

f) 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.

g) 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.

h) The Bank has granted moratorium towards the payment of principal and/or interest in case of certain borrowers in accordance with RBI circular dated March 27, 2020. The Bank makes general provision on such loans at rates equal or higher than requirements stipulated in RBI circular.

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 the 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 8.70% of the total loans at March 31, 2020.

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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 Bank accounts for any loss arising from securitisation immediately at the time of sale and 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 over the life of the transaction based on the method prescribed in the guidelines.

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, items 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. Accounting for derivative contracts

The Group enters into derivative contracts such as interest rate options, currency options and bond options, interest rate and currency futures, interest rate and currency swaps, credit default swaps and cross currency interest rate swaps.

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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. 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. 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.

Foreign currency and rupee 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.

19. Lease transactions

Lease payments 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 leases. Minimum lease payments under finance lease are apportioned between the finance costs and reduction of the 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 during 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.

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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 attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The 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, 2020	Year ended March 31, 2019
Basic		
Weighted average no. of equity shares outstanding	**6,460,003,715**	6,435,966,473
Net profit attributable to equity share holders	**95,663.1**	42,542.4
Basic earnings per share (₹)	**14.81**	6.61
Diluted		
Weighted average no. of equity shares outstanding	**6,566,771,281**	6,509,276,099
Net profit attributable to equity share holders	**95,513.7**	42,474.9
Diluted earnings per share (₹)[1]	**14.55**	6.53
Nominal value per share (₹)	**2.00**	2.00

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

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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 (w.e.f. June 19, 2018)	• Ms. Mona Bakhshi • Mr. Shivam Bakhshi • Ms. Esha Bakhshi • Ms. Minal Bakhshi • Mr. Sameer Bakhshi (w.e.f. June 19, 2018)
2.	Ms. Vishakha Mulye	• Mr. Vivek Mulye • Ms. Vriddhi Mulye • Mr. Vignesh Mulye • Dr. Gauresh Palekar • Ms. Shalaka Gadekar • Ms. Manisha Palekar
3.	Mr. Anup Bagchi	• Ms. Mitul Bagchi • Mr. Aditya Bagchi • Mr. Shishir Bagchi • Mr. Arun Bagchi • Mr. Animesh Bagchi
4.	Mr. N. S. Kannan (upto June 18, 2018)	• Ms. Rangarajan Kumudalakshmi • Ms. Aditi Kannan • Ms. Sudha Narayanan • Mr. Raghunathan Narayanan • Mr. Rangarajan Narayanan (upto June 18, 2018)
5.	Ms. Chanda Kochhar (upto October 4, 2018)	• Mr. Deepak Kochhar • Mr. Arjun Kochhar • Ms. Aarti Kaji • Mr. Mahesh Advani (upto October 4, 2018)
6.	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)

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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, 2020	Year ended March 31, 2019
Interest income	**366.4**	**276.4**
Associates/others	**356.4**	264.7
Key management personnel	**10.0**	11.7
Relatives of key management personnel	**-**	0.0[1]
Fee, commission and other income	**42.1**	**59.7**
Associates/others	**41.4**	58.3
Key management personnel	**0.6**	1.2
Relatives of key management personnel	**0.1**	0.2
Commission income on guarantees issued	**0.1**	**0.1**
Associates/others	**0.1**	0.1
Income from custodial services	**3.7**	**-**
Associates/others	**3.7**	**-**
Insurance premium received	**24.2**	**29.0**
Associates/others	**15.0**	24.5
Key management personnel	**3.9**	1.1
Relatives of key management personnel	**5.3**	3.4
Gain/(loss) on forex and derivative transactions (net)[2]	**-**	0.1
Associates/others	**-**	0.1
Dividend income	**114.1**	**63.8**
Associates/others	**114.1**	63.8
Recovery of lease of premises, common corporate and facilities expenses	**50.8**	**59.7**
Associates/others	**50.8**	59.7
Recovery of secondment of employees	**11.4**	**9.4**
Associates/others	**11.4**	9.4
Interest expense	**53.3**	**13.7**
Associates/others	**50.8**	7.8
Key management personnel	**1.7**	4.2
Relatives of key management personnel	**0.8**	1.7
Remuneration to wholetime directors[3]	**211.6**	**270.5**
Key management personnel	**211.6**	270.5
Reimbursement of expenses to related parties	**213.6**	**0.1**
Associates/others	**213.6**	0.1
Insurance claims paid	**8.0**	**0.1**
Associates/others	**2.3**	-
Key management personnel	**0.0[1]**	0.1
Relatives of key management personnel	**5.7**	-
Brokerage, fee and other expenses	**12,970.6**	**9,649.2**
Associates/others	**12,970.6**	9,649.2
Donation given	**682.8**	**1,031.0**
Associates/others	**682.8**	1,031.0
Dividend paid	**5.9**	**13.6**
Key management personnel	**2.6**	10.5
Relatives of key management personnel	**3.3**	3.1

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₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Investments in the securities issued by related parties	**2,000.0**	**10,000.0**
Associates/others	**2,000.0**	10,000.0
Sale of investments	**250.0**	**-**
Associates/others	**250.0**	-
Redemption/buyback of investments	**331.1**	**534.7**
Associates/others	**331.1**	534.7
Sale of loan	**968.0**	**-**
Associates/others	**968.0**	-
Sale of fixed assets	**-**	**7.2**
Key management personnel	**-**	7.2

