



ICICI Bank UK PLC

**Pillar 3 disclosures for the year ended
March 31, 2021**

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1. Overview

1.1 Background

ICICI Bank UK PLC (“the Bank”) is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA). The Bank is a wholly owned subsidiary of ICICI Bank Limited, India (“the Parent Bank”).

Capital Requirements Regulation (CRR) and Capital Requirements Directive (together referred to as CRD IV) came into force on January 1, 2014 and enforced in the United Kingdom (UK) by the Prudential Regulatory Authority (PRA), together with implementing rules and guidance by European Banking Authority (EBA). The rules include disclosure requirements known as “Pillar 3” which apply to banks and building societies.

This document details the Pillar 3 disclosure of the Bank and is in addition to the consolidated Basel III – Pillar 3 Disclosures made by the Parent Bank.

1.2 Basis of disclosures

The disclosures have been prepared for ICICI Bank UK PLC on an individual basis. There is no subsidiary/joint venture of the Bank that is required to be consolidated for accounting or prudential purposes. The disclosures may differ from similar information in the Annual Report prepared in accordance with UK GAAP; therefore, the information in these disclosures may not be directly comparable with that information. The Pillar 3 Disclosures have been prepared purely for explaining the basis on which the Bank has prepared and disclosed certain capital requirements and information about the management of certain risks and for no other purpose.

In accordance with Article 432 of the CRR, the Bank is permitted to exclude certain disclosures if they contain proprietary or confidential information or are non-material.

1.3 Scope of application of Directive requirements

The Pillar 3 disclosures have been prepared for ICICI Bank UK PLC in accordance with the rules laid out in the CRD IV guidelines, as amended by CRR II and CRD V (together referred as “CRD”) as at the applicable reporting date and as adopted by the PRA. The Bank has a formal policy, approved by the Audit Committee, which details its approach to complying fully with the Pillar 3 disclosure requirements as laid out in Part Eight of the CRR. These disclosures should be read in conjunction with those made by the Parent Bank as part of their Basel III – Pillar 3 Disclosures. The disclosures provide information on the Bank’s exposures, associated risk weights for different categories of assets and approach to calculating the capital requirements for Pillar 1.

According to the Brexit withdrawal agreement between the UK and the European Union (EU), the transition period expired at 11pm on December 31, 2020 and the UK ceased to be subject to the EU’s legal and regulatory framework. The Bank of England and the PRA, in December 2020, published changes to their rules and technical standards in preparation for the UK ceasing to be subject to EU law.

In accordance with the European Union (Withdrawal) Act 2018 and the available temporary transitional powers (TTP), the UK regulators exercised their TTP to delay or phase-in on-shoring changes to UK regulatory requirements arising at the end of the transition period until March 31, 2022.

Pursuant to the UK's withdrawal from the EU and the end of the transition period, any reference to EU regulations and directives (including technical standards) should be read as a reference to the UK's version of such regulation or directive, as on-shored into UK law under the European Union (Withdrawal) Act 2018, as amended.

Amendments to the Capital Requirements Regulation by CRR II and Capital Requirements Directive by CRD V were published in the Official Journal of the European Union (EU) on June 7, 2019. The majority of the CRR II amendments will apply in UK from January 1, 2022 while the CRD V amendments have become applicable from December 28, 2020. Few of these CRR II amendments were accelerated and made applicable from June 27, 2020 in response to the COVID-19 pandemic. These amendments referred as 'CRR Quick Fixes' implemented some of the beneficial elements of the CRR II amendments, such as the revised small and medium-sized enterprise ('SME') supporting factor and changes to the capital treatment of software assets, which were originally scheduled for implementation by June 2021. The Bank has implemented these accelerated and other CRR II and CRD V amendments during the financial year with effect from the timelines stipulated therein and as adopted by the PRA.

As many of the CRR II amendments were applicable from June 2021, these were not transposed into UK law on December 31, 2020 and therefore will be implemented separately in the UK. The PRA has recently published its policy statement in July 2021 containing the near final regulation relating to CRR II amendments which is intended to take effect on January 1, 2022.

1.4 Frequency

This disclosure is made on an annual basis on the website of the Bank. This Pillar 3 disclosure have been verified through internal governance and approved by the Management Committee. The disclosures will be as at the Accounting Reference Date (ARD), i.e. as at March 31st, and will be published along with the publication of the Annual Report.

1.5 Media and Location

The Annual Report will be published on the Bank's website at <https://www.icicibank.co.uk/personal/about-us.page?>. The Pillar 3 disclosures will also be published on the Bank's website at <https://www.icicibank.co.uk/personal/basel-disclosures.page>. The Parent Bank's consolidated disclosures for FY2021 are available at <https://www.icicibank.com/regulatory-disclosure.page?>.

2. Capital adequacy

The Bank's policy is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Bank's approach to managing capital is designed to ensure that current and expected regulatory capital is met. The Bank maintains adequate surplus capital over the regulatory requirement.

The Bank's regulatory capital requirements are set and monitored by the PRA. The Bank implemented the CRD IV (Basel III) framework for calculating minimum capital requirements, with effect from January 1, 2014 and have implemented the applicable CRR II and CRD V amendments during the year ended March 31, 2021.

The Bank's regulatory capital is categorized into two tiers:

- Tier 1 capital, which includes ordinary share capital, retained earnings and regulatory adjustments to Tier 1 capital.
- Tier 2 capital, which includes qualifying subordinated liabilities, collective provision and regulatory adjustments to Tier 2 capital.

Various limits are applied to the elements of the capital base. Qualifying Tier 2 capital cannot exceed Tier 1 capital. There are also restrictions on the amount of collective provision that may be included in Tier 2 capital. There are regulatory adjustments applied to the computation of regulatory capital under the CRD guidelines.

The amount and composition of the Bank's capital requirement is determined by assessing the minimum capital requirements under Pillar 1 based upon the Capital Requirements Directive, the impact of stress and scenario tests and the Bank's Total Capital Requirement (earlier known as Individual Capital Guidance).

The Bank uses regulatory capital ratios in order to monitor its capital base and these capital ratios remain the international standards for measuring capital adequacy. The PRA's approach to such measurement under CRD is primarily based on monitoring the Capital Resource Requirement to available capital resources. The Bank continues to comply with the regulatory capital requirements.

In line with the regulatory requirements of PRA and the Parent Bank's regulator Reserve Bank of India (RBI), the Bank has instituted an Internal Capital Adequacy Assessment Process (ICAAP) which is used to estimate the capital requirements in line with the risk appetite of the Bank. The ICAAP is approved by the Board of the Bank.

Capital is provided for the purposes of unforeseen and unexpected events based on the risk assessment for each of the underlying asset class in the Bank's portfolio. Further, in line with industry practice, the Bank acknowledges that capital is not the only mitigating factor for all unforeseen events and contingencies. Therefore, appropriate risk management and governance practices are in place to actively monitor the risks the Bank is exposed to in the course of executing its business. Further information on the Bank's risk management and governance is provided in subsequent sections and details are also available in the Bank's Annual Report for the year ended March 31, 2021.

3. Capital resources

At March 31, 2021, the capital ratio remained adequate at 28.27% (March 31, 2020: 18.60%), with a Tier 1 capital ratio of 23.80% (March 31, 2020: 14.99%) which is above the regulatory requirements. The following tables summarises the capital position and detail the capital resources of the Bank as at March 31, 2021.

3.1 Capital ratios

Particulars	March 31, 2021	March 31, 2020
Tier 1	23.80%	14.99%
Tier 2	4.47%	3.61%
Total capital	28.27%	18.60%

3.2 Available capital

Amount (USD million)

Particulars	March 31, 2021	March 31, 2020
Tier 1 Capital	493.9	440.9
Tier 2 Capital	92.8	106.3
Total available Capital	586.7	547.2

3.3 Composition of Tier 1 capital

Amount (USD million)

Particulars	March 31, 2021	March 31, 2020
Permanent share capital	420.1	420.1
Retained earnings	72.2	57.4
Available for Sale security reserve ¹	2.3	(35.8)
Other adjustments ²	(0.7)	(0.8)
Total Tier 1 capital	493.9	440.9

3.4 Composition of Tier 2 capital

Amount (USD million)

Particulars	March 31, 2021	March 31, 2020
Subordinated notes	74.4	87.7
Collective impairment allowance	18.4	18.6
Total Tier 2 Capital	92.8	106.3

The value of the subordinated notes eligible as capital is determined in accordance with CRD.

¹The capital impact is net of tax

²Other adjustments include deduction on account of Article 33 (debit value adjustments, cash flow hedge reserve), Article 34 (additional value adjustments) and Article 36 (deduction on account of intangible assets) of CRR.

The details of the subordinated notes in issue before regulatory adjustments are given below:

Issue	Nature of Issue	Interest Rate (p.a.)	Interest frequency	Maturity	Currency	Amount in million
26-Sep-18	Unsecured, fixed rate reset, callable, subordinated notes	5.38%	Semi annually	First call in September 2023, Maturity in September 2028	SGD	100.0

The Bank has repaid subordinated notes of USD 150.0 million (FY2020: NIL) on its scheduled maturity in November 2020.

3.5 Reconciliation with Balance Sheet

Particulars	Amount (USD million)	
	March 31, 2021	March 31, 2020
Shareholders' equity as per the balance sheet	506.7	453.3
Less: Capital contribution	(12.1)	(11.6)
Less: Additional value adjustments	(0.4)	(0.7)
Less: Gains or losses on liabilities at fair value resulting from own credit risk	(0.0)	(0.0)
Less: Intangible assets	(0.3)	(0.3)
Add: Cash flow hedge reserve	-	0.2
Common Equity Tier 1 capital	493.9	440.9
Additional Tier 1 capital	-	-
Total Tier 1 capital	493.9	440.9
Eligible amount of Tier 2 instruments	74.4	87.7
General credit risk adjustments (Collective provision)	18.4	18.6
Total Tier 2 capital	92.8	106.3
Total regulatory capital	586.7	547.2

3.6 Transitional own funds disclosure and Capital instruments' main features template

Transitional own funds disclosure template is provided in Annexure I. Disclosure on main features of the capital instruments is given in Annexure II.

4. Minimum Capital Requirement

4.1 Pillar 1

Banking operations are categorized as either trading or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off balance sheet exposures.

The Bank determines its Pillar 1 regulatory capital requirement based on the following approaches:

- Credit risk - Standardised approach
- Operational risk – Basic indicator approach
- Market risk - Standardised approach

The following table summarises the Bank's Pillar 1 capital requirement as at March 31, 2021 for various risk types:

Capital requirement for	Amount (USD million)	
	March 31, 2021	March 31, 2020
Credit Risk ³	154.6	223.1
Market Risk ⁴	0.0	0.0
Operational Risk	11.4	12.2
Total Capital Resource requirement under Pillar 1	166.0	235.3

4.2 Pillar 2A

The Bank's Pillar 2A requirement as per the PRA's Total Capital Requirement, (earlier known as Individual Capital Guidance) applicable as at March 31, 2021 was 1.93% (March 31, 2020: 2.20%) of Total Risk Exposure Amount.

4.3 Countercyclical capital buffer

The countercyclical capital buffer (CCyB) aims to ensure that banking sector capital requirements take account of the macro-financial environment in which banks operate. Its primary objective is to use a buffer of capital to achieve the broader macro-prudential goal of protecting the banking sector from periods of excess aggregate credit growth that have often been associated with the build-up of system-wide risk.

In UK, the Financial Policy Committee of the Bank of England (FPC) is responsible for recognizing or setting up of CCyB rates in respect of foreign exposures.

