ICICI Bank UK PLC

Pillar 3 disclosures for the year ended March 31, 2018

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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.

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

This document details the Pillar 3 disclosure requirements and is in addition to the consolidated Basel III – Pillar 3 Disclosures made by ICICI Bank Limited ("the Parent Bank").

1.2 Basis of disclosures

The disclosures have been prepared for ICICI Bank UK PLC on an individual basis. 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.

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 adopted by the PRA. 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.

1.4 Frequency

This disclosure is made on an annual basis on the website of the Bank. 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 & Accounts.

1.5 Media and Location

The Annual Report will be published on the Bank's website (http://www.icicibank.co.uk/personal/about-us.page). The Pillar 3 disclosures will also be published on the Bank's website (http://www.icicibank.co.uk/personal/basel-disclosures.page). The Parent Bank's consolidated disclosures for FY2018 are available at http://www.icicibank.com/regulatory-disclosure.page.

2. Capital adequacy

The Bank's policy is to maintain a strong 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's capital position remained healthy throughout FY2018.

The Bank's regulatory capital requirements are set and monitored by the PRA (Prudential Regulation Authority). The Bank implemented the CRD IV (Basel III) framework for calculating minimum capital requirements, with effect from January 1, 2014. The Bank complied with the applicable capital related regulatory requirements at all times.

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 IV 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 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 is now 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 at the start of each financial year.

Capital is provided for the purposes of unforeseen and unexpected events based on the risk assessment for each of the underlying asset classes 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 available in the Bank's Annual Report for the year ended March 31, 2018.

3. Capital resources

At March 31, 2018, the capital ratio remained strong at 16.54%, with a Tier 1 capital ratio of 13.97% 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, 2018.

3.1 Capital ratios

Particulars	Ratio
Core Tier 1	13.97%
Tier 1	2.57%
Total capital	**16.54%**

3.2 Available capital

Particulars	USD million
Tier I Capital	488.8
Tier II Capital	89.8
Total available Capital	**578.6**

3.3 Composition of Tier 1 capital

Particulars	USD million
Permanent share capital	420.1
Retained earnings	87.0
Available for Sale security reserve[1]	(10.5)
Other adjustments[2]	(7.7)
Total Tier I capital	**488.8**

The Bank's regulatory capital excludes capital contribution of the employees in respect of share awards granted by the Parent Company[3].

3.4 Composition of Tier 2 capital

Particulars	USD million
Subordinated notes and perpetual subordinated bonds	77.5
Collective impairment allowance	12.3
Total Tier II Capital	**89.8**

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

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

[1] The capital impact is net of tax

[2] Other adjustments include deduction on account of Article 33 (debit value adjustments) and Article 34 (additional value adjustments) of CRR, Article 36 (deduction on account of intangible assets, and deduction for deferred tax assets).

[3] Under the requirements of UITF Abstract 44, a subsidiary should recognise an expense in its profit and loss account to reflect the effective remuneration paid to employees in respect of share awards granted by the Parent Company. The corresponding entry is to equity as the amounts are considered to be capital contributions by the Parent Company.

Issue	Nature of Issue	Interest Rate	Interest frequency	Maturity	USD million
23-Nov-10	Unsecured subordinated fixed rate notes due 2020	7.00%	Semi annually	Bullet payment in November 2020	150.0

3.5 Reconciliation with Balance Sheet

Particulars	USD million
Shareholders' equity as per the balance sheet	506.8
Less: Capital contribution	10.2
Less: Additional value adjustments	0.6
Less: Gains or losses on liabilities at fair value resulting from own credit	0.0
Less: Deferred tax assets	6.9
Less: Intangible assets	0.2
Common Equity Tier 1 capital	**488.8**
Additional Tier 1 capital	**-**
Total Tier 1 capital	**488.8**
Eligible amount of Tier 2 instruments	77.5
General credit risk adjustments (Collective provisions)	12.3
Total Tier 2 capital	**89.8**
Total regulatory capital	**578.6**

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 exposures not recognized in the balance sheet.