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.*

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, 2020	Year ended March 31, 2019
Interest income			
1	India Infradebt Limited	**352.7**	261.4
Fee, commission and other income			
1	India Infradebt Limited	**24.8**	58.3
2	ICICI Merchant Services Private Limited	**16.6**	-
Commission income on guarantees issued			
1	NIIT Institute of Finance Banking and Insurance Training Limited	**0.1**	0.1
Income from custodial services			
1	India Advantage Fund - III	**2.2**	-
2	India Advantage Fund - IV	**1.5**	-
Insurance premium received			
1	ICICI Foundation for Inclusive Growth	**11.0**	20.5
2	Ms. Vishakha Mulye	**3.0**	-
3	Mr. Vivek Mulye	**5.0**	3.1
Gain/(loss) on forex and derivative transactions (net)[2]			
1	Arteria Technologies Private Limited	**-**	0.1
Dividend income			
1	India Infradebt Limited	**106.5**	63.8
Recovery of lease of premises, common corporate and facilities expenses			
1	ICICI Foundation for Inclusive Growth	**50.7**	56.2

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₹ in million

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
Recovery of secondment of employees			
1	I-Process Services (India) Private Limited	**11.4**	9.4
Interest expense			
1	ICICI Merchant Services Private Limited	**40.4**	1.2
2	India Infradebt Limited	**3.2**	2.2
3	Arteria Technologies Private Limited	**2.5**	1.6
4	ICICI Foundation for Inclusive Growth	**1.9**	2.3
5	Ms. Chanda Kochhar	**N.A.**	3.0
Remuneration to wholetime directors[3]			
1	Mr. Sandeep Bakhshi[4]	**69.4**	47.2
2	Ms. Vishakha Mulye	**70.3**	50.2
3	Mr. Anup Bagchi	**63.9**	44.1
4	Mr. N. S. Kannan	**N.A.**	9.4
5	Ms. Chanda Kochhar	**N.A.**	74.1
6	Mr. Vijay Chandok	**8.0**	45.5
Reimbursement of expenses to related parties			
1	ICICI Foundation for Inclusive Growth	**213.2**	-
2	NIIT Institute of Finance Banking and Insurance Training Limited	**-**	0.1
Insurance claims paid			
1	ICICI Foundation for Inclusive Growth	**2.0**	-
2	I-Process Services (India) Private Limited	**0.3**	-
3	Mr. Vivek Mulye[5]	**5.7**	-
4	Mr. Anup Bagchi	**0.0[1]**	0.1
Brokerage, fee and other expenses			
1	I-Process Services (India) Private Limited	**6,886.9**	5,463.4
2	ICICI Merchant Services Private Limited	**6,043.5**	4,174.7
Donation given			
1	ICICI Foundation for Inclusive Growth	**682.8**	1,031.0
Dividend paid			
1	Mr. Sandeep Bakhshi	**0.6**	3.2
2	Ms. Vishakha Mulye	**2.0**	2.6
3	Mr. Anup Bagchi	**0.0[1]**	0.1
4	Ms. Chanda Kochhar	**N.A.**	4.6
5	Mr. Vijay Chandok	**0.0[1]**	0.0[1]
6	Mr. Shivam Bakhshi	**1.9**	1.6
7	Ms. Esha Bakhshi	**0.7**	0.8
8	Ms. Minal Bakhshi	**0.7**	0.8
Investments in the securities issued by related parties			
1	India Infradebt Limited	**2,000.0**	10,000.0
Sale of Investments			
1	India Infradebt Limited	**250.0**	-
Redemption/buyback of investments			
1	India Advantage Fund-IV	**202.5**	262.0
2	India Advantage Fund-III	**128.6**	272.7

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₹ in million

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
Sale of loan			
1	India Infradebt Limited	**968.0**	-
Sale of fixed assets			
1	Ms. Chanda Kochhar	**N.A.**	7.2

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. *Includes remuneration received from ICICI Prudential Life Insurance Company Limited relating to the period of his service with that company.*
5. *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, 2020	At March 31, 2019
Deposits with the Group	**6,310.3**	**599.6**
Associates/others	**6,236.0**	522.9
Key management personnel	**59.1**	63.2
Relatives of key management personnel	**15.2**	13.5
Payables	**3,291.2**	**1,797.1**
Associates/others	**3,291.2**	1,797.1
Key management personnel	**0.0**[1]	0.0[1]
Relatives of key management personnel	**0.0**[1]	0.0[1]
Investments of the Group	**13,679.4**	**10,777.0**
Associates/others	**13,679.4**	10,777.0
Investments of related parties in the Group	**14.7**	**16.0**
Key management personnel	**5.9**	6.5
Relatives of key management personnel	**8.8**	9.5
Advances by the Group	**245.5**	**299.5**
Associates/others	**48.7**	45.0
Key management personnel	**196.7**	254.1
Relatives of key management personnel	**0.1**	0.4
Receivables	**115.5**	**123.0**
Associates/others	**115.5**	123.0
Guarantees issued by the Group	**11.8**	**11.2**
Associates/others	**11.8**	11.2

1. *Insignificant amount.*
2. *At March 31, 2020, 16,184,250 (March 31, 2019: 20,022,000) 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, 2020, 1,173,000 (year ended March 31, 2019: 2,062,000), employee stock options with total exercise price of ₹ 240.1 million (year ended March 31, 2019: ₹ 296.3 million) were exercised by the key management personnel.*
4. *At March 31, 2020, 420,500 (March 31, 2019: 420,500) employee stock options of ICICI Prudential Life Insurance Company Limited to key management personnel were outstanding.*

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IV. 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, 2020	Year ended March 31, 2019
Deposits with the Group		
Key management personnel	**167.6**	234.6
Relatives of key management personnel	**71.3**	175.3
Payables[2]		
Key management personnel	**0.1**	0.0[1]
Relatives of key management personnel	**0.0**[1]	0.1
Investments of related parties in the Group[2]		
Key management personnel	**6.2**	21.5
Relatives of key management personnel	**9.5**	9.5
Advances by the Group		
Key management personnel	**254.2**	256.2
Relatives of key management personnel	**0.9**	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.*

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.

