BASEL - PILLAR 3 DISCLOSURES (CONSOLIDATED) AT SEPTEMBER 30, 2022

Reserve Bank of India (RBI) issued Basel III guidelines applicable with effect from April 1, 2013. The Basel III framework consists of three-mutually reinforcing pillars:

(i) Pillar 1: Minimum capital requirements for credit risk, market risk and operational risk
(ii) Pillar 2: Supervisory review of capital adequacy
(iii) Pillar 3: Market discipline

Market discipline (Pillar 3) comprises set of disclosures on the capital adequacy and risk management framework of the Bank. These disclosures have been set out in the following sections.

Table DF-1: Scope of Application

a. Group entities considered for consolidation

The following table lists ICICI Bank's financial and non-financial subsidiaries, associates, joint ventures and other entities consolidated for preparation of consolidated financial statements and their treatment in consolidated capital adequacy computations.

Name of the entity [Country of incorporation]	Included under accounting scope of consolidation	Method of accounting consolidation	Included under regulatory scope of consolidation	Method of regulatory consolidation	Reasons for difference in the method of consolidation	Reasons for consolidation under only one of the scopes of consolidation
ICICI Bank UK PLC [United Kingdom]	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
ICICI Bank Canada [Canada]	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
ICICI Securities Limited [India]	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
ICICI Securities Holdings Inc.[1] [USA]	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
ICICI Securities Inc.[1] [USA]	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
ICICI Securities Primary	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable

Name of the entity [Country of incorporation]	Included under accounting scope of consolidation	Method of accounting consolidation	Included under regulatory scope of consolidation	Method of regulatory consolidation	Reasons for difference in the method of consolidation	Reasons for consolidation under only one of the scopes of consolidation
Dealership Limited [India]						
ICICI Venture Funds Management Company Limited [India]	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
ICICI Home Finance Company Limited [India]	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
ICICI Trusteeship Services Limited [India]	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
ICICI Investment Management Company Limited [India]	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
ICICI International Limited [Mauritius]	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
ICICI Prudential Pension Funds Management Company Limited[2] [India]	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
ICICI Prudential Life Insurance Company Limited [India]	Yes	Consolidated as per AS 21	No	Not applicable	Not applicable	This is an insurance entity and not required to be consolidated for regulatory reporting. Investment in this entity is deducted from capital for capital adequacy computation
ICICI Prudential Asset	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable

Name of the entity [Country of incorporation]	Included under accounting scope of consolidation	Method of accounting consolidation	Included under regulatory scope of consolidation	Method of regulatory consolidation	Reasons for difference in the method of consolidation	Reasons for consolidation under only one of the scopes of consolidation
Management Company Limited [India]						
ICICI Prudential Trust Limited [India]	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
ICICI Strategic Investments Fund [India]	Yes	Consolidated as per AS 21	Yes	Consolidated as per AS 21	Not applicable	Not applicable
ICICI Lombard General Insurance Company Limited [India][3]	Yes	Accounted as per AS 23	No	Not applicable	Not applicable	This is an insurance entity and not required to be consolidated for regulatory reporting. Investment in this entity is risk weighted for capital adequacy computation
I-Process Services (India) Private Limited[3] [India]	Yes	Accounted as per AS 23	No	Not applicable	Not applicable	This is a non-financial entity and not required to be consolidated for regulatory reporting. Investment in this entity is risk weighted for capital adequacy computation
NIIT Institute of Finance Banking and Insurance Training Limited[3] [India]	Yes	Accounted as per AS 23	No	Not applicable	Not applicable	This is a non-financial entity and not required to be consolidated for regulatory reporting. Investment in this entity is risk weighted for capital adequacy computation
ICICI Merchant Services Private Limited[3] [India]	Yes	Accounted as per AS 23	No	Not applicable	Not applicable	The consolidation of this entity is done by equity method. Investment in this entity is risk weighted for capital adequacy computation
India Infradebt Limited[3] [India]	Yes	Accounted as per AS 23	No	Not applicable	Not applicable	The consolidation of this entity is done by equity method. Investment in this entity

Name of the entity [Country of incorporation]	Included under accounting scope of consolidation	Method of accounting consolidation	Included under regulatory scope of consolidation	Method of regulatory consolidation	Reasons for difference in the method of consolidation	Reasons for consolidation under only one of the scopes of consolidation
						is risk weighted for capital adequacy computation
India Advantage Fund-III[3] [India]	Yes	Accounted as per AS 23	No	Not applicable	Not applicable	The consolidation of this entity is done by equity method. Investment in this entity is risk weighted for capital adequacy computation
India Advantage Fund-IV[3] [India]	Yes	Accounted as per AS 23	No	Not applicable	Not applicable	The consolidation of this entity is done by equity method. Investment in this entity is risk weighted for capital adequacy computation
Arteria Technologies Private Limited[3] [India]	Yes	Accounted as per AS 23	No	Not applicable	Not applicable	This is a non-financial entity and not required to be consolidated for regulatory reporting. Investment in this entity is risk weighted for capital adequacy computation.