³This includes the impact of Credit Value Adjustment (CVA) to recognise the adjustment on account of change in fair value of Derivative assets that are due to changes in Counterparty's credit risk

⁴As per Article 351 of CRR, the institutions are required to calculate own funds requirement for Market Risk if the overall open position exceeds 2% of the total own funds. ICICI Bank UK Plc had an open position of USD 2.2 million (March 31, 2020: USD 4.1 million) which is less than 2% of the total own funds.

During June 2017, the FPC raised UK's CCyB rate from 0% to 0.5%, to apply from June 2018 and during November 2017, FPC further increased it to 1% with binding effect from November 2018. During December 2019, FPC announced to increase the rate from 1% to 2% with effect from December 2020. However, during March 2020, the FPC reduced the rate from 1% to 0% of banks' exposures to UK borrowers with immediate effect as part of measures to support the credit supply impacted on account of COVID-19 related disruption. The FPC expects to maintain the 0% rate for at least 12 months, so that any subsequent increase would not take effect until March 2022 at the earliest.

A geographical CCyB disclosure has been included in Annexure III.

5. Risk Management and Governance framework

The Bank has a centralised Risk Management Group with a mandate to identify, assess and monitor all its principal risks in accordance with defined policies and procedures. The Risk Management Group (RMG) is independent of the business units and the Chief Risk Officer (CRO) reports directly to the Managing Director and Chief Executive Officer, and also has reporting lines to the Risk Management Group of the Parent Bank and the Chairman of the Board Risk Committee (BRC).

The Bank has developed a risk appetite framework articulated within the broader context of the nature, scope, scale and complexity of the Bank's activities. The framework is based on both quantitative parameters such as capital, liquidity and earnings volatility as well as qualitative parameters such as conduct and reputational risk. The risk appetite statement has been further drilled down into portfolio-level limits, which include limits on country of risk and credit ratings of loans. The risk appetite framework and related limits are approved by the Board of Directors. RMG monitors adherence to the risk appetite framework and reports on it to the BRC on a quarterly basis.

The Bank operates within a comprehensive risk management framework to ensure that the key risks are clearly identified, understood, measured and monitored and that the policies and procedures established to address and control these risks are strictly adhered to. The outcomes of each of these risk management processes have been used to identify the material risks that the Bank is exposed to. The Bank is primarily exposed to credit risk, market risk (predominantly interest and exchange rate risk), liquidity risk and operational risk (including compliance, conduct and reputational risk). The Bank's largest regulatory capital requirements arise from credit risk in its lending operations.

The Bank's corporate governance framework is based on an effective independent Board, the separation of the Board's supervisory role from the executive management of the Bank and the constitution of Board Committees to oversee critical areas and functions of executive management. The Board is committed to maintaining high standards of corporate governance. The Bank has a total number of five Non-Executive Directors and one Executive Director on the Board. Two of the Non-Executive Directors are representatives of the Bank's Parent Bank and three are independent.

The Bank operates the three lines of defence model including independent control groups such as Compliance, Risk, Internal Audit, Finance and Legal to facilitate independent evaluation, monitoring and reporting of various risks. These groups function independently of the business groups and are represented at the various committees.

Effective corporate governance and compliance is a prerequisite to achieving the Bank's strategic objectives. The Bank has maintained a strong focus on controls, governance, compliance and risk management to provide a sound foundation for the business. It ensures embedding of a control and compliance culture throughout the organization. This is achieved through appropriate training, maintaining adequate resources within the control groups commensurate with the Bank's operations, continuous strengthening of internal systems and processes and effective deployment of technology. Information technology is used as a strategic tool for the Bank's business operations, to gain a competitive advantage and to improve its overall productivity and efficiency.

The Bank has adopted a governance framework in line with the corporate governance practices adopted by other UK financial institutions. The Board is assisted by its sub-committees, the Audit Committee, the Board Governance Committee (BGC), the Board Risk Committee (BRC), Board Credit Committee (BCC) and the Board Conduct Risk Committee (BCRC), and follows ICICI Group's overall governance framework. The Board has delegated certain powers to these sub-committees with clear terms of reference and mandate. The Board has further delegated responsibility for the day-to-day management of the Bank to the Managing Director and Chief Executive Officer. In this role, the Managing Director and Chief Executive Officer is supported by the Management Committee, which he chairs. The Management Committee is supported by various other committees, which include the Executive Credit and Risk Committee (ECRC), the Asset Liability Management Committee (ALCO), the Compliance Conduct and Operational Risk Management Committee (CORMAC), Product and Process Approval Committee (PAC) and the Information Technology & Security Committee (ITSC). A total of five BRC meetings (FY 2020: eight) were held during the year ended March 31, 2021.

Further information is provided in the Annual Report for the year ended March 31, 2021.

6. Credit Risk

6.1 Credit risk overview

Credit risk is the risk that losses may arise as a result of the Bank's borrowers or market counterparties failing to meet obligations under a contract. The Bank's largest regulatory capital requirements arise from credit risk in its lending operations.

The Bank has developed a risk appetite framework articulated within the broader context of the nature, scope, scale and complexity of the Bank's activities. The risk appetite framework and related limits are approved by the Board of Directors. All credit risk related aspects are governed by the Credit Risk Management Policy (CRMP) of the Bank, which is approved and reviewed annually by the BCC. The CRMP describes the principles which underpin and drive the Bank's approach to credit risk management together with the systems and processes through which they are implemented and administered. It lays down a structured credit approval process and includes the credit rating framework, collateral management framework and provisioning policy.

The Credit Risk team is also responsible for the following with respect to managing the Bank's credit risk - developing credit policies, establishing the delegation of sanctioning powers, limiting

and monitoring concentrations of exposure and performing periodic credit stress tests on the Bank's portfolio. The delegation structure for approval of credit limits is approved by the BCC. Credit proposals are approved by the ECRC or the BCC based on, inter alia, the amount and internal risk rating of the facility. All credit proposals put up to the BCC have to be evaluated by the ECRC. Concentration risk arises from significant exposures to groups of counterparties where likelihood of default is driven by common underlying factors, e.g. sector, economy, geographical location, instrument type. The key parameters of risk concentrations measured in the Bank include sectoral, country, rating category based, product specific exposures, counterparty and large exposures. To manage these risks, limits have been stipulated in the risk appetite framework.

Credit quality is monitored on an ongoing basis but can also be triggered by any material credit event coming to the Bank's notice through either primary or secondary sources. The Bank has established a Credit Forum, which is comprised of Heads of Businesses and the CRO. The Credit Forum focuses on management & monitoring of impaired and watch list assets/investments and also monitors developments in the Bank's portfolio through the Early Warning Indicators (EWI) framework to identify potential vulnerabilities. Credit risk is also managed at the portfolio level by monitoring and reporting risk dashboards to the BCC at specified intervals.

The Bank has a policy on collateral management and credit risk mitigation (CRM) which provides guidance for identifying eligible collateral as per the relevant articles of the CRR.

Further information is provided in the Annual Report for the year ended March 31, 2021.

6.2 Minimum capital requirement

The following table shows the Bank's Pillar 1 capital requirement as at March 31, 2021 by each of the standardised credit risk exposure classes:

Standardised approach – asset class	Amount (USD million)	
	March 31, 2021	March 31, 2020
Central government or central banks	-	-
Public sector entities	0.0	-
Institutions	12.9	20.6
Corporate	91.0	144.2
Secured by mortgages on immovable property	35.2	35.7
Retail	-	-
Exposures in Default	4.0	7.5
Securitised investments	1.0	1.4
Short term claims on institutions and corporates	3.7	5.1
Equity	0.4	0.3
Other items (including CVA adjustment)	6.4	8.3
Total	154.6	223.1

6.3 Analysis of credit risk exposures

The following tables detail the Bank's regulatory credit risk exposures as at March 31, 2021. All exposures are stated after specific impairment provisions and post application of CRM techniques with substitution effects on the exposure and before application of any credit conversion factors (CCF).

(i) Analysis of exposure by asset class as at March 31, 2021

Amount (USD million)

Asset class	March 31, 2021	March 31, 2020
Central government or central banks	799.6	652.5
Public sector entities	3.7	-
Institutions	449.7	751.6
Corporate	1,267.3	2,127.9
Secured by mortgages on immovable property	623.3	553.5
Retail	-	-
Exposures in Default	34.5	79.9
Securitised investments	17.3	42.9
Claims on Institutions and Corporates with a short-term credit assessment	88.4	180.2
Equity	5.0	3.7
Other items	109.6	104.6
Total	3,398.4	4,496.8

(ii) Geographic distribution of exposures (based on country of residence or domicile) by significant asset class as at March 31, 2021

Amount (USD million)

Asset class	Europe and North America	India	Rest of the world	Total
Central government or central banks	799.6	-	-	799.6
Public sector entities	3.7	-	-	3.7
Institutions	177.8	271.9	-	449.7
Corporate	856.1	250.6	160.6	1,267.3
Secured by mortgages on immovable property	585.2	-	38.1	623.3
Retail	-	-	-	-
Exposures in Default	9.8	-	24.7	34.5
Securitised investments	17.3	-	-	17.3
Claims on Institutions and Corporates with a short-term credit assessment	78.7	9.3	0.4	88.4
Equity	2.7	2.3	-	5.0
Other items	109.6	-	-	109.6
Total	2,640.5	534.1	223.8	3,398.4

March 31, 2020:

Amount (USD million)

Asset class	Europe and North America	India	Rest of the world	Total
Central government or central banks	652.5	-	-	652.5
Institutions	267.8	458.7	25.1	751.6
Corporate	1,669.2	260.9	197.8	2,127.9
Secured by mortgages on immovable property	522.7	-	30.8	553.5
Retail	-	-	-	-
Exposures in Default	48.5	-	31.4	79.9
Securitised investments	42.9	-	-	42.9
Claims on Institutions and Corporates with a short-term credit assessment	147.4	32.3	0.5	180.2
Equity	3.3	0.4	-	3.7
Other items	104.6	-	-	104.6
Total	3,458.9	752.3	285.6	4,496.8

(iii) Residual maturity breakdown of exposures by significant asset class as at March 31, 2021:

Amount (USD million)

Asset class	Upto 3 months	Over 3 months upto 1 year	Over 1 year upto 5 years	Over 5 years	No stated maturity	Total
Central government or central banks	746.6	-	41.0	12.0	-	799.6
Public sector entities	1.4	1.7	0.6	-	-	3.7
Institutions	65.3	60.1	320.4	3.9	-	449.7
Corporate	92.6	260.2	825.1	89.4	-	1,267.3
Secured by mortgages on immovable property	39.0	95.5	479.2	9.6	-	623.3
Retail	-	-	-	-	-	-
Exposures in Default	-	-	-	34.5	-	34.5
Securitised investments	-	-	-	17.3	-	17.3
Claims on Institutions and Corporates with a short-term credit assessment	88.4	-	-	-	-	88.4
Equity	-	-	-	-	5.0	5.0
Other items	80.8	16.9	-	3.2	8.7	109.6
Total	1,114.1	434.4	1,666.3	169.9	13.7	3,398.4

March 31, 2020:
Amount (USD million)

Asset class	Upto 3 months	Over 3 months upto 1 year	Over 1 year upto 5 years	Over 5 years	No stated maturity	Total
Central government or central banks	354.3	141.6	149.4	7.2	-	652.5
Institutions	219.8	147.9	348.1	35.8	-	751.6
Corporate	143.7	456.0	1,224.4	303.8	-	2,127.9
Secured by mortgages on immovable property	13.0	93.1	432.1	15.3	-	553.5
Retail	-	-	-	-	-	-
Exposures in Default	-	-	-	79.9	-	79.9
Securitised investments	-	-	-	42.9	-	42.9
Claims on Institutions and Corporates with a short-term credit assessment	180.2	-	-	-	-	180.2
Equity	-	-	-	-	3.7	3.7
Other items	31.6	2.5	-	-	70.5	104.6
Total	942.6	841.1	2,154.0	484.9	74.2	4,496.8

The maturity of exposures is shown on a contractual basis and does not take into account any instalments receivable over the life of the exposure. Hence the actual maturity may be different.