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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, 2020 (year ended March 31, 2019: Nil). If the Bank had used the fair value of options based on binomial tree model, compensation cost in the year ended March 31, 2020 would have been higher by ₹ 3,826.2 million (year ended March 31, 2019: ₹ 3,179.0 million) and proforma profit after tax would have been ₹ 75,481.9 million (year ended March 31, 2019: ₹ 30,454.0 million). On a proforma basis, the Bank's basic and diluted earnings per share would have been ₹ 11.68 (year ended March 31, 2019: ₹ 4.73) and ₹ 11.49 (year ended March 31, 2019: ₹ 4.68) respectively for the year ended March 31, 2020. The weighted average fair value of options granted during the year ended March 31, 2020 was ₹ 149.62 (year ended March 31, 2019: ₹ 107.22).

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, 2019**
Risk-free interest rate	**6.18% to 7.62%**	7.32% to 8.31%
Expected life	**3.46 to 5.46 years**	3.64 to 6.64 years
Expected volatility	**29.06% to 31.17%**	30.79% to 32.22%
Expected dividend yield	**0.19% to 0.37%**	0.43% to 0.80%

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, 2020		**Year ended March 31, 2019**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at the beginning of the year	**232,427,774**	**235.40**	235,672,250	224.19
Add: Granted during the year[1]	**34,288,400[1]**	**402.16**	35,419,900	283.91
Less: Lapsed during the year, net of re-issuance	**1,904,051[2]**	**316.72**	20,415,499	229.88
Less: Exercised during the year	**26,525,550**	**207.09**	18,248,877	191.04
Outstanding at the end of the year	**238,286,573[1]**	**261.89**	232,427,774	235.40
Options exercisable	**169,975,899**	**231.93**	152,151,329	222.84

1. *Includes options pertaining to Whole-time Directors of ICICI Bank and its subsidiaries in May 2019, 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.*

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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 following table sets forth, the summary of stock options outstanding at March 31, 2019.

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	1,602,975	79.15	3.84
100-199	33,771,457	166.66	4.23
200-299	196,076,442	248.04	8.11
300-399	976,900	329.56	8.64

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, 2020 was ₹ 451.25 (year ended March 31, 2019: ₹ 326.37).

ICICI Life:

ICICI Prudential Life Insurance Company has formulated ESOS for their employees. There is no compensation cost for the year ended March 31, 2020 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 ₹ 502.5 million for the year ended March 31, 2020 (for the year ended March 31, 2019: ₹ 316.8 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, 2020		Year ended March 31, 2019	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at the beginning of the year	**7,723,317**	**390.92**	2,820,888	382.70
Add: Granted during the year	**5,073,600**	**369.71**	7,304,150	387.62
Less: Forfeited/lapsed during the year	**357,700**	**386.87**	2,115,950	399.14
Less: Exercised during the year	**78,110**	**183.63**	285,771	164.40
Outstanding at the end of the year	**12,361,107**	**383.64**	7,723,317	390.92
Options exercisable	**1,031,617**	**407.76**	273,037	355.79

The following table sets forth, the 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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The following table sets forth, summary of stock options outstanding of ICICI Prudential Life Insurance Company at March 31, 2019.

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	90,967	130.00	1.1
300-399	7,025,450	387.58	7.1
400-499	606,900	468.60	10.4

ICICI General:

ICICI Lombard General Insurance Company has formulated ESOS for their employees. There is no compensation cost for the year ended March 31, 2020 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 ₹ 597.3 million for the year ended March 31, 2020 (for the year ended March 31, 2019: ₹ 176.2 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, 2020		Year ended March 31, 2019	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at the beginning of the year	**2,645,500**	**684.37**	495,140	103.28
Add: Granted during the year	**2,345,900**	**1,086.85**	2,529,700	715.15
Less: Forfeited/lapsed during the year	**208,040**	**883.45**	17,700	715.15
Less: Exercised during the year	**159,320**	**220.72**	361,640	102.50
Outstanding at the end of the year	**4,624,040**	**895.58**	2,645,500	684.37
Options exercisable	**217,726**	**703.02**	133,176	105.28

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**

The following table sets forth, summary of stock options outstanding of ICICI Lombard General Insurance Company at March 31, 2019.

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)
35-99	16,000	60.00	1.1
100-200	117,500	111.45	1.6
700-799	2,512,000	715.15	4.3

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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, 2020 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 ₹ 39.0 million for the year ended March 31, 2020 (for the year ended March 31, 2019: ₹ 4.1 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, 2020		Year ended March 31, 2019	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at the beginning of the year	**176,700**	**256.55**	-	-
Add: Granted during the year	**1,152,600**	**221.45**	176,700	256.55
Less: Forfeited/lapsed during the year	**-**	**-**	-	-
Less: Exercised during the year	**-**	**-**	-	-
Outstanding at the end of the year	**1,329,300**	**226.12**	176,700	256.55
Options exercisable	**53,010**	**256.55**	-	-

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**

The following table sets forth, summary of stock options outstanding of ICICI Securities Limited at March 31, 2019.

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)
200-299	176,700	256.55	6.55

If the Group had used the fair value approach for accounting of options, the compensation cost for the year ended March 31, 2020 would have been higher by ₹ 4,342.3 million (March 31, 2019: ₹ 3,368.9 million) and proforma consolidated profit after tax would have been ₹ 91,320.8 million (March 31, 2019: ₹ 39,173.5 million). On a proforma basis, the Group's basic earnings per share would have been ₹ 14.14 (March 31, 2019: ₹ 6.09) and diluted earnings per share would have been ₹ 13.88 (March 31, 2019: ₹ 6.01).