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

- Credit risk - standardized approach
- Operational risk – basic indicator approach
- Market risk - standardized approach adopting the following methodologies:
  - Interest rate risk – Maturity Ladder approach
  - Foreign exchange risk – Standardized approach
  - Options risk – Standardized approach

The following table summarises the Bank's Pillar 1 capital requirement for various risk types:

Capital requirement for	USD million
Credit Risk[4]	267.6
Market Risk[5]	0.0
Operational Risk	12.3
Total Capital Resource requirement under Pillar 1	**279.9**

4.2 Pillar 2A

The Bank's Pillar 2A requirement as per the PRA's Individual Capital Guidance, (to be known as Total Capital Requirement – from January 1, 2018) applicable as at March 31, 2018 was 3.12% 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 macroprudential 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 United Kingdom, Financial Policy Committee is responsible for recognizing or setting up of CCyB rates in respect of foreign exposures.

During June 2017, the Financial Policy Committee (FPC) raised UK countercyclical buffer 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.

A geographical CCyB disclosure has been included in Annexure III.

5. Credit Risk

5.1 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

[4] This 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

[5] As per Article 355 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 3.7 million USD which is less than 2% of the total own funds.

reviewed annually by the Bank's Board Credit Committee. 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 covers 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 Board Credit Committee. Credit proposals are approved by the Executive Credit and Risk Committee (ECRC) or the Board Credit Committee (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 Head of Risk. 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.

5.2 Minimum capital requirement

The following table shows the Bank's Pillar 1 capital requirement as at March 31, 2018 by each of the standardised credit risk exposure classes:

Standardised approach – asset classes	USD million
Central government or central banks	0.1
Institutions	17.7
Corporate	180.4
Secured by mortgages on immovable property	28.1
Retail	-
Exposures in Default	20.9
Securitised investments	2.4
Short term claims on institutions and corporates	13.7
Equity	0.6
Other items (including CVA adjustment)	3.7
Total	**267.6**

5.3 Analysis of credit risk exposures

The following tables detail the Bank's regulatory credit risk exposures as at March 31, 2018. All exposures are stated after specific impairment provisions and post application of credit risk

mitigation (CRM) techniques with substitution effects on the exposure and before application of any conversion factors (CCF).

(i) Analysis of exposure by asset class as at March 31, 2018

Asset class	USD million
Central government or central banks	657.2
Institutions	464.1
Corporate	3,003.6
Secured by mortgages on immovable property	360.8
Retail	-
Exposures in Default	341.2
Securitised investments	49.0
Claims on Institutions and Corporates with a short-term credit assessment	232.1
Equity	7.1
Other items	45.1
Total	**5,160.2**

(ii) Geographic distribution of exposures (based on country of residence or domicile) by significant asset class as at March 31, 2018

Asset class	Europe and North America	India	Rest of the world	Total (USD million)
Central government or central banks	650.0	-	7.2	657.2
Institutions	88.1	358.8	17.2	464.1
Corporate	2,555.2	239.4	209.0	3,003.6
Secured by mortgages on immovable property	343.7	-	17.1	360.8
Retail	-	-	-	-
Exposures in Default	130.7	30.9	179.6	341.2
Securitised investments	49.0	-	-	49.0
Claims on Institutions and Corporates with a short-term credit assessment	145.2	84.8	2.1	232.1
Equity	5.6	1.5	-	7.1
Other items	45.1	-	-	45.1
Total	**4,012.6**	**715.4**	**432.2**	**5,160.2**

(iii) Residual maturity breakdown of exposures by significant asset class as at March 31, 2018

Asset class	Upto 3 months	Over 3 months upto 1 year	Over 1 year upto 5 years	Over 5 years	No stated maturity	Total (USD million)
Central government or central banks	492.2	128.7	22.6	13.2	0.5	657.2
Institutions	32.9	136.6	262.0	32.6	-	464.1
Corporate	384.9	989.1	1,092.0	537.6	-	3,003.6

Asset class	Upto 3 months	Over 3 months upto 1 year	Over 1 year upto 5 years	Over 5 years	No stated maturity	Total (USD million)
Secured by mortgages on immovable property	-	118.6	237.0	5.2		360.8
Retail	-	-	-	-	-	-
Exposures in Default	229.4	33.7	67.7	10.4	-	341.2
Securitised investments	-	-	-	49.0	-	49.0
Claims on Institutions and Corporates with a short-term credit assessment	232.1	-	-	-	-	232.1
Equity	-	-	-	-	7.1	7.1
Other items	-	-	-	-	45.1	45.1
Total	**1,371.5**	**1,406.7**	**1,681.3**	**648.0**	**52.7**	**5,160.2**

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.

5.4 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. 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 credit risk mitigation (CRM) techniques with substitution effects on the exposure and before application of any conversion factors (CCF).