1. ICICI Securities Holding Inc. is a wholly owned subsidiary of ICICI Securities Limited. ICICI Securities Inc. is a wholly owned subsidiary of ICICI Securities Holding Inc.
2. ICICI Prudential Pension Funds Management Company Limited is a wholly owned subsidiary of ICICI Prudential Life Insurance Company Limited.
3. These entities are accounted as per the equity method as prescribed by AS 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements'.

b. Group entities not considered for consolidation both under the accounting and regulatory scope of consolidation

₹ in million

Name of the entity/country of incorporation	Principal activity of the entity	Total equity capital (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)	Reasons
Falcon Tyres Limited	Manufacturing of tyres and tubes	387.4[1]	26.39%	Investment in this entity is risk weighted for capital adequacy computation	11,030.6[1]	Not consolidated as the investment is temporary in nature
Comm Trade Services Limited[2]	Commodity Trading	-[3]	100.00%	Investment in this entity is risk weighted for capital adequacy computation	-[3]	Not consolidated as the investment is temporary in nature

1. Data as per the latest available audited financial statements at March 31, 2016.
2. Held by ICICI Strategic Investments Fund.
3. The Company has distributed the shareholders' funds and has completed the necessary filing with Registrar of Companies for winding up.

c. Group entities considered for regulatory scope of consolidation

The following table lists the group entities considered under regulatory scope of consolidation at September 30, 2022

₹ in million

Name of the entity [Country of incorporation]	Principal activity of the entity	Total equity capital and reserves & surplus (as stated in the accounting balance sheet of the legal entity)[1]	Total assets (as stated in the accounting balance sheet of the legal entity)[1]
ICICI Bank UK PLC [United Kingdom]	Banking	24,940.7	150,315.9
ICICI Bank Canada [Canada]	Banking	23,953.5	355,063.9
ICICI Securities Limited [India] (Consolidated) [2]	Securities broking and merchant banking	26,106.4	140,363.1
ICICI Securities Primary Dealership Limited [India]	Securities investment, trading and underwriting	15,654.5	189,012.0
ICICI Venture Funds Management Company Limited [India]	Private equity/venture capital fund management	2,384.6	3,009.7
ICICI Home Finance Company Limited [India]	Housing finance	21,001.2	172,030.0
ICICI Trusteeship Services Limited [India]	Trusteeship services	8.5	9.5
ICICI Investment Management Company Limited [India]	Asset management and Investment advisory	230.2	267.2
ICICI International Limited [Mauritius]	Asset management	118.4	125.7

Name of the entity [Country of incorporation]	Principal activity of the entity	Total equity capital and reserves & surplus (as stated in the accounting balance sheet of the legal entity)[1]	Total assets (as stated in the accounting balance sheet of the legal entity)[1]
ICICI Prudential Pension Funds Management Company Limited [India]	Pension fund management and points of presence	564.2	591.2
ICICI Prudential Asset Management Company Limited [India]	Asset management	20,021.7	22,702.4
ICICI Prudential Trust Limited [India]	Trusteeship services	15.6	17.9
ICICI Strategic Investments Fund [India]	Venture capital fund	116.7	152.7

1. As per Generally Accepted Accounting Principles in India (Indian GAAP), except in case of the foreign subsidiaries where Generally Accepted Accounting Principles as applicable to the respective foreign subsidiaries are followed.
2. Includes ICICI Securities Limited, ICICI Securities Holding Inc. (a wholly owned subsidiary of ICICI Securities Limited) and ICICI Securities Inc. (a wholly owned subsidiary of ICICI Securities Holding Inc.).

d. Capital deficiency in subsidiaries

Majority owned financial entities that are not consolidated for capital adequacy purposes and for which the investment in equity and other instruments eligible for regulatory capital status are deducted from capital, meet their respective regulatory capital requirements at all times. There is no deficiency in capital in any of the subsidiaries of the Bank at September 30, 2022. The Bank maintains an active oversight on its subsidiaries through its representation on their respective Boards. On a periodic basis, the capital adequacy/solvency position of subsidiaries (banking, non-banking and insurance subsidiaries), as per the applicable regulations, is reported to their respective Boards as well as to the Board of the Bank.

e. Bank's interest in insurance entities

Following table gives the details of the Bank's interest in insurance entities at September 30, 2022.

₹ in million

Name of the entity [Country of incorporation]	Principal activity of the entity	Total equity capital (as stated in the accounting balance sheet of the legal entity)	% of Bank's holding in the total equity	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
ICICI Prudential Life Insurance Company Limited [India]	Life insurance	14,385.5	51.27%	25 bps positive impact on CRAR by using full deduction method
ICICI Lombard General Insurance Company Limited [India]	General insurance	4,911.0	48.02%	Investment in this entity is risk weighted for capital adequacy computation

f. Restrictions or impediments on transfer of funds or regulatory capital within the group

Transfer of funds and regulatory capital are subject to local laws and regulation of host countries as applicable.

Table DF-2: CAPITAL ADEQUACY

Qualitative disclosures

a. Capital management

Objective

The Bank actively manages its capital to meet regulatory norms and current and future business needs considering the risks in its businesses, expectation of rating agencies, shareholders and investors, and the available options of raising capital.

Organisational set-up

The capital management framework of the Bank is administered by the Finance Group and the Risk Management Group (RMG) under the supervision of the Board and the Risk Committee.

Regulatory capital

ICICI Bank

RBI issued Basel III guidelines applicable with effect from April 1, 2013. At September 30, 2022, the Bank is required to maintain minimum CET1 CRAR of 8.20%, minimum Tier-1 CRAR of 9.70% and minimum total CRAR of 11.70%. The minimum capital requirement includes capital conservation buffer (CCB) of 2.50% and additional CET1 capital surcharge of 0.20% on account of the Bank being designated as a D-SIB.

Subsidiaries

Each subsidiary in the Group assesses the level of capitalisation required to meet its respective host regulatory requirements and business needs. The Board of each subsidiary maintains oversight over the capital adequacy framework for the subsidiary either directly or through separately constituted committees.