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, 2020	At March 31, 2019
At cost at March 31 of preceding year	**23,606.4**	24,306.2
Additions during the year	**5,576.8**	3,060.7
Deductions during the year	**(240.7)**	(3,760.5)
Depreciation to date	**(21,551.6)**	(17,933.7)
Net block	**7,390.9**	**5,672.7**

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5. Assets on lease

5.1 Assets taken under operating lease

The following table sets forth, for the periods indicated, the details of future rentals payable on operating leases.

₹ in million

Particulars	At March 31, 2020	At March 31, 2019
Not later than one year	**839.1**	673.4
Later than one year and not later than five years	**1,491.9**	1,786.2
Later than five years	**408.9**	507.3
Total	**2,739.9**	**2,966.9**

The terms of renewal are those normally prevalent in similar agreements and there are no undue restrictions in the agreements.

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, 2020	At March 31, 2019
A. Total Minimum lease payments outstanding		
Not later than one year	**112.6**	-
Later than one year and not later than five years	**369.0**	-
Later than five years	**-**	-
Total	**481.6**	**-**
B. Interest cost payable		
Not later than one year	**52.2**	-
Later than one year and not later than five years	**101.8**	-
Later than five years	**-**	-
Total	**154.0**	**-**
C. Present value of minimum lease payments payable (A-B)		
Not later than one year	**60.4**	-
Later than one year and not later than five years	**267.2**	-
Later than five years	**-**	-
Total	**327.6**	**-**

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, 2020	At March 31, 2019
Future minimum lease receipts		
Present value of lease receipts	**909.6**	1,417.8
Unmatured finance charges	**51.0**	89.1
Sub total	**960.6**	**1,506.9**
Less: collective provision	**(1.0)**	(2.8)
Total	**959.6**	**1,504.1**
Maturity profile of future minimum lease receipts		
- Not later than one year	**244.5**	406.5
- Later than one year and not later than five years	**716.1**	951.3
- Later than five years	**-**	149.1
Total	**960.6**	**1,506.9**
Less: collective provision	**(1.0)**	(2.8)
Total	**959.6**	**1,504.1**

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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, 2020	At March 31, 2019
Maturity profile of future present value of finance lease receipts		
- Not later than one year	**223.0**	372.7
- Later than one year and not later than five years	**686.6**	897.4
- Later than five years	**-**	147.7
Total	**909.6**	**1,417.8**
Less: collective provision	**(1.0)**	(2.8)
Total	**908.6**	**1,415.0**

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, 2020	Year ended March 31, 2019
Provision for depreciation of investments	**18,136.5**	3,591.3
Provision towards non-performing and other assets	**89,627.4**	176,113.9
Provision towards income tax		
- Current	**51,778.1**	48,082.8
- Deferred	**21,853.3**	(30,891.8)
COVID-19 related provision[1]	**27,250.0**	-
Other provisions and contingencies[2]	**15,126.8**	24,913.0
Total provisions and contingencies	**223,772.1**	**221,809.2**

1. *Represents provision made by the Bank as per RBI guideline dated April 17, 2020*
2. *Includes general provision made towards standard assets, provision on fixed assets acquired under debt-asset swap and non-fund based facilities.*

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.

During Q2-2020, the Bank and certain group companies decided to exercise the option of lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from FY2020. Accordingly, the Bank and certain group companies have recognised the provision for income tax and re-measured the accumulated deferred tax asset at March 31, 2019 based on the rate prescribed under Section 115BAA. The impact of this change on the tax expense for FY2020, including both, the one-time additional charge due to re-measurement of accumulated deferred tax asset at March 31, 2019, and the tax expense at lower rate for FY2020 was ₹ 12,127.3 million.

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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, 2020	Year ended March 31, 2019
Opening obligations	**16,540.3**	**15,391.1**
Service cost	**226.1**	232.2
Interest cost	**1,147.4**	1,123.7
Actuarial (gain)/loss	**4,633.7**	1,803.8
Liabilities extinguished on settlement	**(2,518.0)**	(1,833.7)
Benefits paid	**(115.2)**	(176.8)
Obligations at the end of year	**19,914.3**	**16,540.3**
Opening plan assets, at fair value	**15,438.8**	**16,303.7**
Expected return on plan assets	**1,235.8**	1,381.1
Actuarial gain/(loss)	**741.1**	(125.9)
Assets distributed on settlement	**(2,797.7)**	(2,037.4)
Contributions	**2,469.3**	94.1
Benefits paid	**(115.2)**	(176.8)
Closing plan assets, at fair value	**16,972.1**	**15,438.8**
Fair value of plan assets at the end of the year	**16,972.1**	15,438.8
Present value of the defined benefit obligations at the end of the year	**(19,914.3)**	(16,540.3)
Amount not recognised as an asset (limit in Para 59(b) of AS 15 on 'employee benefits')	**-**	-
Asset/(liability)	**(2,942.2)**	**(1,101.5)**
Cost[1]		
Service cost	**226.1**	232.2
Interest cost	**1,147.4**	1,123.7
Expected return on plan assets	**(1,235.8)**	(1,381.1)
Actuarial (gain)/loss	**3,892.6**	1,929.7
Curtailments & settlements (gain)/loss	**279.7**	203.7
Effect of the limit in para 59(b) of AS 15 on 'employee benefits'	**-**	(310.1)
Net cost	**4,310.0**	**1,798.1**
Actual return on plan assets	**1,976.9**	1,255.2
Expected employer's contribution next year	**1,000.0**	1,000.0
Investment details of plan assets		
Insurer managed funds	**1.01%**	1.00%
Government of India securities	**50.33%**	49.63%
Corporate bonds	**44.85%**	44.91%
Equity securities in listed companies	**2.59%**	3.55%
Others	**1.22%**	0.91%
Assumptions		
Discount rate	**6.00%**	7.05%
Salary escalation rate:		
On Basic pay	**1.50%**	1.50%
On Dearness relief	**7.00%**	7.00%
Estimated rate of return on plan assets	**8.00%**	8.00%