CQS for corporate exposure	Risk weight %	USD million
1	20%	44.4
2	50%	371.0
3	100%	366.9
4	100%	605.1
5	150%	281.5
6	150%	7.9
Unrated	100%	1,326.8
Unrated – Past due	100%	204.3
Unrated – Past due	150%	136.8
Total		**3,344.7**

CQS for exposures secured by mortgages on immovable property	Risk weight %	USD million
Unrated	35%	15.5
Unrated	100%	345.3
Total		**360.8**

CQS for institutional exposure		Risk weight %			USD million
	2%	20%	50%	100%	Total
1	-	3.3	-	-	3.3
2	9.6	1.3	79.4	-	90.3
3	-	7.2	324.3	-	331.5
4	-	-	7.1	13.2	20.3
5	-	-	-	-	-
6	-	-	-	-	-
Unrated	-	10.8	-	7.9	18.7
Total	**9.6**	**22.6**	**410.8**	**21.1**	**464.1**

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

CQS for institutional and corporate exposure with short term credit assessment	Risk weight %	USD million
1	20%	22.6
2	50%	59.3
3	100%	111.2
4	150%	29.1
Total		**232.2**

CQS for securitised investments	Risk weight %	USD million
1	20%	19.6
2	50%	6.4
3	100%	23.0
Total		**49.0**

CQS for central government or central banks	Risk weight %	USD million
1	0%	650.0
2	20%	7.2
Total		**657.2**

CQS for Equity	Risk weight %	USD million
Unrated	100%	7.1
Total		**7.1**

Other Assets	Risk weight %	USD million
Other Assets	0%	7.3
Other Assets	2%	0.4
Other Assets	20%	0.2
Other Assets	50%	2.7
Other Assets	100%	34.5
Total		**45.1**

5.5 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 derivative offered to the 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 has started central clearing of 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 interbank counterparties, which mandate exchange of daily variation margin based on the movement in MTM.

As at March 31, 2018, the notional principal values of the derivative instruments along with the gross positive and gross negative fair value were:

USD million

Instrument	Non-Trading Notional Principal	Trading Notional Principal	Gross Positive Fair value	Gross Negative Fair value
Exchange rate contracts	-	1,014.6	13.4	10.9
Interest rate contracts	433.1	402.1	10.9	6.7

The following table details the counterparty credit risk exposure calculation:

	USD million
Gross positive fair value of contracts	24.2
Potential credit exposure	16.6
Counterparty credit risk exposures	**40.8**
of which, Exposure to interbank counterparties	28.3

The Bank also provides counterparty credit risk on its Securities Financing Transactions (SFT) with interbank counterparties. The exposure on account of such SFTs was USD 47.7 million. The exposure values is computed as the difference between the market value of the securities lent and the amount borrowed. 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.

5.6 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 79 thousand (post tax USD 63 thousand) and USD 27 thousand (post tax USD 22 thousand) respectively. The CVA and DVA have been computed based on internal guidelines approved by Asset and Liability Management Committee (ALCO), as follows:

CVA/DVA= Exposure x Probability of Default (PD) x Loss Given Default (LGD)

The PD is based on internal assessment for India linked portfolio & for non-India linked portfolio PD published by external rating agency is considered and a LGD of 45% has been used for computation of CVA/DVA computation. In addition to this, the Bank calculates the capital requirement for CVA risk as per the CRR guidelines.

The Pillar 1 capital requirement for CVA as at March 31, 2018 was USD 0.9 million.

5.7 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 except the position held in Global Market Group (GMG). The calculation of AVA is as per the final draft regulatory technical standards (RTS) on prudent valuation adjustment published by EBA on January 23, 2015.

5.8 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 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 reasonably possibly 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 by the Bank in respect of its 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, 2018.

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 not made impairment provisions on the investments. The following table shows movement in impairment allowances for impaired AFS securities:

USD million

AFS securities	Specific impairment allowance
Opening Balance	49.9
Charged to P&L Account	-
Charged (released) to Other Comprehensive Income	0.1
Reversal on sale	-
Closing balance	**50.0**

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, 2018.

6. 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. The Bank's key policies for managing market risk as approved by the Board Risk Committee (BRC) are:

- Treasury policy manual and mandate (TPMM) which also includes the trading book policy statement (TBPS)
- 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's other assets, its 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-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, 2018 was USD 3.7 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 of price movements on 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, 2018 was USD 7.1 million and the option value of convertibles was Nil at March 31, 2018.