The Bank's Annual Report for the year ended March 31, 2021 includes industry wise disclosure for loans and advances. In addition to Loans and advances, other asset exposures include bank balances, investments and treasury bills which are primarily classified under central government, central banks and financial sector. Exposure to counterparties classified as small and medium enterprises (SME) was USD 254.7 million at March 31, 2021 (March 31, 2020: USD 294.4 million).

6.4 Analysis of credit risk exposures as per Credit Quality Step (CQS)

The Bank uses external credit assessments provided by Moody's, Standard & Poor's and Fitch Ratings. These are all recognised as eligible external credit assessment institutions (ECAI) under CRR for the purpose of calculating credit risk requirements under the standardised approach.

The following table details the ECAIs used for the standardised credit risk exposure classes.

Asset class	ECAI
Central government or central banks	Standard & Poor's, Moody's, Fitch
Institutions	Standard & Poor's, Moody's, Fitch
Corporate	Standard & Poor's, Moody's, Fitch
Securitised investments	Standard & Poor's, Moody's, Fitch
Claims on Institutions and Corporates with a short-term credit assessment	Standard & Poor's, Moody's, Fitch

The bank assigns each of its exposures to one of the CQS with reference to relevant issuer and issue credit assessments. Risk weight percentage are then determined with reference to exposure class, CQS, and maturity of the exposure. The mapping of the CQS to the ratings of eligible ECAIs is available at:

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R1799&from=EN>

The following tables detail the standardised credit risk exposures by CQS for significant asset classes. All exposures are stated after specific impairment provisions and post application of CRM techniques with substitution effects on the exposure and before and after application of any CCF. The Bank has considered financial collaterals such as deposits held and guarantee issued by other banks as eligible credit risk mitigant.

March 31, 2021:

Amount (USD million)

CQS for corporate exposure	Risk weight %	Before CCF and CRM	Post CCF and CRM
1	20%	41.1	36.4
2	50%	83.4	22.5
3	100%	328.3	213.8
4	100%	161.9	155.1
5	150%	80.9	80.9
6	150%	22.6	22.6
Unrated	100%	712.3	597.3
Unrated – Exposure in default	100%	4.1	4.1
Unrated – Exposure in default	150%	30.4	30.4
Total		1,465.0	1,163.1

CQS for exposures secured by mortgages on immovable property	Risk weight %	Before CCF and CRM	Post CCF and CRM
Unrated	35%	208.2	208.2
Unrated	100%	415.1	412.9
Total		623.3	621.1

Before CCF and CRM:

CQS for institutional exposure	Risk weight %					Total
	2%	20%	50%	100%	150%	
1	-	63.9	-	-	-	63.9
2	-	11.9	58.5	-	-	70.4
3	-	33.0	119.1	0.4	-	152.5
4	-	-	2.3	37.9	-	40.2
5	-	-	-	-	-	-
6	-	-	-	-	-	-
Unrated	34.6	-	-	-	-	34.6
Total	34.6	108.8	179.9	38.3	-	361.6

After CCF and CRM:

CQS for institutional exposure	Risk weight %					Total
	2%	20%	50%	100%	150%	
1	-	63.9	-	-	-	63.9
2	-	11.6	57.6	-	-	69.2
3	-	45.3	187.4	0.4	-	233.1
4	-	-	2.3	38.2	-	40.5
5	-	-	-	-	-	-
6	-	-	-	-	-	-
Unrated	34.6	-	-	-	-	34.6
Total	34.6	120.8	247.3	38.6	-	441.3

The above tables include institutional exposures with residual maturities of less than three months, greater than three months and exposures to unrated institutions.

Amount (USD million)

CQS for institutional and corporate exposure with short term credit assessment	Risk weight %	Before CCF and CRM	Post CCF and CRM
1	20%	10.4	10.4
2	50%	66.8	66.6
3	100%	9.8	9.0
4	150%	1.4	1.2
Total		88.4	87.2

CQS for securitised investments	Risk weight %	Before CCF and CRM	Post CCF and CRM
1	20%	8.6	8.6
2	76%	2.7	2.7
5	146%	6.0	6.0
Total		17.3	17.3

CQS for central government or central banks	Risk weight %	Before CCF and CRM	Post CCF and CRM
1	0%	799.6	799.6
Total		799.6	799.6

CQS for public sector entities	Risk weight %	Before CCF and CRM	Post CCF and CRM
1	20%	-	0.7
Total		-	0.7

CQS for Equity	Risk weight %	Before CCF and CRM	Post CCF and CRM
Unrated	100%	5.0	5.0
Total		5.0	5.0

Other Assets	Risk weight %	Before CCF and CRM	Post CCF and CRM
Cash and Cash equivalent	0%	0.2	1.8
Other Assets	20%	-	67.9
Other Assets	100%	29.3	29.3
Deferred Tax Assets	250%	8.7	8.7
Total		38.2	107.7

March 31, 2020:

Amount (USD million)

CQS for corporate exposure	Risk weight %	Before CCF and CRM	Post CCF and CRM
1	20%	66.3	66.3
2	50%	81.3	22.6
3	100%	378.4	250.9
4	100%	574.8	475.7
5	150%	190.2	186.9
6	150%	9.7	9.7
Unrated	100%	980.6	756.8
Unrated – Exposure in default	100%	50.4	50.4
Unrated – Exposure in default	150%	29.5	29.5
Total		2,361.2	1,848.8

CQS for exposures secured by mortgages on immovable property	Risk weight %	Before CCF and CRM	Post CCF and CRM
Unrated	35%	155.4	155.0
Unrated	100%	398.1	395.9
Total		553.5	550.9

Before CCF and CRM:

CQS for institutional exposure	Risk weight %					Total
	2%	20%	50%	100%	150%	
1	-	114.8	-	-	-	114.8
2	-	8.2	52.2	-	-	60.4
3	-	81.7	302.5	15.8	-	400.0
4	-	-	-	0.5	-	0.5
5	-	-	-	-	-	-
6	-	-	-	-	12.3	12.3
Unrated	44.1	-	-	-	-	44.1
Total	44.1	204.7	354.7	16.3	12.3	632.1

After CCF and CRM:

CQS for institutional exposure	Risk weight %					Total
	2%	20%	50%	100%	150%	
1	-	122.3	-	-	-	122.3
2	-	8.2	52.2	-	-	60.4
3	-	88.5	373.3	14.8	-	476.6
4	-	-	-	0.1	-	0.1
5	-	-	-	-	-	-
6	-	-	-	-	12.3	12.3
Unrated	44.1	-	-	-	-	44.1
Total	44.1	219.0	425.5	14.9	12.3	715.8

The above tables include institutional exposures with residual maturities of less than three months, greater than three months and exposures to unrated institutions.

Amount (USD million)

CQS for institutional and corporate exposure with short term credit assessment	Risk weight %	Before CCF and CRM	Post CCF and CRM
1	20%	29.6	13.6
2	50%	104.7	54.2
3	100%	33.7	20.9
4	150%	27.5	9.0
Total		195.5	97.7

CQS for securitised investments	Risk weight %	Before CCF and CRM	Post CCF and CRM
1	20%	15.1	15.1
2	50%	27.8	27.8
Total		42.9	42.9

CQS for central government or central banks	Risk weight %	Before CCF and CRM	Post CCF and CRM
1	0%	637.2	652.5
Total		637.2	652.5

CQS for Equity	Risk weight %	Before CCF and CRM	Post CCF and CRM
Unrated	100%	3.7	3.7
Total		3.7	3.7

Other Assets	Risk weight %	Before CCF and CRM	Post CCF and CRM
Cash and Cash equivalent	0%	0.2	8.0
Other Assets	20%	-	-
Other Assets	100%	59.4	59.4
Deferred Tax Assets	250%	11.1	11.1
Total		70.7	78.5

6.5 Counterparty credit risk

The Bank deals in derivatives as part of its balance sheet risk management and as part of risk management solutions offered to its clients. All derivatives offered to clients are covered by the Bank on a back-to-back basis. The primary derivatives transactions include foreign exchange forwards, cross currency swaps and interest rate swaps.

The derivative transactions expose the Bank to counterparty credit risk (CCR). CCR is the risk that the counterparty to a derivative transaction could default before the final settlement of the transaction's cash flows.

The Bank computes counterparty exposure value for derivative transactions using the mark to market method as specified in Article 274 of CRR guidelines. For this exposure calculation, the current replacement cost is based on sum of market values of only those contracts where the market value is positive for the Bank.

As part of compliance to European Market Infrastructure Regulation (EMIR), the Bank centrally clears interest rate swaps through LCH Clearnet (London Clearing House), thereby mitigating the counterparty credit risk. Also, the Bank has entered into credit support annexe (CSA) agreement with its major interbank counterparties, which mandate exchange of daily variation margin based on the movement in MTM.

The Bank has outlined in its CRMP, that collateral obtained for credit risk mitigation should not have material positive correlation between the credit quality of the obligor and the value of the collateral. Also, securities issued by the obligor or any related group entity are not eligible as collateral.

As at March 31, 2021, the notional principal values of the derivative instruments along with the gross positive and gross negative fair values were:

USD million

Instrument	Non-Trading Notional Principal	Trading Notional Principal	Gross Positive Fair value	Gross Negative Fair value
Exchange rate contracts	73.0	1,352.3	32.4	15.2
Interest rate contracts	172.4	1,423.5	16.8	25.1

March 31, 2020:

Instrument	Non-Trading Notional Principal	Trading Notional Principal	Gross Positive Fair value	Gross Negative Fair value
Exchange rate contracts	73.0	1,286.8	15.3	34.0
Interest rate contracts	497.3	1,203.7	18.6	39.2

The following table details the counterparty credit risk exposure calculation:

	March 31, 2021	March 31, 2020
Gross positive fair value of contracts	49.1	34.0
Potential credit exposure	25.2	26.2
Counterparty credit risk exposures	74.3	60.2
of which, Exposure to interbank counterparties	54.6	47.2

The Bank also provides counterparty credit risk on its Securities Financing Transactions (SFT) with interbank counterparties. The exposure on account of such SFTs at March 31, 2021 was USD 116.7 million (March 31, 2020: USD 291.0 million). The market value of the securities lent against the SFT transaction is considered as its exposure value. Further, the SFT transactions are governed by Global Master Repurchase Agreement (GMRA) which requires margin exchange, in the event of a significant movement in the market value of the security lent.

The Bank has no contractual obligations linked to its credit rating.

6.6 Credit Value Adjustment (CVA)

The Bank has computed the Credit Value Adjustment (CVA) and Debit Value Adjustment (DVA) on the outstanding MTM of the derivative portfolio, which amounted to USD 68 thousand (post tax USD 55 thousand) (March 31, 2020: USD 40 thousand (post tax USD 32 thousand)) and USD 10 thousand (post tax USD 8 thousand) (March 31, 2020: USD 45 thousand (post tax USD 37 thousand)) respectively at March 31, 2021. The CVA and DVA have been computed based on internal guidelines approved by Asset and Liability Management Committee (ALCO), as follows:

$$\text{CVA/DVA} = \text{Exposure} \times \text{Probability of Default (PD)} \times \text{Loss Given Default (LGD)}$$

The computation of CVA/DVA is in line with the collective provisioning methodology of the Bank. In addition to this, the Bank calculates the capital requirement for CVA risk as per the CRR guidelines. Further information is provided in the Annual Report for the year ended March 31, 2021.