Internal assessment of capital

The Bank's capital management framework includes a comprehensive internal capital adequacy assessment process (ICAAP) conducted annually which determines the adequate level of capitalisation for the Bank to meet regulatory norms and current and future business needs, including under stress scenarios. The ICAAP is formulated at both standalone bank level and the consolidated group level. The ICAAP encompasses capital planning for a four-year time horizon, assessment of material risks and the relationship between risk and capital.

The capital management framework is complemented by the risk management framework, which covers the policies, processes, methodologies and frameworks established for the management of material risks.

Stress testing, which is a key aspect of the ICAAP and the risk management framework, provides an insight on the impact of extreme but plausible scenarios on the Bank's risk profile and capital position. Based on the stress testing framework, the Bank conducts stress tests on its various portfolios and assesses the impact on its capital adequacy ratio and the adequacy of capital buffers for current and future periods. The Bank periodically assesses and refines its stress testing framework in an effort to ensure that the stress scenarios capture material risks as well as reflect market conditions and operating environment. The business and capital plans and the stress testing results of certain key group entities are integrated into the ICAAP.

Based on the ICAAP, the Bank determines the level of capital that needs to be maintained by considering the following in an integrated manner:

- Bank's strategic focus, business plan and growth objectives;
- regulatory capital requirements as per the RBI guidelines;
- assessment of material risks and impact of stress testing;
- perception of shareholders and investors;
- future strategy with regard to investments or divestments in subsidiaries; and
- evaluation of options to raise capital from domestic and overseas markets, as permitted by RBI from time to time

Monitoring and reporting

The Board of Directors of the Bank maintains an active oversight over the Bank's capital adequacy levels. On a quarterly basis, an analysis of the capital adequacy position and the risk weighted assets and an assessment of the various aspects of Basel III on capital and risk management as stipulated by RBI, are reported to the Board. Further, the capital adequacy position of the banking subsidiaries and the non-banking subsidiaries based on the respective host regulatory requirements is also reported to the Board on a periodic basis. In line with RBI requirements for consolidated prudential report, the capital adequacy position of the Group (consolidated) is reported to the Board on a quarterly basis.

Further, the ICAAP which is an annual process also serves as a mechanism for the Board to assess and monitor the Bank's and the Group's capital adequacy position over a four-year time horizon.

Quantitative disclosures

Capital requirements for various risk areas (September 30, 2022)

The Bank is subject to the capital adequacy norms stipulated by the RBI guidelines on Basel III. The total capital adequacy ratio of the Bank at a standalone level at September 30, 2022 as per the RBI guidelines on Basel III is 16.93% with a Tier-1 capital adequacy ratio of 16.17%. The total capital adequacy ratio of the Group (consolidated) at September 30, 2022 as per the RBI guidelines on Basel III is 16.67% with a Tier-1 capital adequacy ratio of 15.91%.

Measurement of risks for capital adequacy purposes

As required by RBI guidelines on Basel III, the Bank's capital requirements (at Group level) have been computed using the Standardised approach for credit risk, Standardised Measurement method for market risk and Basic Indicator approach for operational risk. Capital required for credit, market and operational risks given below is arrived at after multiplying the risk weighted assets by 11.70%.

₹ in million

	Amount
b. Capital required for credit risk	**1,036,205.4**
- for portfolio subject to standardised approach	1,034,424.4
- for securitisation exposure	1,781.0
c. Capital required for market risk	**95,696.2**
- for interest rate risk[1]	57,660.8
- for foreign exchange (including gold) risk	2,532.1
- for equity position risk	35,503.3
d. Capital required for operational risk	**137,229.2**
Total capital requirement (b+c+d)	**1,269,130.9**
Total capital funds of the Group[2,3,4]	**1,808,773.0**
Total risk weighted assets	**10,847,272.3**
Capital adequacy ratio	**16.67%**

1. Includes capital required of ₹ 2,191.0 million for securitisation exposure.
2. Includes all entities considered for Basel III capital adequacy computation.
3. Includes revaluation reserve except revaluation reserve on leasehold property at September 30, 2022.
4. Excludes retained earnings for H1-2023.

e. Common Equity Tier 1, Tier 1 and Total CRAR

The CRAR of the Bank and its banking subsidiaries at September 30, 2022 are given below.

CRAR	**ICICI Bank Ltd (consolidated)[1,4]**	**ICICI Bank Ltd (standalone)[1,4]**	**ICICI Bank UK PLC[1,2]**	**ICICI Bank Canada[1,3]**
CET1 CRAR	15.39%	15.61%	20.21%	16.08%
Tier-1 CRAR	15.91%	16.17%	20.21%	16.08%
Total CRAR	16.67%	16.93%	25.19%	16.74%

1. Computed as per capital adequacy guidelines issued by regulators of respective jurisdictions.
2. As per UK Prudential Regulation Authority (PRA) Basel III guidelines.
3. As per Office of the Superintendent of Financial Institutions (OSFI) Basel III guidelines.
4. Excludes retained earnings for H1-2023.

RISK EXPOSURE AND ASSESSMENT

As a financial intermediary, the Bank is exposed to various types of risks including credit, market, liquidity, operational, legal, compliance and reputation risks. The objective of the risk management framework at the Bank is to ensure that various risks are understood, measured and monitored and that the policies and procedures established to address these risks are strictly adhered to.