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 book portfolio, including investment portfolio, as at March 31, 2018 was USD 1.48 million. The maximum, average and minimum VAR during the year for the AFS book portfolio, including investment portfolio, was USD 3.01 million, USD 1.92 million and USD 1.40 million respectively.

In order to manage its interest rate risk in its banking book, the Bank has sets out various measurement process including use of re-pricing gap reports and estimation of the sensitivity of the NII to a range of interest rate change scenarios including a scenario of 200 basis points parallel movement in the yield curve (defined as - Earnings at Risk (EaR). The re-pricing gap reports do not consider any assumptions for loan prepayments and any non-maturing assets/liabilities are considered in the report based on behavioural assumptions. The impact of an increase in interest rates on the Bank's net interest income as at March 31, 2018, assuming a parallel shift in the yield curve, has been set out in the following table:

USD million

Currency	Impact on net interest income over a one year horizon (Increase in interest rates by 200 bps)
USD	5.1
GBP	5.0

EUR	2.8
Others	(0.2)
Total	**12.7**

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.

Further, in case of adverse movement of interest rate there may be some unrealised mark to market (MTM) impact on investment portfolio. The impact of a decrease in interest rates on the Bank's net interest income as at 31 March 2018, (broken down by currency) assuming a parallel shift in yield curve, has been set out in the following table:

USD million

Currency	Impact on net interest income over a one year horizon (Decrease in interest rates by 200 bps)
USD	(4.1)
GBP	(7.8)
EUR	2.8
Others	0.4
Total	**(8.7)**

7. 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 and mitigate 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 Board Risk Committee (BRC) on an annual basis. The Bank has determined and articulated Operational Risk Appetite (ORA) which has been defined as the acceptable maximum level of Operational Risk (OR) that the Bank is willing to accept in pursuit of its strategic objectives, taking into account of 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 a financial parameter of the Bank 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 its 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 Operational Risk Management Framework including governance structure, various management and measurement tools currently implemented within the Bank is covered in the Annual Report of the Bank for the year ended March 31, 2018.

The Bank has adopted the Basic Indicator Approach for the purposes of calculating its operational risk capital charge as per Basel II. 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 are assessed for its probability and financial impact. Some of which 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 and the results are shared with the CORMAC and BRC on an annual basis.

The Bank has provided USD 12.3 million capital towards the operational risk requirements as at March 31, 2018.

8. 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 plan (LCP)

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.

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. Starting January 1, 2018, the minimum regulatory requirement is 100%. The LCR ratio of the Bank at March 31, 2018 was 203.9%. The Bank holds a adequate level of liquidity in excess of regulatory requirements and requirements as per internal risk appetite defined in ILAAP.
The Bank also has a liquidity contingency plan (LCP) which details the overall approach and actions the Bank would undertake in order to manage the Bank's liquidity position during stressed conditions.

Further information is provided in the Annual Report for the year ended March 31, 2018.

9. Risk Management and Governance framework

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 four Non-Executive Directors on the Board, one of whom is a representatives of the Bank's Parent, ICICI Bank Limited, and three are independent.

The Bank operates a first, second and third line 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 support 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 its focus on controls, governance, compliance and risk management to provide a sound foundation for the business and it continues to ensure embedding of a controls 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'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 the appetite and other conduct risk related matters are reviewed and monitored by the Bank's Board Conduct Risk Committee ("BCRC") and at the executive level by the Compliance, Conduct and Operational Risk Management Committee ("CORMAC"). Both Committees meet on a periodic basis and receive regular updates from both business and Compliance.

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 risk management framework. The Board has 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 Security Committee.

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 is independent of the business units and the Head of Risk 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.

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 anchors on which the framework has been based include 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. The Risk Management Group of the Bank monitors adherence to the risk appetite framework and reports on it to the Board Risk Committee on a quarterly basis. The Bank's future business strategy takes cognizance of the risk appetite framework, so that the Bank will continue to operate within its risk appetite limits.

The Bank operates within a comprehensive risk management framework to ensure that the key risks facing the Bank 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 key material risks to which the Bank is exposed include credit risk (including concentration risk and political risk), market risk (including interest rate and credit spread risks), liquidity risk and operational risk (including compliance and legal risk and conduct and reputational risk). The Bank's largest regulatory capital requirements arise from credit risk in its lending operations.

Further information is provided in the Annual Report for the year ended March 31, 2018.