1. Included in line item 'Payments to and provision for employees' of Schedule 16- Operating expenses.

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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, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Plan assets	**16,972.1**	15,438.8	16,303.7	16,888.1	13,191.6
Defined benefit obligations	**(19,914.3)**	(16,540.3)	(15,391.1)	(16,686.9)	(14,191.6)
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**-**	-	(310.1)	(68.4)	-
Surplus/(deficit)	**(2,942.2)**	(1,101.5)	602.5	132.8	(1,000.0)
Experience adjustment on plan assets	**741.1**	(125.9)	(449.6)	589.5	(4.1)
Experience adjustment on plan liabilities	**2,186.1**	1,038.6	290.1	(80.0)	1,503.4

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, 2020	Year ended March 31, 2019
Opening obligations	**13,317.1**	**11,846.6**
Add: Adjustment for exchange fluctuation on opening obligation	**14.3**	3.0
Adjusted opening obligations	**13,331.4**	**11,849.6**
Service cost	**1,394.9**	1,248.2
Interest cost	**1,004.5**	919.1
Actuarial (gain)/loss	**1,106.2**	473.9
Past service cost	**-**	-
Obligations transferred from/to other companies	**41.5**	(7.4)
Benefits paid	**(1,134.9)**	(1,166.3)
Obligations at the end of the year	**15,743.6**	**13,317.1**
Opening plan assets, at fair value	**12,112.4**	**10,972.1**
Expected return on plan assets	**931.7**	873.5
Actuarial gain/(loss)	**(167.4)**	(62.0)
Contributions	**1,863.6**	1,502.5
Assets transferred from/to other companies	**31.4**	(7.4)
Benefits paid	**(1,134.9)**	(1,166.3)
Closing plan assets, at fair value	**13,636.8**	**12,112.4**
Fair value of plan assets at the end of the year	**13,636.8**	**12,112.4**
Present value of the defined benefit obligations at the end of the year	**(15,743.6)**	(13,317.1)
Unrecognised past service cost	**-**	-
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**-**	-
Asset/(liability)	**(2,106.8)**	**(1,204.7)**

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₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cost for the year[1]		
Service cost	**1,394.9**	1,248.2
Interest cost	**1,004.5**	919.1
Expected return on plan assets	**(931.7)**	(873.5)
Actuarial (gain)/loss	**1,273.6**	535.9
Past service cost	-	-
Losses/(gains) on "Acquisition/Divestiture"	-	-
Exchange fluctuation loss/(gain)	**14.3**	3.0
Effect of the limit in para 59(b) of AS 15 on 'employee benefits'	-	-
Net cost	**2,755.6**	**1,832.6**
Actual return on plan assets	**764.2**	811.5
Expected employer's contribution next year	**1,178.8**	1,138.0
Investment details of plan assets		
Insurer managed funds	**20.23%**	18.91%
Government of India securities	**22.05%**	24.24%
Corporate bonds	**43.46%**	35.28%
Special Deposit schemes	**2.13%**	2.40%
Equity	**0.71%**	10.45%
Others	**11.42%**	8.71%
Assumptions		
Discount rate	**5.60%-6.85%**	6.90%-7.80%
Salary escalation rate	**7.00%-10.00%**	7.00%-10.00%
Estimated rate of return on plan assets	**0.00%-8.00%**	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, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Plan assets	**13,636.8**	12,112.4	10,972.1	10,443.4	8,361.6
Defined benefit obligations	**(15,743.6)**	(13,317.1)	(11,846.6)	(11,172.6)	(9,389.8)
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**-**	-	-	-	-
Surplus/(deficit)	**(2,106.8)**	(1,204.7)	(874.5)	(729.2)	(1,028.2)
Experience adjustment on plan assets	**(167.4)**	(62.0)	(124.7)	542.2	(398.1)
Experience adjustment on plan liabilities	**253.6**	243.7	261.8	269.8	171.4

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 ₹ 20.8 million towards interest rate guarantee on exempt provident fund on the basis of actuarial valuation at year ended March 31, 2020 (year ended March 31, 2019: 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 of the Group.

₹ in million

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening obligations	**33,282.4**	**29,587.9**
Service cost	**2,007.5**	1,499.0
Interest cost	**2,473.4**	2,221.5
Actuarial (gain)/loss	**(116.7)**	447.4
Employees contribution	**3,841.6**	2,798.8
Obligations transferred from/to other companies	**435.2**	217.5
Benefits paid	**(3,220.0)**	(3,489.7)
Obligations at end of the year	**38,703.4**	**33,282.4**
Opening plan assets	**33,282.4**	**29,587.9**
Expected return on plan assets	**2,997.9**	2,656.0
Actuarial gain/(loss)	**(662.0)**	13.0
Employer contributions	**2,007.5**	1,499.0
Employees contributions	**3,841.6**	2,798.8
Assets transfer from/to other companies	**435.3**	217.4
Benefits paid	**(3,220.0)**	(3,489.7)
Closing plan assets	**38,682.6**	**33,282.4**
Plan assets at the end of the year	**38,682.6**	33,282.4
Present value of the defined benefit obligations at the end of the year	**(38,703.4)**	(33,282.4)
Asset/(liability)	**(20.8)**	-
Cost for the year[1]		
Service cost	**2,007.5**	1,499.0
Interest cost	**2,473.4**	2,221.5
Expected return on plan assets	**(2,997.9)**	(2,656.0)
Actuarial (gain)/loss	**545.3**	434.4
Net cost	**2,028.3**	**1,498.9**
Actual return on plan assets	**2,335.9**	2,669.0
Expected employer's contribution next year	**2,150.4**	1,605.8
Investment details of plan assets		
Government of India securities	**49.52%**	48.63%
Corporate Bonds	**43.71%**	44.12%
Special deposit scheme	**1.41%**	1.63%
Others	**5.36%**	5.63%
Assumptions		
Discount rate	**5.65%-6.60%**	6.95%-7.40%
Expected rate of return on assets	**6.31%-9.16%**	8.21%-8.75%
Discount rate for the remaining term to maturity of investments	**6.11%-6.80%**	7.30%-7.65%
Average historic yield on the investment	**7.16%-8.83%**	8.48%-8.91%
Guaranteed rate of return	**8.50%-8.50%**	8.65%-8.65%