The Pillar 1 capital requirement for CVA as at March 31, 2021 was USD 1.3 million (March 31, 2020: USD 1.3 million).

6.7 Additional Valuation Adjustment (AVA)

To ensure that the valuation of the Bank's fair valued assets and liabilities achieves an appropriate degree of certainty, AVA has been calculated on the sum of the absolute value of its total fair valued assets and liabilities. The calculation of AVA is as per the regulatory technical standards (RTS) on prudent valuation adjustment published by EBA. The Bank follows the simplified approach for AVAs and accordingly apply an AVAs of 0.1% on the sum of the absolute value of its total fair valued assets and liabilities. A case by case analysis is done and only completely back to back transactions are excluded from the computation of AVA.

6.8 Credit risk and dilution risk

Loan impairment provisions

The Bank regularly reviews its loan portfolio to assess for impairment. Provisions are established to recognise incurred losses in the loan portfolio carried at amortised cost. In determining whether an impairment has occurred at the balance sheet date, the Bank assesses if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. It may not be possible to identify a single, discrete event that caused the impairment and rather the combined effect of several events may have caused the impairment.

In accordance with the guidelines of FRS 102, an impairment loss for financial assets measured at amortized cost is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The estimated future cash flows take into account only the credit losses that have been incurred at the time of the impairment loss calculation. In case the expected cash flows are not available, the breakup value of security/collateral for respective facilities under watch is calculated in accordance with the Bank's collateral valuation policy. In line with accounting guidelines, the Bank recognises an impairment loss equal to the best estimate within the range of reasonable possible outcomes, taking into account all relevant information available about conditions existing at the end of the reporting period.

Collectively assessed impairment allowances cover credit losses inherent in portfolios with similar economic characteristics, when there is objective evidence to suggest that they contain impaired claims, but, the individual impaired items cannot yet be identified. In assessing the need for collective impairment allowances, management considers factors such as historical loss trends, credit quality of the portfolio, portfolio size, concentrations, and economic factors. The aggregate amount of specific and collective provisions is intended to be sufficient to absorb estimated credit losses generated in the loan portfolio. The collective impairment policy, as defined in the CRMP, stipulates that collective provision, based on the credit rating of the exposures, needs to be provided in respect of the entire performing loan and receivables portfolio. The Bank has followed FRS 102 guidelines for defining its collective impairment policy wherein the provisioning is determined by the extent of the underlying credit risk in the portfolio of the Bank. This is also the direction provided by the Basel accord. The exposures that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in the collective assessment of impairment. In line with market practice, the Bank has been using a representative set of Probability of Default (PD)/Loss Given Default (LGD) data to determine the extent of provisioning required to be made in respect of the performing loan portfolio on a collective basis. The aggregate provisioning requirement is arrived at by multiplying the outstanding amounts under each portfolio type (internally rated and externally rated exposures) on the relevant date with the corresponding PD and LGD.

Further disclosure on past due and impaired assets, allowance for credit losses, and a reconciliation of changes in the specific and general credit adjustments is provided in the Annual report for the year ended March 31, 2021.

Impairment of available for sale financial assets

The Bank regularly reviews its available for sale securities portfolio to assess for impairment. The Bank considers all available evidence, including observable market data or information about events specifically relating to the securities which may result in a shortfall in recovery of future cash flows. These events may include a significant financial difficulty of the issuer, a breach of contract such as a default, bankruptcy or other financial reorganisation, or the disappearance of an active market for the debt security because of financial difficulties relating to the issuer, information about the issuer's liquidity, business and financial risk exposures, level of and trends in default for similar financial assets and national and local economic conditions. While assessing ABS for objective evidence of impairment, the Bank considers the performance of the underlying collateral, changes in credit rating, credit enhancements, default events etc. Once impairment has been identified, the amount of impairment is measured based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss. In determining whether an impairment event has occurred at the balance sheet date, the Bank considers whether there is any observable data which comprises evidence of the occurrence of a loss event, and evidence that the loss event results in a decrease in estimated future cash flows or their timings. Such observable data includes any adverse change in the payment status of borrowers or changes in economic conditions that correlate with defaults on loan repayment obligations. For equity investments a significant or prolonged decline in the fair value of an available for sale equity investment below its cost is an objective evidence of impairment considered by the Bank.

During the year the Bank has made NIL impairment provisions (2020: USD 3.4 million) on the investments. The following table shows movement in specific impairment allowances for impaired AFS securities:

AFS securities	USD million	
	March 31, 2021	March 31, 2020
Opening Balance	54.4	51.0
Charged to P&L Account	-	3.4
Write off	(2.6)	-
Closing balance	51.8	54.4

The Bank's impaired AFS securities include equity investment only. Additional information on the Bank's accounting policies, analysis of overdue and impaired exposures and valuation methodologies is provided in the Annual Report for the year ended March 31, 2021.

7. Market Risk

Market risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices. It also includes the interest rate risk in banking book. The Bank's key policies for managing market risk as approved by the Board Risk Committee (BRC)/ALCO are:

- Treasury policy manual and mandate (TPMM) which also includes the trading book policy statement (TBPS);
- Interest Rate Risk in Banking Book (IRRBB);
- Valuation, Model Validation Policy and Independent Price Verification Policy

These policies are designed to ensure that transactions in securities, foreign exchange and derivatives are conducted in accordance with sound and acceptable business practices as well as regulatory guidelines and laws governing such transactions. The policies are reviewed periodically to take into account changed business requirements, the economic environment and revised policy guidelines.

The key market risks to which the Bank is exposed relate to:

- Interest rate risk – Interest rate risk is defined as the risk of loss which the Bank will incur as a result of an increase or decrease in interest rates. Interest income and expense from interest sensitive assets and liabilities are impacted by changes in interest rates. The overall value of the investment portfolio, the underlying value of the Bank other assets, liabilities, and off balance sheet (OBS) instruments are also impacted due to changes in interest rates because the present value of future cash flows changes when interest rates change.
- Forex risk – This risk arises due to positions in non- US dollar denominated currencies, which in turn arise from assets and liabilities in those currencies. Foreign exchange risk is managed within the Treasury function in accordance with approved position limits. The Net overnight open position (NOOP) of the Bank at March 31, 2021 was USD 2.2 million (March 31, 2020: USD 4.1 million). The Bank has not provided any capital on its net open exchange exposures as the open position was less than 2% of the total own funds of the Bank (Article 351 of the CRR).
- Equity Risk – Equity price risk arises due to the volatility in price movement of the Bank's investment in equity shares and convertibles. Threshold triggers are defined for decline in the values of equity investments and an escalation framework is in place. The value of the Bank's equity investments at March 31, 2021 was USD 5.0 million (March 31, 2020: USD 3.7 million) and the option value of convertibles was Nil at March 31, 2021 (March 31, 2020: Nil).

The Bank enters into various financial instruments as principal to manage balance sheet interest rate and foreign exchange rate risk. These mainly include interest rate swaps and exchange rate related contracts. The Bank uses derivatives to mitigate interest rate risk. Hedge accounting is applied to derivatives and hedged items when the criteria under IAS39 for financial instruments as permitted by FRS 102 have been met. For qualifying hedges, the fair value changes of the derivative are substantially matched by corresponding fair value changes of the hedged item, both of which are recognised in profit and loss. As detailed in section 5.5, the Bank currently does not take any position with trading intent, but certain transactions may be classified as trading based on the applicable accounting guidelines.

The Bank has devised various risk metrics for different products and investments. These risk metrics are measured and reported to senior management by the Bank's independent Treasury Control & Services Group (TCSG). Some of the risk metrics adopted by the Bank for monitoring its risks are value-at-risk (VaR), duration of equity (DoE), price value of basis point (PV01) and stop loss amongst others. The risk appetite of the Bank includes limits for these risk metrics.

VaR is calculated using a parametric approach at a 99% confidence level over a one day holding period. The total VAR for the Bank's AFS portfolio, including investment portfolio, as at March 31, 2021 was USD 1.5 million (March 31, 2020: USD 3.6 million). The maximum, average and minimum VAR during the year for the AFS portfolio, including investment portfolio, was USD 4.9 million, USD 3.9 million and USD 1.5 million (FY2020: USD 3.6 million, USD 2.3 million and USD 1.9 million) respectively.

In order to manage its interest rate risk in its banking book, the Bank has set out various measurement tools like Interest rate sensitivity reports, Duration of Equity, Delta EvE, Delta NII and Sensitivity analysis of hedge portfolio. Computation of these measurement tools are based on assumptions approved by the Board Risk Committee and are reviewed periodically.

The interest rate sensitivity report indicate whether the Bank will be in a position to benefit from rising interest rates by having a positive gap or whether it will be impacted from declining interest rates by a negative gap.

The Bank also uses Duration of Equity (“DoE”) as an all-encompassing measure, which takes into consideration duration and value of both assets and liabilities. DoE is a measure of interest rate sensitivity, which indicates how much the market value of equity, would change if interest rates change by 1%. Currently, a limit of +/- 2.0 has been prescribed for overall DoE of the Bank. The measures for interest rate risk in the banking book are reported to the ALCO on a monthly basis and to the Board Risk Committee on a quarterly basis.

The Delta EVE is the change in the net present value of all cash flows originating from banking book assets, liabilities and off-balance- sheet items resulting from a change in interest rates, assuming that all banking book positions run off. It is computed on gap based approach.

Impact on Delta EVE across various scenarios

Scenarios	March 31, 2021	March 31, 2020
Scenario 1: +200 bps parallel across all currencies	14.7	13.1
Scenario 2: -200 bps parallel across all currencies	(14.7)	(13.1)
Scenario 3: +75 HiSave	0.8	-
Worst Impact under scenario 1-3	14.7	13.1

Delta NII is change in the net interest income of the Bank measured for a one-year time horizon. The impact of an increase in interest rates on the Bank’s net interest income as at March 31, 2021, assuming a parallel shift in the yield curve, has been set out in the following table:

Impact on net interest income over a one year horizon (Increase in interest rates by 200 bps)

Currency	USD million	
	March 31, 2021	March 31, 2020
USD	5.7	5.9
GBP	8.2	6.9
EUR	0.5	1.4
Others	0.2	0.3
Total	14.6	14.5

The impact of a decrease in interest rates on the Bank’s net interest income as at March 31, 2021, (broken down by currency) assuming a parallel shift in yield curve, has been set out in the following table:

Impact on net interest income over a one year horizon (Decrease in interest rates by 200 bps)

Currency	USD million	
	March 31, 2021	March 31, 2020
USD	0.5	(2.3)
GBP	(8.8)	(6.4)
EUR	2.4	4.0
Others	(0.2)	(0.2)
Total	(6.1)	(4.9)

The Bank monitors the P&L volatility which may arise from hedge portfolio as the hedges become ineffective by scenario analysis for 200 bps parallel shift in interest rates (both +ve and -ve) change on the portfolio of hedge effective instruments. Analysis highlights the maximum P&L impact arising out of the above scenarios by considering only those swaps that contribute negatively. The scenario impact is presented to the ALCO on a monthly basis. The scenario also covers hedge ineffective derivatives.

Further information is provided in the Annual Report for the year ended March 31, 2021.