10. Leverage ratio

At March 31, 2018, the Bank's leverage ratio was 11.7%, which is well above the requirement of 3.0%.

CRR Leverage Ratio - Disclosure Template

	Reference date	March 31, 2018
	Entity name	ICICI Bank UK Plc
	Level of application	Individual

Table LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		USD million
1	Total assets as per published financial statements	3,884.3
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	16.6
5	Adjustments for securities financing transactions "SFTs"	47.7
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	221.9
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	9.7
8	Total leverage ratio exposure	4,180.3

Table LRCom: Leverage ratio common disclosure

		USD million
	On-balance sheet exposures (excluding derivatives and SFTs)	
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	3,842.5
2	(Asset amounts deducted in determining Tier 1 capital)	(7.7)

3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	3,834.8
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	24.2
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	16.6
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)	40.8
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	35.1
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	Counterparty credit risk exposure for SFT assets	47.7
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	-
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)	82.7
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	1,046.9
18	(Adjustments for conversion to credit equivalent amounts)	(825.0)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	221.9
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	488.8
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	4,180.3
Leverage ratio		
22	Leverage ratio	11.7%
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
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)

		USD million
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	3,842.5
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	3,842.5
EU-4	Covered bonds	0.0
EU-5	Exposures treated as sovereigns	646.3
EU-6	Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	-
EU-7	Institutions	294.2
EU-8	Secured by mortgages of immovable properties	360.8
EU-9	Retail exposures	0.0
EU-10	Corporate	2,058.3
EU-11	Exposures in default	195.5
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	287.4

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 IV 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 11.7% at March 31, 2018 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 decreased from 14.0% at March 31, 2017 to 11.7% at March 31, 2018. The decrease in ratio is mainly on account of increase in leverage ratio exposures and reduction in Tier 1 Capital.

11. Asset encumbrance

Asset encumbrance arises from collateral pledged against secured funding and other collateralised obligations. The tables in Annexure IV contain components of Banks encumbered and unencumbered assets for the year ended March 31, 2018.

12. Exposures in equities not included in the trading book

The bank has an equity exposure of USD 7.1 million held at fair value. Of the total equity exposure, USD 1.5 million represents common equity instruments which are exchange traded. During the year, the Bank has not sold or liquidated any of its equity exposures. As at March 31, 2018, the total unrealised gain/(loss) on account of equity exposures, included in the Common Equity Tier 1 capital was USD 0.4 million.

13. 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.

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, Finance, 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 strongly linked to the overall performance of the Bank and individual performance.

The Bank's revenue target is approved by the BGC, which periodically reviews the performance against the target and the means adopted to achieve said revenue target.

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 ratings. The Bank does not encourage any kind of guaranteed bonus. The performance ratings based 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 rating of an individual is decided by skip level managers, in association with their HR managers. This ensures that an individual's payout 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 performance bonus approach followed for all employees, the Committee reviews the individual performance of the Managing Director & CEO and every member of the Management Committee. Based on each member's performance, the Committee approves the rate of bonus to be paid, the increments to be given, also factoring in the overall performance of the Bank.

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 review of performance.

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 will consist of performance bonus and Employee Stock Options (ESOS).

At senior levels, the Bank pays up to 100% of the deferred variable pay in shares for 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 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 identified as Talent (High Potential). 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 India Ltd. This scheme is approved by the shareholders of ICICI Bank India Ltd. 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 payouts of variable pay. The quantum of bonus for an employee does not exceed 70% of base salary and is paid on an annual basis. In the event of exceptional performance, if the quantum of bonus for an employee exceeds 50% of the base salary, then 60% will be paid upfront and 40% of bonus will be deferred 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.

Total Remuneration for Code Staff including Variable Pay for FY 2017-18

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

Aggregate Total Remuneration for Executive Senior Managers[1]	**£2,438,372**
Breakdown of Remuneration between Fixed and Variable amounts	
Fixed – Including salaries, pension, private medical and other benefits	**£1,752,966**
Variable – Including Cash Bonus and ESOS[2]	**£685,407**
Number of Code Staff as Executive Senior Managers on 31 March 2018	**10**

[1]The aggregate total includes salary for 2 part year Executive Senior Managers
[2]Variable pay includes ESOS valuation of Executive Seniors Managers employed by the Bank on 31 March 2018