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, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Plan assets	**38,682.6**	33,282.4	29,587.9	26,198.8	23,209.5
Defined benefit obligations	**(38,703.4)**	(33,282.4)	(29,587.9)	(26,198.8)	(23,209.5)
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	**-**	-	-	-	-
Surplus/(deficit)	**(20.8)**	-	-	-	-
Experience adjustment on plan assets	**(662.0)**	13.0	(15.1)	(8.3)	27.1
Experience adjustment on plan liabilities	**(129.9)**	447.4	501.6	310.5	252.5

The Group has contributed ₹ 3,893.5 million to provident fund including Government of India managed employees provident fund for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 2,842.6 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 ₹ 247.7 million for the year ended March 31, 2020 (year ended March 31, 2019: ₹ 240.2 million) to Superannuation Fund for employees who had opted for the scheme.

National Pension Scheme (NPS)

The Group has contributed ₹ 247.3 million for the year ended March 31, 2020 (March 31, 2019: ₹ 132.6 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, 2020	Year ended March 31, 2019
Cost[1]	**1,067.0**	888.6
Assumptions		
Discount rate	**5.60%-6.85%**	6.90%-7.80%
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, 2020 amounted to ₹ 73,631.4 million (March 31, 2019: ₹ 17,191.0 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, 2020, the Group has recorded net deferred tax asset of ₹ 88,070.3 million (March 31, 2019: ₹ 109,372.9 million), which have 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, 2020	At March 31, 2019
Deferred tax assets		
Provision for bad and doubtful debts	**100,243.8**	134,571.6
Foreign currency translation reserve[1]	**611.4**	283.0
Others	**16,223.8**	14,529.5
Total deferred tax assets	**117,079.0**	**149,384.1**
Deferred tax liabilities		
Special reserve deduction	**24,706.5**	31,535.8
Mark-to-market gains[1]	**-**	543.4
Depreciation on fixed assets	**3,462.6**	4,905.5
Interest on refund of taxes[1]	**512.4**	2,632.6
Others	**327.2**	393.9
Total deferred tax liabilities	**29,008.7**	**40,011.2**
Total net deferred tax assets/(liabilities)	**88,070.3**	**109,372.9**

1. These items are considered in accordance with the requirements of Income Computation and Disclosure Standards (ICDS).

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** 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 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, 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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The following table sets forth, the business segment results for the year ended March 31, 2019.

₹ in million

Sr. no.	Particulars	Retail banking	Wholesale banking	Treasury	Other banking business	Life insurance	General insurance	Others	Inter-segment adjustments	Total
1	Revenue	591,723.3	341,685.0	541,021.8	37,425.1	366,987.7	111,526.8	60,995.7	(738,300.4)	**1,313,065.0**
2	**Segment results[1]**	**82,231.2**	**(102,423.4)**	**53,401.0**	**5,916.3**	**11,624.0**	**15,984.2**	**20,142.7**	**(12,793.4)**	**74,082.6**
3	Unallocated expenses									**-**
4	Operating profit (2) – (3)[1]									**74,082.6**
5	Income tax expenses (net)/(net deferred tax credit)									**17,191.0**
6	**Net profit[2] (4) – (5)**									**56,891.6**
	Other information									
7	Segment assets	3,071,558.3	2,884,954.5	3,331,049.7	765,251.5	1,626,999.2	329,504.5	314,909.5	(147,533.9)	**12,176,693.3**
8	Unallocated assets									**211,245.6**
9	**Total assets (7) + (8)**									**12,387,938.9**
10	Segment liabilities	4,889,760.0	1,874,784.2	2,801,718.4[3]	687,857.4[3]	1,629,321.7[3]	334,018.4[3]	318,012.7[3]	(147,533.9)[3]	**12,387,938.9**
11	Unallocated liabilities									**-**
12	**Total liabilities (10) + (11)**									**12,387,938.9**
13	Capital expenditure	5,436.5	1,966.4	-	251.3	1,245.1	1,159.3	970.3	-	**11,028.9**
14	Depreciation	5,559.0	2,111.0	0.4	193.8	567.2	608.3	435.1	(16.4)	**9,458.4**

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, 2020**	**Year ended March 31, 2019**
Domestic operations	**1,442,222.4**	1,248,986.2
Foreign operations	**55,638.6**	64,078.8
Total	**1,497,861.0**	**1,313,065.0**

₹ in million

Assets	**At March 31, 2020**	**At March 31, 2019**
Domestic operations	**12,275,555.0**	10,719,652.3
Foreign operations	**1,335,417.1**	1,457,041.0
Total	**13,610,972.1**	**12,176,693.3**

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, 2020	**Year ended March 31, 2019**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Domestic operations	**17,207.3**	10,704.5	**11,440.3**	9,273.8
Foreign operations	**907.5**	324.4	**271.9**	184.6
Total	**18,114.8**	**11,028.9**	**11,712.2**	**9,458.4**

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, 2020 (year ended March 31, 2019: ₹ 10.0 million).

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12. Additional information to consolidated accounts

Additional information to consolidated accounts at March 31, 2020 (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	**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.