8. Operational, Information Security, Conduct and Other risk
Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. 'Compliance and legal' risk which is defined as the risk that arises from a failure or inability to comply with the laws, regulations or voluntary codes applicable to the financial services industry and 'conduct' risk, which includes risks arising from unfair treatment and delivering inappropriate outcomes to its customers, are also considered within the ambit of operational risk. The Bank has also identified outsourcing and information security risks as key operational risks affecting the Bank and has put in place effective controls including policies and procedure to manage, mitigate and monitor these risks.

The management of operational risk within the Bank is governed by the Operational Risk Management Policy (ORMP) which is reviewed and approved by the BRC on an annual basis. The Bank has determined and articulated an Operational Risk Appetite (ORA) which has been defined as the acceptable maximum level of operational risk that the Bank is willing to accept in pursuit of its strategic objectives, taking into account its stakeholders as well as regulatory requirements. It has been expressed both in quantitative and qualitative terms. The Bank has expressed its ORA as a percentage of financial parameters, i.e., operating income and operating expenses based on the average level of losses for the previous years and has also taken into account the existing controls and expected future developments/ initiatives. The Bank has implemented a Risk and Control Self-Assessment (RCSA) approach to identify and ensure effective control of its operational risks. The RCSAs along with Key Risk Indicators and collection and analysis of operational risk incidents are the tools implemented for systematic management of operational risk within the Bank.

A brief section on the operational risk management framework including governance structure, various management and measurement tools implemented within the Bank is covered in the Annual Report of the Bank for the year ended March 31, 2021.

The Bank carries out an operational risk scenario analysis and stress testing exercise for assessing the adequacy of the operational risk capital charge. Various operational risk scenarios/events based on existing and external loss data, risks identified in RCSAs and internal audit reports, have been identified and assessed and each of these scenarios is assessed for its probability and financial impact. The scenarios cover key operational risks such as outsourcing risk, information security risk, business practice and conduct, technology risk, people risk, natural disaster and man-made disasters. Some of these have been further amalgamated to create seven high impact operational risk scenarios. For the purpose of stress testing, the adequacy of Pillar 1 capital has been assessed by comparing it to stress operational risk losses using three approaches. The detailed process is mentioned in "quantitative assessment of operational risk drivers" framework which is reviewed on an annual basis as part of the ICAAP.

The Bank has adopted the Basic Indicator Approach for the purposes of calculating its operational risk capital charge as per Basel II and has provided USD 11.4 million capital towards the operational risk requirements as at March 31, 2021 (March 31, 2020: USD 12.2 million).

Information Security Risk

The Bank has established an Information Security Risk Management Framework (ISRMF) for the management of information security (IS) related risks including cyber risk, within the guidelines of the Group Information Security Policy. The purpose of the framework is to ensure that due care is exercised in protecting the critical systems and related information of the Bank and also defines minimum security standards required for securing the IT resources of the Bank. The Board is ultimately responsible for ensuring adherence to the regulatory information security requirements. On a day to day basis, compliance with the requirements of the ISRMF is overseen by the ISO of the Bank. In addition, the Bank has established an Information Technology and Security Committee (ITSC) comprising senior management that oversees important IT and information security issues brought out during the course of the day-to-day operations, review of material deficiencies/breaches (if any), remedial measures, analysis of monitoring reports provided by the Information Security Group of Parent Bank, Internal Audit and Compliance with respect to data protection issues. The ITSC is presented with updates on various IT related aspects such as IT security controls, availability of key IT applications, inventory management, secure configuration of network devices, update on IT projects, actionable emanating out of internal/external audits, penetration testing and/or risk assessments.

During FY2021, the Bank renewed its "Cyber Essentials" certification and badge. Cyber Essentials is a UK government information security assurance scheme operated by the National Cyber Security Centre that encourages organisations in UK to adopt good practices in information security. The certification demonstrates the Bank's continuous commitment to cyber security and it provides reassurance to customers and vendors that the Bank is working to secure their information and data by implementing essential cyber security measures.

Adequacy of capital for information security risks has been assessed as part of the impact of failure of the Bank's website and internet banking platform under Pillar 2B, detailed in the ICAAP document of the Bank. Additionally, potential impact on account of 'cyber-crime' has also been identified as part of the 'scenario analysis and stress testing' framework of the Bank.

Conduct Risk

The Bank's conduct risk philosophy is to look to develop and maintain long term relationships with its customers, based on openness, trust and fairness. It expects that the behaviour and motivation of every employee must be about good conduct and adherence to established controls to deliver fair and appropriate outcomes to our customers. The Bank evaluates the impact of the changing regulatory requirements on an ongoing basis and is fully committed to establishing controls to deliver fair and appropriate outcomes for its customers.

The Bank continues to focus on the conduct risk matters as defined in its conduct risk appetite. Performance against conduct risk related matters are reviewed and monitored by the BCRC and at the executive level by the CORMAC. Both Committees meet on a periodic basis.

Climate change

The Bank closely monitors the regulatory landscape and steps being taken by the industry on 'Climate Change' and 'Environmental Social & Governance (ESG)'. The CRO has the additional responsibility as SMF to ensure that the regulatory expectations are adequately addressed. The BRC provides an oversight to the climate change related action plan of the Bank. A Working Group (WG), chaired by the CRO and with members from Legal, Risk, Compliance, Finance, Treasury and business groups, meets regularly to track the latest regulatory guidance and expectations and developments in the industry with regard to Climate change. The WG is making use of guides published by the Climate Financial Risk Forum (CFRF), which is co-chaired by the FCA and the PRA. The CFRF has been established with the objective to build capacity and share best practice across financial regulators and industry in the UK to advance responses to the financial risks from climate change. The guides aim to help financial firms in the UK to understand the risks and opportunities that arise from climate change, and provide support for how to integrate them into risk, strategy and decision-making processes. The Bank continues to enhance identification, oversight and management of climate-related risks proportionate to its size and nature of operations. For example, for its loans against property (LAP) business, the Bank has stipulated minimum requirement for energy efficiency rating (evidenced through Energy Performance Certificate (EPC) for properties mortgaged to the Bank. Further information is provided in the Annual Report for the year ended March 31, 2021.

COVID-19

The wide spread effect of Covid-19 has resulted in a significant disruptive impact on economic activity across the globe. The pandemic has created an unprecedented challenge to the global economy due to multi waves of Covid-19 and repeated lock downs to deal with the infections. During FY2021, The Bank remained focused on maintaining its robust internal controls and risk management techniques to ensure that the Bank operates within its risk appetite. The Bank also focused on conserving capital and liquidity at all times during the year due to the uncertain economic environment. Further information is provided in the Annual Report for the year ended March 31, 2021.

Brexit

From January 1, 2021 the UK formally left the European Union. The effects of Brexit will in part be determined by the EU–UK Trade and Cooperation Agreement which was agreed on December 24, 2020 and ratified by the UK Parliament on December 30, 2020. However, the trade deal did not incorporate any rules governing the financial services sector. Although the PRA has already granted an equivalent regime for EU firms in most areas, the EU has not reciprocated with such a regime. Perhaps more clarity surrounding financial-services rules will be achieved in the near future. The Bank reviews and presents the impact of Brexit on its portfolio to the Board on a periodic basis. Further information is provided in the Annual Report for the year ended March 31, 2021.

IBOR reform

Following the financial crisis, the replacement of benchmark interest rates such as LIBOR and other interbank offered rates ('IBORs') has become a priority for global regulators and central banks. The Bank formed a Steering Committee chaired by the Head of Corporate Banking and attended by the executive management team with regular meetings to monitor and discuss the developments related to IBOR reform. The Bank engaged an external consultant to provide regular oversight and specialised assistance, where required, on the Libor transition project. The Bank also coordinates with other banks to share and follow best practices. Further information is provided in the Annual Report for the year ended March 31, 2021.

9. Liquidity Risk

Liquidity risk arises due to insufficient available cash flows including the potential difficulty of resorting to the financial markets in order to meet payment obligations. The Bank's key policies for managing liquidity risk, as approved by the Board, are:

- Internal Liquidity Adequacy Assessment Process (ILAAP)
- Liquidity, Contingency, Recovery and Resolution Plans (LC-RRP)

The Bank differentiates liquidity risk between funding liquidity risk and market liquidity risk. Funding liquidity risk is the risk that the Bank will not be able to efficiently meet cash flow requirements in a timely manner for its payment obligations including liability repayments, even under adverse conditions, and to fund all investment/lending opportunities, even under adverse conditions. Market liquidity refers to a Bank's ability to execute its transactions and to close out its positions at a fair market price. This may become difficult in certain market conditions either because of the underlying product itself or because of the Bank's own creditworthiness.

The Bank's liquidity risk management philosophy is to be able, even under adverse conditions, to meet all liability repayments on time and to fund all investment opportunities by raising sufficient funds either by increasing liabilities or by converting assets into cash expeditiously and at reasonable cost.

The Bank maintains a diversified funding base comprising retail, corporate customer deposits and institutional balances. The Bank also holds unencumbered, high quality liquid assets to

protect against stress conditions. The Bank monitors and manages its overall liquidity risk appetite by ensuring that it maintains liquidity coverage ratio above regulatory requirements, by having adequate liquid assets for projected stressed outflows under various scenarios and also ensures that its liquidity gap position is within the approved limit for the various time buckets. This framework is further augmented by defining risk limits for individual liquidity risk drivers. ALCO and BRC review these parameters on monthly and quarterly basis respectively.

The Bank has implemented the CRD IV liquidity guidelines as specified by PRA. As per the guidelines, the Bank has prepared an Internal Liquidity Adequacy Assessment Process (ILAAP) document outlining the liquidity risk appetite of the Bank. The ILAAP document sets out the framework used to ensure that the Bank maintains sufficient liquidity at all times, including periods of stress. This has been done through the robust liquidity stress testing under various identified scenarios. Under each scenario, the Bank assesses the behavior of each liquidity risk drivers and estimates the amount of liquidity required to mitigate net stress outflows. The stress testing is carried out daily. The results of the stress test are reported to the ALCO and BRC & Board on a monthly and quarterly basis respectively. Further, from October 1, 2015 the Bank maintains Liquidity Coverage Ratio (LCR) as stipulated by the PRA. The Bank also tracks its Net Stable Funding ratio (NSFR), though it is yet to be introduced as a regulatory requirement in the UK.

The LCR is intended to ensure that a bank maintains an adequate level of unencumbered HQLA which can be used to offset the net stressed outflows the bank could encounter under a combined stress scenario lasting 30 days. The LCR ratio of the Bank at March 31, 2021 was 329.5% (March 31, 2020: 183.3%) against the regulatory requirement of 100.0%. The Bank holds an adequate level of liquidity in excess of regulatory requirements and requirements as per internal risk appetite defined in ILAAP.

The Bank's LC-RRP document details the overall approach and actions the Bank would undertake in order to manage the Bank's liquidity and capital positions during liquidity stress or recovery scenarios.

Further information is provided in the Annual Report for the year ended March 31, 2021.

10. Leverage ratio

At March 31, 2021, the Bank's leverage ratio was 15.7% (March 31, 2020: 11.8%), which is well above the requirement of 3.0%.