Aggregate Total Remuneration for Independent Non-Executive Directors (all fixed remuneration)[3]	**£257,083**
Number of Code staff as Independent Non-Executive Directors on 31 March 2018	**3**

[3]The aggregate total includes remuneration paid to 1 part-year Non-Executive Director

Transitional own funds disclosure template

Annexure I
USD million

	Common Equity Tier 1 capital: instruments and reserves	(A) 31 Mar 2018	(B) REGULATION (EU) No 575/2013 ARTICLE REFERENCE
1	Capital instruments and the related share premium accounts	420.1	26 (1), 27, 28, 29, EBA list 26 (3)
	of which: ordinary shares	420.1	EBA list 26 (3)
2	Retained earnings	112.5	26 (1) (c)
3	Accumulated other comprehensive income (and any other reserves)	(10.5)	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	(25.5)	26 (2)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**496.6**	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	(0.6)	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	(0.2)	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)	(6.9)	36 (1) (c), 38, 472 (5)
11	Fair value reserves related to gains or losses on cash flow hedges	-	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)	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)**	**(7.7)**	
29	**Common Equity Tier 1 (CET1) capital**	**488.8**	
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 those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	56 (c), 59, 60, 79, 475 (4)
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)**	**488.8**	
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	77.5	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	12.3	62 (c) & (d)
51	**Tier 2 (T2) capital before regulatory adjustment**	**89.8**	
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**	**89.8**	
59	**Total capital (TC = T1 + T2)**	**578.6**	

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**	**3,498.9**	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount	13.97%	92 (2) (a), 465
62	Tier 1 (as a percentage of total risk exposure amount	13.97%	92 (2) (b), 465
63	Total capital (as a percentage of total risk exposure amount	16.54%	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)	1.89%	CRD 128, 129, 140
65	of which: capital conservation buffer requirement	1.88%	
66	of which: countercyclical buffer requirement	0.01%	
67	of which: systemic risk buffer requirement	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)	7.72%	CRD 128
69	[non-relevant in EU regulation]	N/A	
70	[non-relevant in EU regulation]	N/A	
71	[non-relevant in EU regulation]	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)	12.3	62
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	41.3	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	484 (3), 486 (2) & (5)
81	- Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N/A	484 (3), 486 (2) & (5)
82	- Current cap on AT1 instruments subject to phase-out arrangements	N/A	484 (4), 486 (3) & (5)
83	- Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N/A	484 (4), 486 (3) & (5)
84	- Current cap on T2 instruments subject to phase-out arrangements	N/A	484 (5), 486 (4) & (5)
85	- Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	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	XS0561859926
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	Common Equity Tier 1	Common Equity Tier 1	Tier 2
8	Amount recognised in regulatory capital	USD 420.00 million	USD 0.10 million	USD 77.5 million
9	Nominal amount of instrument	USD 420.00 million	GBP 0.05 million	USD 150.0 million
9a	Issue price	USD 1.00 per share	GBP 1.00 per share	100.0000%
9b	Redemption price	N/A	N/A	100.0000%
10	Accounting classification	Shareholder's equity	Shareholder's equity	Liability - amortised cost
11	Original date of issuance	01-Aug-03	28-Apr-03	23-Nov-10
12	Perpetual or dated	Perpetual	Perpetual	Dated
13	Original maturity date	no maturity	no maturity	23-Nov-20
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A
	Coupons / dividends			
17	Fixed or floating dividend/coupon	Floating	Floating	Fixed
18	Coupon rate and any related index	N/A	N/A	7.0000%
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	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A
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 Unsubordinated Debt
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A

ICICI Bank

Annexure III

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

USD million

		General credit exposures		Trading book exposures		Securitisation exposures		Own funds requirement					
	Breakdown by country:	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	Own funds requirements weights	Countercyclical capital buffer rate
10	Country	010	020	030	040	050	060	070	080	090	100	110	120
	United Arab Emirates	28.2	-	-	-	-	-	1.7	-	-	1.7	0.698%	0.000%
	Austria	18.5	-	-	-	-	-	1.5	-	-	1.5	0.594%	0.000%
	Australia	0.1	-	-	-	-	-	0.0	-	-	0.0	0.001%	0.000%
	Belgium	99.5	-	-	-	-	-	7.7	-	-	7.7	3.105%	0.000%
	Canada	19.6	-	-	-	-	-	0.0	-	-	0.0	0.000%	0.000%
	Switzerland	149.8	-	-	-	-	-	2.9	-	-	2.9	1.174%	0.000%
	China	1.8	-	-	-	-	-	0.0	-	-	0.0	0.005%	0.000%
	Cyprus	7.0	-	-	-	-	-	0.6	-	-	0.6	0.225%	0.000%
	Germany	300.0	-	-	-	-	-	10.3	-	-	10.3	4.133%	0.000%
	Denmark	14.6	-	-	-	-	-	0.3	-	-	0.3	0.101%	0.000%
	Egypt	8.6	-	-	-	-	-	0.7	-	-	0.7	0.277%	0.000%
	Spain	17.0	-	-	-	-	-	1.6	-	-	1.6	0.650%	0.000%