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Accounts *(Contd.)*

Additional information to consolidated accounts at March 31, 2019 (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	94.9%	1,083,680.4	79.1%	33,633.0
Subsidiaries				
Indian				
ICICI Securities Primary Dealership Limited	0.9%	9,915.6	1.4%	606.5
ICICI Securities Limited	0.9%	10,212.2	11.5%	4,911.8
ICICI Home Finance Company Limited	1.4%	16,428.2	0.7%	279.9
ICICI Trusteeship Services Limited	0.0%[2]	7.0	0.0%[2]	0.4
ICICI Investment Management Company Limited	0.0%[2]	113.4	0.0%[2]	3.8
ICICI Venture Funds Management Company Limited	0.2%	2,315.3	1.6%	690.7
ICICI Prudential Life Insurance Company Limited	6.2%	70,474.5	26.8%	11,406.5
ICICI Lombard General Insurance Company Limited	5.0%	56,588.8	24.7%	10,492.6
ICICI Prudential Trust Limited	0.0%[2]	14.9	0.0%[2]	1.6
ICICI Prudential Asset Management Company Limited	1.0%	11,184.4	16.1%	6,866.7
ICICI Prudential Pension Funds Management Company Limited	0.0%[2]	346.1	(0.0%)[2]	(17.2)
Foreign				
ICICI Bank UK PLC	2.7%	31,419.3	(8.7%)	(3,696.6)
ICICI Bank Canada	2.6%	29,443.6	6.6%	2,792.3
ICICI International Limited	0.0%[2]	108.2	0.0%[2]	9.8
ICICI Securities Holdings Inc.	0.0%[2]	128.9	0.0%[2]	1.7
ICICI Securities Inc.	0.0%[2]	217.7	0.1%[2]	36.5
Other consolidated entities				
Indian				
ICICI Strategic Investments Fund	0.0%[2]	255.1	0.0%[2]	12.3
Foreign				
NIL	-	-	-	-
Minority interests	**(5.8%)**	**(65,805.4)**	**(33.7%)**	**(14,349.2)**
Associates				
Indian				
I-Process Services (India) Private Limited	-	-	-	-
NIIT Institute of Finance Banking and Insurance Training Limited	-	-	0.0%[2]	4.7
ICICI Merchant Services Private Limited	-	-	0.0%[2]	1.1
India Infradebt Limited	-	-	1.8%	766.6
India Advantage Fund III	-	-	0.1%[2]	39.6
India Advantage Fund IV	-	-	0.0%[2]	1.6
Arteria Technologies Private Limited	-	-	0.0%	2.8
Foreign				
NIL	-	-	-	-
Joint Ventures				
NIL	-	-	-	-
Inter-company adjustments	**(10.0%)**	**(114,514.1)**	**(28.1%)**	**(11,957.1)**
Total net assets/net profit	**100.0%**	**1,142,534.1**	**100.0%**	**42,542.4**

1. Total assets minus total liabilities.

2. Insignificant

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Accounts *(Contd.)*

13. Sale of equity shareholding in subsidiaries

During the year ended March 31, 2019, the Bank sold 2.00% of its shareholding in ICICI Prudential Life Insurance Company Limited and made a net gain of ₹ 10,059.3 million on this sale.

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 comparison method and income generation method and the incremental amount has been taken to revaluation reserve. The revalued amount at March 31, 2020 was ₹ 57,871.0 million (March 31, 2019: ₹ 57,631.2 million) as compared to the historical cost less accumulated depreciation of ₹ 26,427.8 million (March 31, 2019: ₹ 26,926.8 million).

The revaluation reserve is not available for distribution of dividend.

15. Proposed dividend on equity shares

RBI through its circular 'Declaration of dividends by banks (Revised)' dated April 17, 2020, has directed that banks shall not make any further dividend payouts from the profits pertaining to FY2020 until further instructions. This is with the intent that the banks conserve capital to retain their capacity to support the economy and absorb losses in an environment of heightened uncertainty caused by COVID-19. Accordingly, the Board of Directors has not recommended dividend for FY2020 (year ended March 31, 2019: ₹ 1.00 per equity share).

16. Dividend distribution tax

Dividend received from Indian subsidiaries, on which dividend distribution tax has been paid by them and dividend received from overseas subsidiaries, on which tax has been paid under section 115BBD of the Income Tax Act, 1961, have been reduced from dividend to be distributed by the Bank for the purpose of computation of dividend distribution tax as per section 115-O of the Income Tax Act, 1961.

17. 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, 2019 and for the year ended March 31, 2018.

18. Impact of COVID-19 on the performance of the Group

Since the first quarter of CY2020, the Covid-19 pandemic has impacted most of the countries, including India. This 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 18, 2020 in two phases. Several countries took unprecedented fiscal and monetary actions to help alleviate the impact of the crisis. The Reserve Bank of India (RBI) has announced several measures to ease the financial system stress, including enhancing system liquidity, moratorium of three months on loan repayments for specific borrower segments, asset classification standstill benefit to overdue accounts where a moratorium has been granted and relaxation in liquidity coverage requirement, among others.

The Indian economy would be impacted by this pandemic with contraction in industrial and services output across small and large businesses. The Group's business is expected to be impacted by lower business opportunities and

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK LIMITED

SCHEDULES

forming part of the Consolidated Accounts *(Contd.)*

revenues in the short to medium term. The impact of the Covid-19 pandemic on Group's results, including credit quality and provisions, remains uncertain and dependent on the spread of Covid-19, further steps taken by the government and the central bank to mitigate the economic impact, steps taken by the Group and the time it takes for economic activities to resume at normal levels. The Group's capital and liquidity position is strong and would continue to be the focus area for the Group during this period.

19. 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.