CRR Leverage Ratio - Disclosure Template

	Reference date	March 31, 2021	
	Entity name	ICICI Bank UK Plc	
	Level of application	Individual	
USD million			
Table LRSum: Summary reconciliation of accounting assets and leverage ratio exposures			
		March 31, 2021	March 31, 2020
1	Total assets as per published financial statements	2,956.8	3,540.7
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-	-
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 "CRR")	-	-
4	Adjustments for derivative financial instruments	25.2	26.2
5	Adjustments for securities financing transactions "SFTs"	25.1	22.0
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	123.4	132.3
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	-	-
EU-6b	(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	-	-
7	Other adjustments	23.2	26.1
8	Total leverage ratio exposure	3,153.7	3,747.3
Table LRCom: Leverage ratio common disclosure			
		March 31, 2021	March 31, 2020
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	2,931.6	3,514.6
2	(Asset amounts deducted in determining Tier 1 capital)	(0.7)	(0.8)

3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	2,930.9	3,513.8
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	49.1	34.0
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	25.2	26.2
EU-5a	Exposure determined under Original Exposure Method	-	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
8	(Exempted CCP leg of client-cleared trade exposures)	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
11	Total derivative exposures (sum of lines 4 to 10)	74.3	60.2
Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-	19.0
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
14	Counterparty credit risk exposure for SFT assets	-	-
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	25.1	22.0
15	Agent transaction exposures	-	-
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	25.1	41.0
Other off-balance sheet exposures			
17	Off-balance sheet exposures at gross notional amount	275.8	612.0
18	(Adjustments for conversion to credit equivalent amounts)	(152.4)	(479.7)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	123.4	132.3
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)			
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	-	-
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-	-
Capital and total exposures			

20	Tier 1 capital	493.9	440.9
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	3,153.7	3,747.3
Leverage ratio			
22	Leverage ratio	15.7%	11.8%
Choice on transitional arrangements and amount of derecognised fiduciary items			
EU-23	Choice on transitional arrangements for the definition of the capital measure	Fully phased in	Fully phased in
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	-	-

Table LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		March 31, 2021	March 31, 2020
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	2,931.6	3,514.6
EU-2	Trading book exposures	-	-
EU-3	Banking book exposures, of which:	2,931.6	3,514.6
EU-4	Covered bonds	0.0	0.0
EU-5	Exposures treated as sovereigns	782.8	495.0
EU-6	Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	-	-
EU-7	Institutions	286.4	514.1
EU-8	Secured by mortgages of immovable properties	618.9	548.5
EU-9	Retail exposures	-	-
EU-10	Corporate	1,061.8	1,674.2
EU-11	Exposures in default	34.5	79.9
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	147.2	202.9

Table LRQua: Disclosure on qualitative items

Row	Factors	Description
1	Description of the processes used to manage the risk of excessive leverage	Leverage risk captures the build-up of excessive leverage on the Bank's balance sheet thus weakening its loss absorbing capacity in times of a stress. Leverage risk is managed through the 'Leverage Ratio' measure introduced as part of the CRD regulations. The leverage ratio is being implemented in the UK through the FPC, and has been set at a minimum of 3% for UK banks. As shown in table LRCom above, the Bank had a leverage ratio of 15.7% at March 31, 2021 (March 31, 2020: 11.8%) which is above the minimum requirement. Therefore, leverage risk for the Bank is relatively low.

		Bank also monitors its leverage ratio as part of its Recovery and Resolution Plan by setting recovery indicator thresholds on Leverage ratio.
2	Description of the factors that had an impact on the leverage Ratio during the period to which the disclosed leverage Ratio refers	Over the financial year the Leverage ratio has increased to 15.7% at March 31, 2021 from 11.8% at March 31, 2020. The increase in ratio is mainly on account of increase in Tier 1 Capital and reduction in exposure.

11. Asset encumbrance

Asset encumbrance arises from collateral pledged against secured funding and other collateralised obligations. The tables in Annexure IV contain components of the Bank's encumbered and unencumbered assets for the year ended March 31, 2021.

12. Exposures in equities not included in the trading book

The Bank has equity exposure of USD 5.0 million (March 31, 2020: USD 3.7 million) held at fair value. Of the total equity exposure, USD 4.0 million represents common equity instruments which are exchange traded. During the year, the Bank has not sold or has liquidated only a small portion of its equity exposures. As at March 31, 2021, the total unrealised gain/(loss) on account of equity exposures, included in the Common Equity Tier 1 capital was USD 2.6 million (March 31, 2020: USD 0.8 million). Further information is provided in the Annual Report for the year ended March 31, 2021.

13. Securitisation

The Bank is a participant in the securitisation market, acting as an investor only. All of the Bank's securitisation positions are on-balance sheet exposures. The new securitisation regulation came into effect in January 2019, with the pivotal changes coming in the form of a new regulatory standard for securitisations, as well as amended capital holding requirements for banks and other institutions.

The new regulation allows for grandfathering of deals completed prior to the start of 2019, up until the start of 2020. All deals completed from January 2019 will be subject to the regulation.

The Bank has used the external ratings based approach for its securitisation exposures. The securitisation position in which Bank has invested were originated prior to 2019.

At March 31, 2021, the balance outstanding was USD 17.3 million (March 31, 2020: USD 42.9 million) on the Bank's balance sheet.

14. Remuneration disclosure

The Bank follows a conservative and comprehensive approach towards Rewards Management. The remuneration policy is approved by the Board Governance Committee (BGC).

Governance & Board involvement

The BGC is responsible for the overview of the Remuneration Policy, governance of the remuneration of the Management Committee members, including the Managing Director & CEO of ICICI Bank UK Plc. The composition of the Committee is in line with the current regulatory recommendations such that the BGC is chaired by a Non-Executive Director and none of its members hold an executive position with the Bank.

The BGC reviews the Bank's remuneration policy from time to time, ensuring that the same is in line with the Bank's strategy and the changing market dynamics. The BGC further ensures that the remuneration policy of the Bank conforms to the regulatory requirements. A total of four Board Governance Committee meetings were held during the year ended March 31, 2021.

Performance and Pay

The Bank follows the balanced scorecard principle in designing its performance management system. Every employee of the Bank adopts a goal sheet, outlining his / her responsibilities and deliverables for the year. Adequate attention is paid to the goal sheets to ensure a balance of financial goals with non-financial goals. The non-financial goals cover relevant areas of customer service, process improvement, adherence to risk and compliance norms and employee capability building.

Staff engaged in all control functions, including Compliance, Risk, Audit and others do not carry business profit targets in their goal sheets and hence are compensated independent of the business profit achievements. Their remuneration is dependent on achievement of key results in their respective domains. The performance bonus of all employees is linked to the overall performance of the Bank.

The Bank's performance goals are approved by the BGC, which periodically reviews the performance against the objectives and the means adopted to achieve the same.

Design and Structure of Remuneration

Employee remuneration takes into account a balanced mix of external market pay levels and internal equity. The remuneration of all employees is aligned to both financial and non-financial indicators of performance. Adequate attention is given to performance on parameters like customer service, process improvement, adherence to risk and compliance norms and employee capability building.

The Bank has a judicious and prudent approach to remuneration and does not use remuneration as the only lever to attract and retain employees. No single business or functional leader determines the remuneration structure. Good governance dictates a BGC approved and supervised remuneration approach. To ensure a comprehensive outlook in determining

remuneration levels, the BGC comprises members who chair the various control committees of the Bank including Risk, Credit and Audit.

The performance bonus of all employees of the Bank is dependent on the performance of the Bank and individual performance. The Bank does not encourage any kind of guaranteed bonus. The bonus distribution matrix is approved by the BGC and the Bank does not follow a business-wise bonus pool concept. No single individual determines the quantity of bonus available to a person. The performance of an individual is decided by skip level managers, in association with their HR managers. This ensures that an individual's pay-out as a percentage of one's base salary cannot be determined by any single person or factor.

While the BGC reviews and approves the remuneration and variable pay approach followed for all employees, the Committee reviews the Bank's performance including that of the Managing Director & CEO and the Management Committee. Based on Bank's performance, the Committee approves the rate of variable pay to be paid and the increments to be given.

Should the performance of the Bank be far below the expected levels, the Committee may also fix the annual bonus as 'nil' during the year-end performance review.

Deferral of variable component including risk adjustments

The total remuneration is a prudent mix of fixed pay and variable pay. The variable pay is higher at senior levels and lower at junior levels. The variable pay consists of performance bonus and Employee Stock Options (ESOS).

The ratio between the fixed and variable pay of total compensation is set by the Bank to ensure an appropriate balance. The variable element will not exceed 100% of fixed compensation (ratio 1:1, variable to fixed) unless prior shareholder approval is obtained in compliance with the regulations to increase the overall variable element to a maximum of 200% of the fixed element (ratio 2:1, variable to fixed).

At senior levels, up to 100% of the shared instruments are deferred variable over a vesting period spanning three years or more. The quantum of variable pay is also dependent on compliance with performance norms, both financial and non-financial. This does not favour inappropriate risk-taking, thus aligning senior management interests with those of the shareholders. All unvested and 'vested & unexercised' options are lapsed in the event of termination of a code staff member's employment for cause.

ESOS aims at achieving twin objectives of aligning senior and middle management remuneration to long term shareholder interests. This serves as a retention tool for employees. ESOS also aims at aligning senior management behaviour to the long-term view of the Bank's performance and to create individual stake in the Bank's success.

The vesting schedule of the ESOS is spread over a period of three years or more to fully realise the impact of the decisions taken at senior management levels and the real value created for the shareholders.

The Bank is not a listed company and the employees are granted options under the ESOS scheme of the parent company, ICICI Bank Limited, India. This scheme is approved by the

shareholders of ICICI Bank Limited. The BGC evaluates the ESOS grant levels and the number of options granted to the MD & CEO and every member of the Management Committee.

The Bank follows a conservative approach to cash pay-outs of variable pay. In the event of exceptional performance, if the quantum of bonus for an employee is more than or equal to INR value of 2,500,000, then 50% is paid upfront and balance is deferred equally over a period of three years.

Code Staff

The following employees of the Bank have been identified as Remuneration Code Staff:

1. Executive Senior Managers (Member of Management Committee).
2. Independent Non-Executive Directors of the Bank.

Equal Opportunities and Diversity

The Bank is an equal opportunities employer and is committed to providing equal opportunities and avoiding unlawful discrimination. This Policy aims to ensure that no one is unfairly discriminated against because of their age, disability, gender, reassignment, race, colour, nationality, ethnic or national origin, religion or belief, sex, sexual orientation, marriage and civil partnership and status, or pregnancy and maternity. The Policy states that the Bank will not discriminate against individuals (including members of the management body) on the grounds stated, in any area of recruitment or employment including job selection, training, promotion, appraisal, salary, administration and terms and conditions of employment, discipline and selection for redundancy.

Total Remuneration for Code Staff including Variable Pay for FY 2020-21

The below mentioned details pertain to Code Staff whose professional activities have a material impact on the risk profile of the Bank.