The key principles underlying the risk management framework at the Bank are as follows:

1. The Board of Directors has oversight on all the risks assumed by the Bank. Specific Committees of the Board have been constituted to facilitate focused oversight of various risks. The Risk Committee reviews the risk management policies, the Bank's compliance with risk management guidelines stipulated by the RBI and the status of implementation of the advanced approaches under the Basel framework. It reviews the risk dashboard covering areas such as credit risk, interest rate risk, liquidity risk, foreign exchange risk, operational and outsourcing risks, compliance risk, capital at risk, group risk and management risk. The Risk Committee also reviews the risk profile of the overseas banking subsidiaries and certain other key subsidiaries. Further, the Risk Committee also reviews cyber security risks. The Credit Committee reviews developments in key industrial sectors and the Bank's exposure to these sectors and various portfolios on a periodic basis. The Audit Committee provides direction to and also monitors the quality of the internal audit function. The Asset Liability Management Committee (ALCO) provides guidance for management of liquidity of the overall Bank and management of interest rate risk in the banking book within the broad parameters laid down by the Board of Directors/Risk Committee.
2. Policies approved from time to time by the Board of Directors/Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework.
3. Independent groups and sub-groups have been constituted across the Bank to facilitate independent evaluation, monitoring and reporting of various risks. These control groups function independent of the business groups/sub-groups.

The risk management framework forms the basis of developing consistent risk principles across the Bank including its overseas branches and overseas banking subsidiaries.

Material risks are identified, measured, monitored and reported to the Board of Directors and the Board-level Committees.

CREDIT RISK

Table DF-3: Credit risk: General disclosures for all banks

The Bank is exposed to credit risk in its lending operations. Credit risk is the risk of loss that may occur from the failure of any counterparty to abide by the terms and conditions of any financial contract with the Bank, principally the failure to make required payments as per the terms and conditions of the contracts.

Policies and processes

All credit risk related aspects are governed by Credit and Recovery Policy (Credit Policy). Credit Policy outlines the type of products that can be offered, customer categories, target customer profile, credit approval process and limits. The Credit Policy is approved by the Board of Directors.

The delegation structure for approval of credit limits is approved by the Board of Directors/Credit Committee. The delegation is based on the level of risk and the quantum of exposure, to ensure that the transactions with higher exposure and level of risk are put up to correspondingly higher forum/committee for approval. All credit proposals other than retail products, program lending and certain other specified products are rated internally by the Risk Management Group (RMG) prior to approval by the appropriate forum.

- Credit facilities with respect to retail products are provided as per approved product policies. All products and policies require the approval of the Committee of Executive Directors/Committee of Senior Management. The individual credit proposals are evaluated and approved by executives on the basis of the product policies. The sourcing and approval are segregated to achieve independence. The Credit Risk Management Group, Credit and Policy Group and credit teams are assigned complementary roles to facilitate effective credit risk management for retail assets.

- Program lending involves lending to individuals/business entities which comply with certain laid down parameterised norms. The approving authority as per the Board approved authorisation lays down these parameters.

- For certain products including dealer funding, builder finance and loan against securities up to certain threshold limits and for facilities fully collateralised by cash and cash equivalents, the delegation structure approved by the Board of Directors may permit exemption from the stipulation pertaining to internal rating, up to a certain loan amount. Credit approval limits with respect to such products are laid out in the delegation structure approved by the Board of Directors/Credit Committee.

Structure and organisation

RMG is responsible for rating of the credit portfolio, tracking trends in various industries and periodic reporting of portfolio-level changes. The group is segregated into sub-groups for corporate, banks, sovereign and financial institutions, small enterprises, rural and agri-linked business group and retail businesses.

The overseas banking subsidiaries of the Bank have also established broadly similar structures to ensure adequate risk management, factoring in the risks particular to the respective businesses and the regulatory and statutory guidelines. The risk heads of all overseas banking subsidiaries have a reporting relationship to the Chief Risk officer, in addition to reporting to the Chief Executive Officer of the respective subsidiary.

Credit risk assessment process

There exists a structured and standardised credit approval process including a comprehensive credit risk assessment process, which encompasses analysis of relevant quantitative and qualitative information to ascertain credit rating of the borrower.

The credit rating process involves assessment of risk emanating from various sources such as industry risk, business risk, financial risk, management risk, project risk and structure risk.

In respect of retail advances, the Bank's credit officers evaluate credit proposals on the basis of the product policy reviewed by the Credit Risk Management Group and approved by the Committee of Executive Directors.

Credit approval authorisation structure

The Board of Directors has delegated the approving authority to committees such as the Credit Committee (CC)(comprising a majority of independent Directors), the Committee of Executive Directors (COED) (comprising wholetime Directors), the Committee of Senior Management (COSM) (comprising wholetime Directors/President and specified officials from the Leadership team), the Committee of Executives (COE), the Regional Committee, Retail Credit Forums (RCFs) (comprising designated executives) and Credit Lending Forums (CLFs) (comprising designated executives from Risk Management Group and Business Groups) and also to individual executives (under joint delegation). RCFs and individual executives can approve proposals under program norms approved by the COED. The above authorities can approve financial assistance within certain individual and group exposure limits set by the Board of Directors. The authorisation is based on the level of risk and the quantum of exposure, to ensure that the transactions with higher exposure and level of risk are put up to correspondingly higher forum/committee for approval.

In respect of retail loans, all exposures are approved under operating notes or programs approved by the COED/COSM. The norms vary across product segments/customer profile, but typically include factors such as the borrower's income, the loan-to-value ratio and demographic parameters. The individual credit proposals are evaluated and approved by executives on the basis of the product policies.