20. 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** President
	Rakesh Jha Group Chief Financial Officer	**Ranganath Athreya** Company Secretary	**Ajay Mittal** Chief Accountant

Mumbai
May 9, 2020

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	1,610.7	728.2	571.7	10,987.5	0.5	100.0	10.0	14,358.6	4,544.7	68.1	31,786.5	25,725.1	1.0	176.5	390.0
Reserves & Surplus	10,317.4	10,303.2	(596.5)	(304.0)	5,690.3	6.9	(5.2)	2,439.4	57,827.6	52,509.4	47.0	2,514.9	8,214.3	13.5	13,222.8	(61.6)
Total assets	174,258.4	44,185.0	132.7	349.0	153,702.2	8.5	119.6	2,898.4	1,560,352.6	370,420.9	117.5	267,905.8	353,491.1	14.7	16,711.0	358.6
Total liabilities (excluding capital and reserves)	162,377.6	32,271.1	1.0	81.3	137,024.4	1.1	24.9	449.0	1,488,166.4	313,366.8	2.4	233,604.4	319,551.7	0.2	3,311.7	30.2
Investments (including investment in subsidiaries)[7]	164,721.3	8,498.5	94.5	Nil	5,943.6	7.3	73.9	1,452.9	1,512,562.0	263,267.3	#	65,920.6	32,912.9	13.6	12,554.2	326.2
Turnover (Gross income from operations)	13,914.8	17,055.1	Nil	199.8	16,648.5	1.7	19.2	375.9	334,307.0	135,923.7	23.6	10,518.9	12,677.7	5.2	20,054.4	4.2
Profit/(loss) before taxation	4,376.6	7,476.3	2.3	50.6	258.9	0.6	(18.6)	133.9	10,687.5	16,968.9	(3.3)	2,162.5	4,517.1	1.4	14,116.4	(17.7)
Provision for taxation	1,041.8	2,109.2	(0.5)	0.6	256.1	0.2	#	(0.2)	Nil	5,031.3	Nil	403.3	1,212.9	0.4	3,657.4	#
Profit/(loss) after taxation	3,334.8	5,367.1	2.8	50.0	2.8	0.4	(18.6)	134.1	10,687.5	11,937.6	(3.3)	1,759.1	3,304.1	1.0	10,459.0	(17.7)
Dividend (including corporate dividend tax)[8]	1,447.3	3,864.7	Nil	Nil	Nil	Nil	Nil	Nil	4,067.8	3,834.9	Nil	Nil	1,402.7	1.4	8,884.6	Nil
% of shareholding	100.00%	79.22%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	52.87%	55.86%	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, 2020 of 1 USD = ₹ 75.6650.*
4. *The financial information of ICICI Bank Canada is for the period January 1, 2019 to December 31, 2019, 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, 2019 of 1 CAD = ₹ 54.7925.*
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, 2019	March 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019	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, 2020**						
	Number of equity shares	9,880	1,900,000	75,582,000	367,361,007	1,998	20,445,177
	Amount of investment in associate companies/joint ventures[2]	5.7	31.0	610.0	8,008.4	96.0	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	0.5	29.3	705.8	7,976.7	19.4	N.A.
7	**Profit/(loss) for the year ended March 31, 2020**						
i	Considered in consolidation	5.7	4.0	208.8	1,096.5	6.3	N.A.
ii	Not considered in consolidation	21.9	17.5	889.6	1,494.0	25.2	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
President

Rakesh Jha
Group Chief Financial Officer

Ranganath Athreya
Company Secretary

Ajay Mittal
Chief Accountant

Mumbai
May 9, 2020

BASEL PILLAR 3 DISCLOSURES

at March 31, 2020

Pillar 3 disclosures at March 31, 2020 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, 2020
    - 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 advances	Average of advances as reported in Form A to RBI
Average assets	For the purpose of performance analysis, represents averages of daily balances
Average cost of funds	Cost of interest bearing liabilities
Average deposits	Average of deposits as reported in Form A to RBI
Average equity	Quarterly average of equity share capital and reserves
Average total assets	For the purpose of business ratio, represents averages of total assets as reported in Form X to RBI
Average yield	Yield on interest earning assets
Business	Total of average deposits plus average advances as reported in Form A to RBI
Business per employee	Average deposits plus average advances divided by average number of employees
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)
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 income to working funds	Interest income divided by working 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
Net profit per employee	Net profit after tax divided by number of employees
Non-interest income to working funds	Non-interest income divided by working funds
Number of employees	Quarterly average of number of employees. The number of employees includes sales executives, employees on fixed term contracts and interns
Operating profit	Profit before provisions and contingencies
Operating profit to working funds	Operating profit divided by working funds
Provision coverage ratio	Provision for non-performing advances divided by gross non-performing advances
Return on assets	Net profit after tax divided by average total assets
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
Working funds	Average of total assets as reported in Form X to RBI

REGISTERED OFFICE

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Tel: +91-22-33667777
Fax: +91-22-26531122

STATUTORY AUDITORS

Walker Chandiok & Co LLP
16th Floor, Tower II,
Indiabulls Finance Centre,
S B Marg, Prabhadevi (W),
Mumbai 400 013

REGISTRAR AND TRANSFER AGENTS

3i Infotech Limited,
International Infotech Park,
Tower 5, 3rd Floor,
Vashi Railway Station Complex,
Vashi, Navi Mumbai 400 703

ICICI GROUP STANDS WITH THE NATION

ICICI Group has committed a sum of ₹1.00 billion to support the nation in its fight against the Covid-19 pandemic, of which the Bank contributed ₹500.0 million to the PM CARES Fund in April 2020. ICICI Bank, through ICICI Foundation, has also actively participated in the efforts on the ground by supplying critical materials like masks, PPE suits, hand gloves, sanitiser, ventilators, thermal scanners and disinfectant drones in 28 states and six union territories covering more than 500 districts across the country.

ICICI Bank

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