Particulars	FY 2020-21	FY 2019-20
Aggregate Total Remuneration for Executive Senior Managers ¹	£3,030,318	£2,879,328
Breakdown of Remuneration between Fixed and Variable amounts		
Fixed – Including salaries, pension, private medical and other benefits	£1,888,881	£1,890,692
Variable – Including Cash Bonus and ESOS [#]	£1,141,437	£988,636
Number of Code Staff as Executive Senior Managers on March 31	10	11

¹ Remuneration of SMF who left in the FY has been annualised

[#]Variable pay includes ESOS valuation of Executive Senior Managers employed by the Bank on March 31

Particulars	FY 2020-21	FY 2019-20
Aggregate Total Remuneration for Independent Non-Executive Directors (all fixed remuneration)	£255,000	£255,000
Number of Code staff as Independent Non-Executive Directors on March 31	3	3

Transitional own funds disclosure template
**Annexure I
 USD million**

Common Equity Tier 1 capital: instruments and reserves		(A) March 31, 2021	(A) March 31, 2020	(B) REGULATION (EU) No 575/2013 ARTICLE REFERENCE
1	Capital instruments and the related share premium accounts	420.1	420.1	26 (1), 27, 28, 29, EBA list 26 (3)
	of which: ordinary shares	420.1	420.1	EBA list 26 (3)
2	Retained earnings	57.4	34.1	26 (1) (c)
3	Accumulated other comprehensive income (and any other reserves)	2.3	(35.9)	26 (1)
3a	Funds for general banking risk	-	-	26 (1) (f)
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-	-	486 (2)
	Public sector capital injections grandfathered until 1 January 2018	-	-	483 (2)
5	Minority interests (amount allowed in consolidated CET1)	-	-	84, 479, 480
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	14.8	23.2	26 (2)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	494.6	441.7	
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	(0.4)	(0.7)	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	(0.3)	(0.3)	36 (1) (b), 37, 472 (4)
9	Empty set in the EU	-	-	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary difference (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	-	36 (1) (c), 38, 472 (5)
11	Fair value reserves related to gains or losses on cash flow hedges	-	0.2	33 (a)
12	Negative amounts resulting from the calculation of expected loss amounts	-	-	36 (1) (d), 40, 159, 472 (6)
13	Any increase in equity that results from securitised assets (negative amount)	-	-	32 (1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(0.0)	(0.0)	33 (1) (b) (c)

15	Defined-benefit pension fund assets (negative amount)	-	-	36 (1) (e), 41, 472 (7)
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	-	36 (1) (f), 42, 472 (8)
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	36 (1) (g), 44, 472 (9)
18	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)
19	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11)
20	Empty set in the EU	-	-	
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-	36 (1) (k)
20b	of which: qualifying holdings outside the financial sector (negative amount)	-	-	36 (1) (k) (i), 89 to 91
20c	of which: securitisation positions (negative amount)	-	-	36 (1) (k) (ii) 243 (1) (b) 244 (1) (b) 258
20d	of which: free deliveries (negative amount)	-	-	36 (1) (k) (iii), 379 (3)
21	Deferred tax assets arising from temporary difference (amount above 10 % threshold , net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	-	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)
22	Amount exceeding the 15% threshold (negative amount)	-	-	48 (1)
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-	36 (1) (i), 48 (1) (b), 470, 472 (11)
24	Empty set in the EU	-	-	
25	of which: deferred tax assets arising from temporary difference	-	-	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)

25a	Losses for the current financial year (negative amount)	-	-	36 (1) (a), 472 (3)
25b	Foreseeable tax charges relating to CET1 items (negative amount)	-	-	36 (1) (l)
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	-	-	
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	-	-	
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	-	-	481
27	Qualifying AT1 deductions that exceeds the AT1 capital of the institution (negative amount)	-	-	36 (1) (j)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(0.7)	(0.8)	
29	Common Equity Tier 1 (CET1) capital	493.9	440.9	
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	-	-	51, 52
31	of which: classified as equity under applicable accounting standards	-	-	
32	of which: classified as liabilities under applicable accounting standards	-	-	
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	-	-	486 (3)
	Public sector capital injections grandfathered until 1 January 2018	-	-	483 (3)
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties	-	-	85, 86, 480
35	of which: instruments issued by subsidiaries subject to phase-out	-	-	486 (3)
36	Additional Tier 1 (AT1) capital before regulatory adjustments	-	-	
Additional Tier 1 (AT1) capital: regulatory adjustments				
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	-	52 (1) (b), 56 (a), 57, 475 (2)
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	56 (b), 58, 475 (3)
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in	-	-	56 (c), 59, 60, 79, 475 (4)

	those entities (amount above 10% threshold and net of eligible short positions) (negative amount)			
40	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	56 (d), 59, 79, 475 (4)
41	Regulatory adjustments applied to Additional Tier 1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No 585/2013 (i.e. CRR residual amounts)	-	-	
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-	-	472, 473(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	-	-	477, 477 (3), 477 (4) (a)
41c	Amounts to be deducted from added to Additional Tier 1 capital with regard to additional filters and deductions required pre- CRR	-	-	467, 468, 481
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	-	56 (e)
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	-	
44	Additional Tier 1 (AT1) capital	-	-	
45	Tier 1 capital (T1 = CET1 + AT1)	493.9	440.9	
Tier 2 (T2) capital: instruments and provisions				
46	Capital instruments and the related share premium accounts	-	-	62, 63
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	74.4	87.6	486 (4)
	Public sector capital injections grandfathered until 1 January 2018	-	-	483 (4)
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interest and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third party	-	-	87, 88, 480
49	of which: instruments issued by subsidiaries subject to phase-out	-	-	486 (4)

50	Credit risk adjustments	18.4	18.7	62 (c) & (d)
51	Tier 2 (T2) capital before regulatory adjustment	92.8	106.3	
Tier 2 (T2) capital: regulatory adjustments				
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	-	63 (b) (i), 66 (a), 67, 477 (2)
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institutions designed to inflate artificially the own funds of the institution (negative amount)	-	-	66 (b), 68, 477 (3)
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)	-	-	66 (c), 69, 70, 79, 477 (4)
54a	Of which new holdings not subject to transitional arrangements	-	-	
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements	-	-	
55	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amounts)	-	-	66 (d), 69, 79, 477 (4)
56	Regulatory adjustments applied to tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	-	-	
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-	-	472, 472(3)(a), 472 (4), 472 (6), 472 (8), 472 (9), 472 (10) (a), 472 (11) (a)
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	-	-	475, 475 (2) (a), 475 (3), 475 (4) (a)
56c	Amounts to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre- CRR	-	-	467, 468, 481
57	Total regulatory adjustments to Tier 2 (T2) capital	-	-	
58	Tier 2 (T2) capital	92.8	106.3	

59	Total capital (TC = T1 + T2)	586.7	547.2	
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amount)	-	-	
	Of which:... items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)	-	-	472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)
	Of which:...items not deducted from AT1 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.)	-	-	475, 475 (2) (b), 475 (2) ©, 475 (4) (b)
	Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)	-	-	477, 477 (2) (b), 477 (2) (c), 477 (4) (b)
60	Total risk-weighted assets	2,075.1	2,941.4	
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	23.80%	14.99%	92 (2) (a), 465
62	Tier 1 (as a percentage of total risk exposure amount)	23.80%	14.99%	92 (2) (b), 465
63	Total capital (as a percentage of total risk exposure amount)	28.27%	18.60%	92 (2) (c)
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements plus a systemic risk buffer, plus systemically important institution buffer expressed as a percentage of total risk exposure amount)	2.52%	2.52%	CRD 128, 129, 140
65	of which: capital conservation buffer requirement	2.50%	2.50%	
66	of which: countercyclical buffer requirement	0.02%	0.02%	
67	of which: systemic risk buffer requirement	0.00%	0.00%	
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-	-	CRD 131
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	18.07%	9.26%	CRD 128

69	[non-relevant in EU regulation]		N/A	N/A	
70	[non-relevant in EU regulation]		N/A	N/A	
71	[non-relevant in EU regulation]		N/A	N/A	
Amounts below the thresholds for deduction (before risk-weighting)					
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		-	-	36 (1) (h), 45, 46, 472 (10) 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4)
73	Direct and indirect holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		-	-	36 (1) (i), 45, 48, 470, 472 (11)
74	Empty set in the EU		-	-	
75	Deferred tax assets arising from temporary difference (amount below 10 % threshold , net of related tax liability where the conditions in Article 38 (3) are met)		-	-	36 (1) (c), 38, 48, 470, 472 (5)
Applicable caps on the inclusion of provisions in Tier 2					
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		18.4	18.6	62
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		25.9	34.4	62
78	Credit risk adjustments included in T2 in respect of exposures subject to internal rating-based approach (prior to the application of the cap)		-	-	62
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		-	-	62
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)					
80	- Current cap on CET1 instruments subject to phase-out arrangements		N/A	N/A	484 (3), 486 (2) & (5)
81	- Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		N/A	N/A	484 (3), 486 (2) & (5)
82	- Current cap on AT1 instruments subject to phase-out arrangements		N/A	N/A	484 (4), 486 (3) & (5)
83	- Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		N/A	N/A	484 (4), 486 (3) & (5)
84	- Current cap on T2 instruments subject to phase-out arrangements		N/A	N/A	484 (5), 486 (4) & (5)
85	- Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		N/A	N/A	484 (5), 486 (4) & (5)

Main features of the capital instruments
Annexure II

1	Issuer	ICICI Bank UK Plc	ICICI Bank UK Plc	ICICI Bank UK Plc
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Ordinary Shares USD	Ordinary Shares GBP	XS1881532912
3	Governing law(s) of the instrument	English	English	English
	Regulatory treatment			
4	Transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1	Tier 2
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo	Solo	Solo
7	Instrument type	Ordinary Share Capital	Ordinary Share Capital	Dated Subordinated Bonds with issuer call
8	Amount recognised in regulatory capital	USD 420.00 million	USD 0.10 million	USD 74.4 million
9	Nominal amount of instrument	USD 420.00 million	GBP 0.05 million	SGD 100.0 million
9a	Issue price	USD 1.00 per share	GBP 1.00 per share	100.00%
9b	Redemption price	N/A	N/A	100.00%
10	Accounting classification	Shareholder's equity	Shareholder's equity	Liability - amortised cost
11	Original date of issuance	01-Aug-03	28-Apr-03	26-Sep-18
12	Perpetual or dated	Perpetual	Perpetual	Dated with Issuer call option
13	Original maturity date	no maturity	no maturity	26-Sep-28
14	Issuer call subject to prior supervisory approval	No	No	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	26-Sep-23; Redemption at par
16	Subsequent call dates, if applicable	N/A	N/A	At each interest payment date
	Coupons / dividends			
17	Fixed or floating dividend/coupon	Floating	Floating	Fixed

18	Coupon rate and any related index	N/A	N/A	5.3750% till 26-Sep-24, thereafter Singapore dollar swap offer rates plus 2.9950%
19	Existence of a dividend stopper	N/A	N/A	N/A
20	a Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Mandatory
20	b Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	No	No	Yes
31	If write-down, write-down trigger(s)	N/A	N/A	A decision that the Bank or its Parent Bank (as the case may be) would become non-viable either without a write-down of bonds or without injection of capital from public sector / equivalent support, as determined by RBI and provided that the local regulator does not

				object to such determination
32	If write-down, full or partial	N/A	N/A	Full
33	If write-down, permanent or temporary	N/A	N/A	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately Senior to instrument)	Perpetual Deeply Subordinated Debt	Perpetual Deeply Subordinated Debt	Unsecured and Un-subordinated Debt
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer at March 31, 2021
USD million

10	Breakdown by country:	General credit exposures		Trading book exposures		Securitisation exposures		Own funds requirement				Own funds requirements weights	Countercyclical capital buffer rate
		Exposure value for SA	Exposure value for IRB	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for SA	Exposure value for IRB	of which: General credit exposures	of which: Trading book exposure	of which: Securitisation exposures	Total		
	Country	010	020	030	040	050	060	070	080	090	100	110	120
	United Arab Emirates	44.6	-	-	-	-	-	2.2	-	-	2.2	1.611%	0.000%
	Austria	13.5	-	-	-	-	-	0.9	-	-	0.9	0.660%	0.000%
	Australia	0.2	-	-	-	-	-	0.0	-	-	0.0	0.002%	0.000%
	Belgium	17.9	-	-	-	-	-	1.4	-	-	1.4	1.044%	0.000%
	Canada	19.7	-	-	-	-	-	1.0	-	-	1.0	0.711%	0.000%
	Switzerland	36.2	-	-	-	-	-	0.9	-	-	0.9	0.628%	0.000%
	Curacao	11.3	-	-	-	-	-	0.7	-	-	0.7	0.548%	0.000%
	Cyprus	6.4	-	-	-	-	-	0.4	-	-	0.4	0.302%	0.000%
	Germany	153.1	-	-	-	-	-	7.0	-	-	7.0	5.112%	0.000%
	Denmark	13.7	-	-	-	-	-	0.3	-	-	0.3	0.182%	0.000%
	Spain	5.5	-	-	-	-	-	0.2	-	-	0.2	0.126%	0.000%
	Finland	5.3	-	-	-	-	-	0.4	-	-	0.4	0.308%	0.000%