Credit risk monitoring process

For effective monitoring of credit facilities, the Bank has laid down a credit supervision mechanism which includes monitoring tools such as stock audits, unit visits and risk based asset quality reviews (AQRs). As per the risk-based review framework, AQRs are done on quarterly, half-yearly or annual basis based on the rating and exposure of the borrower. The AQR framework ensures that borrowers with higher exposure and level of risk are reviewed more frequently.

For credit facilities pertaining to corporate and small & medium enterprises, Asset Operations Group verifies adherence to the terms of the approval prior to disbursement/limit set up. The Bank has formed a dedicated Credit Monitoring Group (CMG), distinct from the client relationship team, to further enhance and strengthen the monitoring of the corporate and SME (above certain threshold) portfolio. This group is responsible for day-to-day monitoring of the portfolio, as well as providing structured inputs for proactive portfolio monitoring, leveraging analytics and parameters for early warning signals.

The Bank has established centralised operations to manage operating risk in the various back-office processes of its retail assets business except for a few operations, which are decentralised to improve turnaround time for customers. A separate team under the Credit and Policy Group undertakes review and audits of credit quality and processes across different products. The Bank also has a Debt Services Management Group (DSMG) structured along various product lines and geographical locations, to manage debt recovery. The group operates under the guidelines of a standardised recovery process. The Bank has a group, namely, Financial Crime Prevention Group (FCPG), overseeing/handling the fraud prevention, detection, investigation, monitoring, reporting and awareness creation activities. Critical functions of FCPG include addressing fraud risk at the customer acquisition stage, investigation of suspected frauds, monitoring of debit/credit card, internet, mobile banking and UPI transactions, compliance with regulatory requirements relating to fraud reporting, vulnerability assessment reviews in banking operations such as branch banking, assets business, operations, treasury, cards, electronic channels, international branches/subsidiaries, etc. Investigation activity covers suspected frauds in various areas including internal frauds. Awareness creation activities cover various stakeholders including customers and employees.

Reporting and measurement

Counterparty-wise exposure for the Bank is computed through a centralised exposure management system. The analysis of the composition of the portfolio is presented to the Risk Committee on a periodic basis.

The Bank complies with the norms on exposure stipulated by RBI for both single counterparty as well as group of connected counterparties at the consolidated level. Limits have been set as a percentage of the Bank's applicable Tier I capital fund and are regularly monitored. The utilisation against specified limits is reported to the COED and Risk Committee on a periodic basis.

Credit concentration risk

Credit concentration risk arises mainly on account of concentration of exposures under various categories including industry, products, geography, sensitive sectors, underlying collateral nature and single/group borrower exposures.

Limits have been stipulated on single counterparty, group of connected counterparties and industry. Exposure to top 10 single counterparties as well as group of connected counterparties as per Large Exposure Framework, exposure to capital market segment and unsecured exposures for the Group (consolidated) are reported to the senior management committees on a periodic basis. Limits on countries and bank counterparties have also been stipulated. In addition, a framework has been created for managing concentration risk. It specifies internal rating-grade wise limits on exposure to borrowers and limits on exposures to borrower groups. These limits are in addition to the prudential limits prescribed by the regulator.

Definition and classification of non-performing assets (NPAs)

The Bank classifies its advances (loans and credit substitutes in the nature of an advance) into performing and non-performing in accordance with the extant RBI guidelines.

An NPA is defined as a loan or an advance where:

i) interest and/or installment of principal remains overdue for more than 90 days in respect of a term loan. Any amount due to the Bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the Bank;

ii) the account remains 'out of order' in respect of an overdraft/cash credit (OD/CC) facility. An account is treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for 90 days or where there are no credits continuously for 90 days or credits are not enough to cover the interest debited during previous 90 days period;

iii) a bill purchased/discounted by the Bank remains overdue for a period of more than 90 days;

iv) interest and/or installment of principal in respect of an agricultural loan remains overdue for two crop seasons for short duration crops and one crop season for long duration crops;

v) drawings have been permitted in the account for a continuous period of 90 days based on drawing power computed on the basis of stock statements that are more than three months old even though the unit may be working or the borrower's financial position is satisfactory; or

vi) the regular/*ad hoc* credit limits have not been reviewed/renewed within 180 days from the due date/date of *ad hoc* sanction.

vii) In respect of a securitisation transaction undertaken in terms of the RBI guidelines on securitisation, the amount of liquidity facility remains outstanding for more than 90 days;

viii) In respect of derivative transaction, if the overdue receivable representing positive mark-to-market value of a derivative contract, remains unpaid for a period of 90 days from the specified due date for payment.

Irrespective of payment performance, the Bank identifies a borrower account as an NPA even if it does not meet any of the above mentioned criteria, where:

- loans availed by a borrower are classified as fraud;
- project does not commence commercial operations within the timelines permitted under the RBI guidelines in respect of the loans extended to a borrower for the purpose of implementing a project;
- the borrower's loans are restructured by the Bank. However, loans given for the purpose of implementing a project and which are restructured because of a change in the documented date of commencement of commercial operations (DCCO) are not classified as non-performing, subject to certain conditions being fulfilled;

- any security in nature of debenture/bonds/equity shares issued by a borrower and held by the Bank is classified as non-performing investment;
- loans at overseas branches, which have been identified as impaired based on host country's regulations (overseas branch regulator's guidelines).

Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. A sub-standard asset is one, which has remained an NPA for a period less than or equal to 12 months. An asset is classified as doubtful, if it has remained in the sub-standard category for more than 12 months. A loss asset is one where loss has been identified by the Bank or internal or external auditors or during RBI inspection but the amount has not been written-off fully. Further, an asset where the realisable value of security is less than 10% of the loan outstanding or it has been classified as non-performing and remained in doubtful-3 category for more than two years is also classified as a loss asset.

A non performing investment (NPI), similar to NPA, is one where:

(i) Interest/ installment (including maturity proceeds) is due and remains unpaid for more than 90 days.

(ii) The above would apply mutatis-mutandis to preference shares where the fixed dividend is not paid. If the dividend on preference shares (cumulative or non-cumulative) is not declared/paid in any year it would be treated as due/unpaid in arrears and the date of balance sheet of the issuer for that particular year would be reckoned as due date for the purpose of asset classification.

(iii) In the case of equity shares, in the event the investment in the shares of any company is valued at ₹ 1 on account of the non-availability of the latest balance sheet, those equity shares would also be reckoned as NPI.

(iv) If any credit facility availed by the issuer is NPA in the books of the Bank, investment in any of the securities, including preference shares issued by the same issuer would also be treated as NPI and vice versa. However, if only the preference shares are classified as NPI, the investment in any of the other performing securities issued by the same issuer will not be classified as NPI and any performing credit facilities granted to that borrower need not be treated as NPA.

(v) The investments in debentures/bonds, which are deemed to be in the nature of advance, would also be subjected to NPI norms as applicable to investments.

(vi) In case of conversion of principal and/or interest into equity, debentures, bonds, etc., such instruments are treated as NPI *ab initio* in the same asset classification category as the loan if the loan's classification is substandard or doubtful on implementation of the restructuring package and provision should be made as per the norms.

The Bank follows extant RBI guidelines for NPA identification and for resolution of stressed assets, including classification and upgradation of restructured loans.

RBI, through its guideline on 'Resolution Framework for COVID-19-related Stress' dated August 6, 2020 and May 5, 2021, has provided prudential framework to implement a resolution plan in respect of eligible corporate borrowers and personal loans, while classifying such exposures as standard, subject to specified conditions. The Bank's housing finance subsidiary classifies its loans and other credit facilities into performing and non-performing assets as per the Master Directions - Non Banking Financial Company - Housing Finance Companies (Reserve Bank) Directions, 2021 issued by the RBI (Master Direction). Further, NPAs are classified into sub-standard, doubtful and loss assets based on criteria stipulated in the Master Direction.

The Bank's overseas banking subsidiaries classify loans as impaired or non-impaired based on the accounting standards followed at respective locations.

The Bank makes additional provisions as per RBI guidelines for the cases where viable resolution plan has not been implemented within the timelines prescribed by the RBI, from the date of default. These additional provisions are written-back on satisfying the conditions for reversal as per RBI guidelines.

Credit risk exposures

Credit risk exposures (excluding specific risk on available-for-sale and held-for-trading portfolio) include all credit exposures as per RBI guidelines on exposure norms and investments in the held-to-maturity category. Exposures to regulatory capital instruments of subsidiaries that are deducted from the capital funds have been excluded.

The following table sets forth the details of credit exposure at September 30, 2022

₹ in million

Category	Credit exposure
Fund-based facilities[1]	17,329,149.9
Non-fund based facilities	3,780,657.0
Total[2]	**21,109,806.9**

1. Includes investment in government securities held under held-to-maturity category.
2. Includes all entities considered for Basel III capital adequacy computation.

a. Geographic distribution of exposures at September 30, 2022

₹ in million

Category	Fund-based facilities[1]	Non-fund based facilities
Domestic	16,161,579.7	3,397,978.3
Overseas	1,167,570.2	382,678.7
Total[2]	**17,329,149.9**	**3,780,657.0**

1. Includes investment in government securities held under held-to-maturity category.
2. Includes all entities considered for Basel III capital adequacy computation.

b. Industry-wise distribution of exposures at September 30, 2022

₹ in million

Industry	Fund-based facilities	Non-fund based facilities
Retail Finance[1]	7,337,596.4	13,240.3
Rural Retail	1,022,130.4	40,705.7
Services-finance[2]	1,266,856.3	312,741.5
Banks[3]	964,297.0	516,655.0
Wholesale/retail trade	560,543.7	231,357.7
Electronics and engineering	217,652.4	519,601.4
Crude petroleum/refining and petrochemicals	165,568.2	505,256.9
Road, port, telecom, urban development and other infra	427,435.4	157,530.2
Services-non finance[4]	362,945.4	234,571.1
Iron and steel (including iron and steel products)	181,818.5	231,097.3
Power	251,500.9	132,953.1
Construction	152,590.3	219,500.8
Chemical and Fertilisers	158,619.9	168,027.7
Automobiles	151,739.4	75,994.0
Mutual funds	160,652.0	24,003.7
Metal and metal products (excluding iron and steel)	72,930.8	108,731.3
Manufacturing products (excluding iron and steel and metal and metal products)[5]	151,108.2	51,168.4
Textile	155,064.4	31,747.7
Food and beverages	134,556.4	24,201.2
Drugs and pharmaceuticals	78,924.9	44,310.0
Gems and jewellery	119,567.0	2,081.4
Mining	43,965.5	45,534.8

Industry	**Fund-based facilities**	**Non-fund based facilities**
Cement	31,254.7	51,784.9
FMCG	50,087.0	13,850.7
Shipping	9,824.5	10,310.0
Venture capital funds	2,995.2	-
Asset reconstruction company	46.4	-
Other industries[6]	3,096,878.7	13,700.2
Grand Total[7]	**17,329,149.9**	**3,780,657.0**

1. Includes home loans, commercial business loans, automobile loans, credit cards, personal loans, loans against FCNR(B) deposits, loans against securities, dealer financing portfolio, consumer durables and education loans.
2. Includes fund-based and non-fund based credit risk exposure to NBFCs, HFCs, broker companies, SIDBI, NHB, NABARD, clearing corporations and other financial intermediaries.
3. Includes balances with banks
4. Includes computer software, aviation, tourism, hotels and restaurants, professional and other services.
5. Includes paper and paper products, rubber and rubber products, glass and glassware, leather and leather products, wood and wood products and other manufacturing/processing products.
6. Other industries include investment in government securities held under held-to-maturity category and developer financing portfolio.
7. Includes all entities considered for Basel III capital adequacy computation.