	France	158.2	-	-	-	-	-	3.6	-	-	3.6	1.450%	0.000%
	United Kingdom	923.9	-	-	-	49.0	-	59.9	-	2.4	62.3	25.024%	0.000%
	Guernsey	6.9	-	-	-	-	-	0.5	-	-	0.5	0.221%	0.000%
	Hong Kong	17.1	-	-	-	-	-	1.4	-	-	1.4	0.549%	1.875%
	Hungary	4.8	-	-	-	-	-	0.3	-	-	0.3	0.110%	0.000%
	Ireland	32.7	-	-	-	-	-	2.5	-	-	2.5	0.998%	0.000%
	Isle of Man	11.4	-	-	-	-	-	0.9	-	-	0.9	0.367%	0.000%
	India	253.1	-	-	-	-	-	20.1	-	-	20.1	8.092%	0.000%
	Italy	33.3	-	-	-	-	-	2.7	-	-	2.7	1.070%	0.000%
	Jersey	125.5	-	-	-	-	-	11.0	-	-	11.0	4.412%	0.000%
	Japan	0.0	-	-	-	-	-	0.0	-	-	0.0	0.000%	0.000%
	Cayman Islands	9.9	-	-	-	-	-	1.2	-	-	1.2	0.476%	0.000%
	Luxembourg	169.3	-	-	-	-	-	11.5	-	-	11.5	4.622%	0.000%
	Mauritius	175.4	-	-	-	-	-	18.1	-	-	18.1	7.254%	0.000%
	Malaysia	23.1	-	-	-	-	-	2.8	-	-	2.8	1.112%	0.000%
	Netherlands	351.5	-	-	-	-	-	25.5	-	-	25.5	10.251	0.000%
	Sweden	0.0	-	-	-	-	-	0.0	-	-	0.0	0.000%	2.000%
	Singapore	24.1	-	-	-	-	-	1.9	-	-	1.9	0.770%	0.000%
	Senegal	35.0	-	-	-	-	-	2.8	-	-	2.8	1.125%	0.000%
	Turkey	21.7	-	-	-	-	-	1.7	-	-	1.7	0.697%	0.000%
	United States of America	863.8	-	-	-	-	-	50.1	-	-	50.1	20.138%	0.000%
	British Virgin Islands	8.5	-	-	-	-	-	0.7	-	-	0.7	0.262%	0.000%
	South Africa	1.1	-	-	-	-	-	0.1	-	-	0.1	0.036%	0.000%
20	Total	3,915.0	-	-	-	49.0	-	246.4	-	2.4	248.8	100.000%	

Table 2 - Amount of institution-specific countercyclical capital buffer

Row	Description	Column
		10
10	Total risk exposure amount (RWAs)	3,498.9
20	Institution specific countercyclical capital buffer rate	0.010%
30	Institution specific countercyclical capital buffer requirement	0.4

Annexure IV

Disclosure on Asset encumbrance

The tables below show components of Banks encumbered and unencumbered assets for the year ended March 31, 2018. The above 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

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	381.1		3,324.1	
030	Equity instruments	-		6.8	
040	Debt securities	141.0	143.0	556.3	568.4
050	of which: covered bonds	-	-	-	-
060	of which: asset-backed securities	12.3	12.3	33.8	39.8
070	of which: issued by general governments	0.6	0.6	70.5	71.0
080	of which: issued by financial corporations	100.4	100.9	193.5	193.6
090	of which: issued by non-financial corporations	27.2	27.6	255.6	258.2
120	Other assets	237.0		2,755.8	
121	of which: ...				

Table B: Collateral Received

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 ISSUED**	381.1	

Template C: Sources of encumbrance

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**	**332.9**	**371.0**
011	of which: … Repurchase Agreement	103.0	128.1

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 and Accounts.