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	France	27.1	-	-	-	-	-	0.4	-	-	0.4	0.298%	0.000%
	United Kingdom	691.1	-	-	-	17.3	-	37.5	-	1.0	38.5	28.046%	0.000%
	Guernsey	40.2	-	-	-	-	-	2.9	-	-	2.9	2.096%	0.000%
	Gibraltar	1.6	-	-	-	-	-	0.0	-	-	0.0	0.032%	0.000%
	Hong Kong	17.6	-	-	-	-	-	1.4	-	-	1.4	1.026%	1.000%
	Hungary	1.2	-	-	-	-	-	0.0	-	-	0.0	0.010%	0.000%
	Ireland	-	-	-	-	-	-	-	-	-	0.0	0.000%	0.000%
	Israel	1.4	-	-	-	-	-	0.0	-	-	0.0	0.028%	0.000%
	Isle of Man	6.6	-	-	-	-	-	0.4	-	-	0.4	0.326%	0.000%
	India	253.0	-	-	-	-	-	21.1	-	-	21.1	15.353%	0.000%
	Italy	56.7	-	-	-	-	-	4.5	-	-	4.5	3.302%	0.000%
	Jersey	137.8	-	-	-	-	-	9.7	-	-	9.7	7.069%	0.000%
	Cayman Island	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
	Luxembourg	65.7	-	-	-	-	-	3.6	-	-	3.6	2.588%	0.500%
	Mauritius	110.1	-	-	-	-	-	8.8	-	-	8.8	6.411%	0.000%
	Malaysia	24.7	-	-	-	-	-	3.0	-	-	3.0	2.157%	0.000%
	Netherlands	140.1	-	-	-	-	-	10.4	-	-	10.4	7.555%	0.000%
	Panama	67.9	-	-	-	-	-	1.1	-	-	1.1	0.791%	0.000%
	Sweden	0.0	-	-	-	-	-	0.0	-	-	0.0	0.000%	0.000%
	Singapore	6.0	-	-	-	-	-	0.1	-	-	0.1	0.070%	0.000%
	Turkey	1.4	-	-	-	-	-	0.1	-	-	0.1	0.080%	0.000%
	Taiwan	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
	United States of America	198.6	-	-	-	-	-	15.1	-	-	15.1	10.979%	0.000%
	British Virgin Islands	11.9	-	-	-	-	-	0.8	-	-	0.8	0.547%	0.000%
	South Africa	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
20	Total	2,188.1	-	-	-	17.3	-	136.3	-	1.0	137.3	100.000%	

Table 2 - Amount of institution-specific countercyclical capital buffer

Row	Description	Column
		10
10	Total risk exposure amount (RWAs)	2,075.1
20	Institution specific countercyclical capital buffer rate	0.02%
30	Institution specific countercyclical capital buffer requirement	0.5

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer at March 31, 2020
USD million

10	Breakdown by country:	General credit exposures		Trading book exposures		Securitisation exposures		Own funds requirement				Own funds requirements weights	Countercyclical capital buffer rate
		Exposure value for SA	Exposure value for IRB	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for SA	Exposure value for IRB	of which: General credit exposures	of which: Trading book exposures	of which: Securitisation exposures	Total		
	Country	010	020	030	040	050	060	070	080	090	100	110	120
	United Arab Emirates	57.3	-	-	-	-	-	3.3	-	-	3.3	1.642%	0.000%
	Austria	27.4	-	-	-	-	-	1.3	-	-	1.3	0.669%	0.000%
	Australia	0.2	-	-	-	-	-	0.0	-	-	0.0	0.002%	0.000%
	Belgium	36.3	-	-	-	-	-	2.6	-	-	2.6	1.310%	0.000%
	Canada	27.3	-	-	-	-	-	2.1	-	-	2.1	1.042%	0.000%
	Switzerland	107.7	-	-	-	-	-	2.2	-	-	2.2	1.068%	0.000%
	Curacao	9.9	-	-	-	-	-	0.8	-	-	0.8	0.394%	0.000%
	Cyprus	5.7	-	-	-	-	-	0.5	-	-	0.5	0.228%	0.000%
	Germany	178.7	-	-	-	-	-	7.8	-	-	7.8	3.892%	0.000%
	Denmark	12.8	-	-	-	-	-	0.3	-	-	0.3	0.135%	0.000%
	Spain	15.8	-	-	-	-	-	1.0	-	-	1.0	0.503%	0.000%
	France	105.1	-	-	-	-	-	2.6	-	-	2.6	1.280%	0.250%

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	United Kingdom	870.1	-	-	-	42.9	-	53.7	-	1.4	55.0	27.333%	0.000%
	Guernsey	36.0	-	-	-	-	-	2.9	-	-	2.9	1.433%	0.000%
	Hong Kong	17.1	-	-	-	-	-	1.4	-	-	1.4	0.680%	1.000%
	Hungary	1.3	-	-	-	-	-	0.0	-	-	0.0	0.008%	0.000%
	Ireland	0.7	-	-	-	-	-	0.0	-	-	0.0	0.000%	1.000%
	Isle of Man	6.0	-	-	-	-	-	0.5	-	-	0.5	0.227%	0.000%
	India	278.6	-	-	-	-	-	21.2	-	-	21.2	10.539%	0.000%
	Italy	54.3	-	-	-	-	-	4.3	-	-	4.3	2.159%	0.000%
	Jersey	168.9	-	-	-	-	-	12.9	-	-	12.9	6.408%	0.000%
	Cayman Island	2.5	-	-	-	-	-	0.3	-	-	0.3	0.148%	0.000%
	Luxembourg	106.6	-	-	-	-	-	7.7	-	-	7.7	3.836%	0.250%
	Mauritius	135.5	-	-	-	-	-	10.8	-	-	10.8	5.387%	0.000%
	Malaysia	23.3	-	-	-	-	-	2.8	-	-	2.8	1.389%	0.000%
	Netherlands	210.9	-	-	-	-	-	13.5	-	-	13.5	6.696%	0.000%
	Sweden	0.0	-	-	-	-	-	0.0	-	-	0.0	0.000%	0.000%
	Singapore	3.3	-	-	-	-	-	0.2	-	-	0.2	0.121%	0.000%
	Turkey	1.3	-	-	-	-	-	0.1	-	-	0.1	0.050%	0.000%
	Taiwan	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
	United States of America	679.8	-	-	-	-	-	42.8	-	-	42.8	21.271%	0.000%
	British Virgin Islands	4.0	-	-	-	-	-	0.3	-	-	0.3	0.149%	0.000%
	South Africa	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
20	Total	3,184.5	-	-	-	42.9	-	199.9	-	1.4	201.3	100.000%	

Table 2 - Amount of institution-specific countercyclical capital buffer

Row	Description	Column
		10
10	Total risk exposure amount (RWAs)	2,941.4
20	Institution specific countercyclical capital buffer rate	0.02%
30	Institution specific countercyclical capital buffer requirement	0.6

Annexure IV
Disclosure on Asset encumbrance

The tables below show components of Banks encumbered and unencumbered assets for the year ended March 31, 2020. The below tables are based on UK GAAP and median values computed over the preceding four quarters of the last twelve months.

Table A: Encumbered and Unencumbered Assets
March 31, 2021:
USD million

		Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
		010	040	060	090
010	Assets of the reporting institution	298.1		3,135.9	
030	Equity instruments	-		4.6	
040	Debt securities	218.2	223.8	561.5	570.2
050	of which: covered bonds	-	-	-	-
060	of which: asset-backed securities	8.9	8.9	22.0	24.2
070	of which: issued by general governments	122.6	123.3	104.7	105.2
080	of which: issued by financial corporations	48.1	50.4	165.9	166.6
090	of which: issued by non-financial corporations	43.3	46.0	273.5	276.8
120	Other assets	67.9		2,341.4	
121	of which: ...				

March 31, 2020:
USD million

		Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
		010	040	060	090
010	Assets of the reporting institution	462.1		3,395.7	
030	Equity instruments	-		6.6	
040	Debt securities	323.5	333.2	613.5	615.7
050	of which: covered bonds	-	-	-	-
060	of which: asset-backed securities	43.8	48.7	-	-
070	of which: issued by general governments	104.1	104.7	226.2	226.4
080	of which: issued by financial corporations	72.3	73.3	200.2	200.3
090	of which: issued by non-financial corporations	102.9	105.9	208.1	210.0
120	Other assets	138.7		2,775.6	
121	of which: ...				

Table B: Collateral Received
March 31, 2021:
USD million

		Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
		010	040
130	Collateral received by the reporting institution	-	-
140	Loans on demand	-	-
150	Equity instruments	-	-
160	Debt securities :	-	-
170	of which: covered bonds	-	-
180	of which: asset-backed securities	-	-
190	of which: issued by general governments	-	-
200	of which: issued by financial corporations	-	-
210	of which: issued by non-financial corporations	-	-
220	Loans and advances other than loans on demand	-	-
230	Other collateral received	-	-
231	of which: ...		
240	Own debt securities issued other than own covered bonds or asset-backed securities	-	-
241	Own covered bonds and asset-backed securities issued and not yet pledged		-
250	TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES IS-SUED	298.1	

March 31, 2020:
USD million

		Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
		010	040
130	Collateral received by the reporting institution	40.0	9.5
140	Loans on demand	-	-
150	Equity instruments	-	-
160	Debt securities :	40.0	9.5
170	of which: covered bonds	-	-
180	of which: asset-backed securities	40.0	-
190	of which: issued by general governments	-	9.5
200	of which: issued by financial corporations	-	-
210	of which: issued by non-financial corporations	-	-
220	Loans and advances other than loans on demand	-	-
230	Other collateral received	-	-
231	of which: ...		
240	Own debt securities issued other than own covered bonds or asset-backed securities	-	-
241	Own covered bonds and asset-backed securities issued and not yet pledged		-
250	TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	505.3	

Template C: Sources of encumbrance
March 31, 2021:
USD million

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
		010	030
010	Carrying amount of selected financial liabilities	231.2	262.5
011	of which: ... Repurchase Agreement	79.2	93.5

March 31, 2020:
USD million

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
		010	030
010	Carrying amount of selected financial liabilities	431.0	482.0
011	of which: ... Repurchase Agreement	177.2	210.2

Template D: Accompanying narrative information

Asset encumbrance is the process by which assets are pledged in order to secure, collateralise or credit-enhance a financial transaction from which they cannot be freely withdrawn.

Asset encumbrance is an integral part of ICICI Bank's liquidity, funding and collateral management process. The majority of Bank encumbrance is driven by secured financing activities, which include transactions in repo, securities lending and loans lend as security for Borrowing.

At ICICI Bank UK Plc, encumbrance of investment asset is on account of Repurchase transactions, eligible loans portfolio on accounts of funding from central banks and borrowings.

The above tables are based on UK GAAP and median values computed over the preceding four quarters of the last twelve months.

Asset encumbrance reporting is done based on regulatory guidelines and as such may differ to the asset encumbrance disclosures presented in the Annual Report.