The following table sets forth, the exposures to industries (other than retail and rural finance) in excess of 5.00% of total exposure at September 30, 2022

₹ in million

Industry	**Fund-based facilities**	**Non-fund based facilities**
Services-finance	1,266,856.3	312,741.5
Banks	964,297.0	516,655.0
Total[1]	**2,231,153.3**	**829,396.5**

1. Includes all entities considered for Basel III capital adequacy computation.

c. Maturity pattern of assets[1]

The following table sets forth, the maturity pattern of assets at September 30, 2022.

₹ in million

Maturity buckets	Cash & balances with RBI	Balances with banks & money at call and short notice	Investments	Loans & advances	Fixed assets	Other assets	Total
Day 1	194,147.7	52,575.8	1,074,941.7	14,170.3	-	4,214.3	1,340,049.8
2 to 7 days	13,664.2	492,239.9	382,398.0	113,513.7	-	42,737.4	1,044,553.2
8 to 14 days	11,663.0	25,615.9	49,769.1	100,386.7	-	34,448.3	221,883.0
15 to 30 days	11,303.8	41,404.3	67,786.0	214,093.9	-	71,516.1	406,104.1
31 days upto 2 months	11,327.5	10,253.6	46,742.4	425,351.3	-	30,611.2	524,286.0
More than 2 months and upto 3 months	9,699.4	2,343.6	43,965.4	438,186.1	-	25,085.5	519,280.0
More than 3 months and upto 6 months	23,318.7	10,959.0	123,786.8	620,679.0	-	78,021.9	856,765.4
More than 6 months and upto 1 year	31,443.0	28,115.2	160,837.7	1,104,942.6	-	59,307.0	1,384,645.5
More than 1 year and upto 3 years	58,667.6	2,035.9	347,406.7	2,734,363.9	-	185,793.0	3,328,267.1
More than 3 year and upto 5 years	153,596.9	-	583,244.2	1,947,085.9	-	84,143.9	2,768,070.9
Above 5 years	152,283.2	588.3	670,066.9	2,279,188.1	98,063.4	231,492.0	3,431,681.9
Total	**671,115.0**	**666,131.5**	**3,550,944.9**	**9,991,961.5**	**98,063.4**	**847,370.6**	**15,825,586.9**

1. Consolidated figures for the Bank and its overseas banking subsidiaries, ICICI Home Finance Company Limited, ICICI Securities Primary Dealership Limited and ICICI Securities Limited and its subsidiaries. The maturity pattern of assets for the Bank is based on methodology used for reporting positions to Reserve Bank of India (RBI) on asset-liability management. The maturity pattern of assets for the subsidiaries is based on similar principles.

d. Amount of non-performing loans (NPLs) at September 30, 2022

₹ in million

NPL classification	Gross NPLs	Net NPLs
Sub-standard	78,380.6	43,133.7
Doubtful	158,444.0	25,058.0
- Doubtful 1[1]	51,947.4	16,894.9
- Doubtful 2[1]	38,692.1	7,297.3
- Doubtful 3[1]	67,804.5	865.8
Loss	90,824.1	-
Total[2, 3]	**327,648.7**	**68,191.7**
NPL ratio[4]	**3.19%**	**0.68%**

1. Primarily includes loans (other than direct agri) classified as NPLs for 456-820 days are classified as Doubtful 1, 821-1,550 days as Doubtful 2 and above 1,550 days as Doubtful 3.
2. Represents advances portfolio of the Bank, its overseas banking subsidiaries, ICICI Home Finance Company Limited and ICICI Securities Limited.
3. Identification of loans as non-performing/impaired is in line with the guidelines issued by regulators of respective subsidiaries.
4. Gross NPL ratio is computed as a ratio of gross NPLs to gross advances. Net NPL ratio is computed as a ratio of net NPLs to net advances.

e. Movement of NPLs during the six months ended September 30, 2022

₹ in million

	Gross NPL	Net NPL
Opening balance at April 1, 2022	345,513.6	76,408.3
Additions during the period/year	102,827.0	56,438.0
Reduction/write-off during the period/year	(120,691.9)	(64,654.6)
Closing balance at September 30, 2022[1]	**327,648.7**	**68,191.7**

1. Represents NPL portfolio of the Bank, its overseas banking subsidiaries, ICICI Home Finance Company Limited and ICICI Securities Limited.

f. Movement of provisions during the six months ended September 30, 2022

₹ in million

	Specific provision[2]	General provision
Opening balance at April 1, 2022	272,025.5	44,063.6
Provisions made during the period/year	57,368.1	4,209.6
Write-off during the period/year	(21,825.7)	-
Write-back of excess provisions/reversals during the period/year	(45,571.8)	(951.2)

	Specific provision[2]	General provision
Adjustments (including transfers between provisions)	-	302.4
Closing balance at September 30, 2022[1]	**261,996.1**	**47,624.4**

1. Represents NPL portfolio of the Bank, its overseas banking subsidiaries, ICICI Home Finance Company Limited and ICICI Securities Limited.
2. Specific provision relating to NPLs and standard restructured loans.

g. Details of write-offs and recoveries booked in income statement for the six months ended September 30, 2022

₹ in million

	Amount
Write-offs that have been booked directly to the income statement	345.1
Recoveries that have been booked directly to the income statement	9,565.4

h. Amount of non-performing investments (NPIs) in securities, other than government and other approved securities at September 30, 2022

₹ in million

	Amount[1]
Gross NPIs	46,544.6
Total provisions held against NPIs	(40,174.1)
Net NPIs[2]	**6,370.5**

1. Excludes amount outstanding under application money.
2. Includes NPIs of the Bank and its overseas banking subsidiaries.

i. Movement of provisions/depreciation on investments[1] during the six months ended September 30, 2022

₹ in million

	Amount[2,3]
Opening balance at April 1, 2022	54,658.0
Provision/depreciation (net) made during the period/year	12,368.4
Write-off/write-back of excess provision during the period/year	(4,198.1)
Closing balance at September 30, 2022	**62,828.3**

1. After considering movement in appreciation on investments.
2. Includes all entities considered for Basel III capital adequacy computation.
3. Excludes amount outstanding under application money.

j. Top five industries based on total credit risk exposure (other than banks) at September 30, 2022

₹ in million

	Gross NPLs	Specific provision[1]	General Provision	Specific provision during the period/year	Write-off during the period/year
Top 5 Industries	152,929.5	108,515.4	28,382.0	41,416.4	13,522.9

1. Specific provision relating to NPLs and standard restructured loans.

k. Geography-wise breakup of gross NPLs, specific provision and general provision at September 30, 2022

₹ in million

Category	Gross NPLs	Specific provision[1]	General Provision
Domestic	280,213.0	221,306.1	43,839.1
Overseas	47,435.7	40,690.0	3,785.3
Total	**327,648.7**	**261,996.1**	**47,624.4**

1. Specific provision relating to NPLs and standard restructured loans.

CREDIT RISK: PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

Table DF-4: Credit risk: Disclosures for portfolios subject to the standardised approach

a. External ratings

The Bank uses the standardised approach to measure the capital requirements for credit risk. As per the standardised approach, regulatory capital requirement for credit risk on corporate exposures is measured based on external credit ratings assigned by external credit assessment institutions (ECAIs) specified by RBI in its guidelines on Basel III. As stipulated by RBI, the risk weights for resident corporate exposures are assessed based on the external ratings assigned by domestic ECAIs and the risk weights for non-resident corporate exposures are assessed based on the external ratings assigned by international ECAIs. For this purpose, at September 30, 2022, the domestic ECAIs specified by RBI were CRISIL Ratings Limited, Credit Analysis & Research Limited, ICRA Limited, India Ratings and Research, Acuite Ratings and Research, Brickwork Ratings India Private Limited and INFORMERICS and international ECAIs specified by RBI were Standard & Poor’s, Moody's and Fitch. Further, the RBI’s Basel III framework stipulates guidelines on the scope and eligibility of application of external ratings. The Bank reckons the external rating on the exposure for risk weighting purposes, if the external rating assessment complies with the guidelines stipulated by RBI.

The key aspects of the Bank's external ratings application framework are as follows:

- The Bank uses only those ratings that have been solicited by the counterparty
- Foreign sovereign and foreign bank exposures are risk-weighted based on issuer ratings assigned to them
- The risk-weighting of corporate exposures based on the external credit ratings includes the following:

  i. The Bank reckons external ratings of corporates either at the credit facility level or at the borrower (issuer) level. The Bank considers the facility rating where both the facility and the borrower rating are available, given the more specific nature of the facility credit assessment.

  ii. The Bank ensures that the external rating of the facility/borrower has been reviewed at least once by the ECAI during the previous 15 months and is in force on the date of its application.

  iii. When a borrower is assigned a rating that maps to a risk weight of 150%, then this rating is applied on all the unrated facilities of the borrower and risk weighted at 150%.

  iv. Unrated short-term claim on counterparty is assigned a risk weight of at least one level higher than the risk weight applicable to the rated short-term claim on that counterparty.

  v. Claims on corporates, AFCs, and NBFC-IFCs having aggregate exposure of more than ₹ 100.00 crore from banking system which were rated earlier and subsequently have become unrated are applied a risk weight of 150%. Claims on corporates, AFCs, and NBFC-IFCs having aggregate exposure of more than ₹ 200.00 crore from banking system which are unrated are applied a risk weight of 150%.

- The RBI guidelines outline specific conditions for facilities that have multiple ratings. In this context, the lower rating, where there are two ratings and the second-lowest rating where there are three or more ratings are used for a given facility.

b. Credit exposures by risk weights

The following table sets forth, the credit exposures subject to the standardised approach after adjusting for credit risk mitigation by risk weights at September 30, 2022

₹ in million

Exposure category	Amount[1,2]
Less than 100% risk weight	10,210,079.1
100% risk weight	9,584,607.4
More than 100% risk weight	1,138,100.9
Total	**20,932,787.4**

1. Credit risk exposures include all exposures, as per RBI guidelines on exposure norms, subject to credit risk and investments in held-to-maturity category.
2. Includes all entities considered for Basel III capital adequacy computation.

CREDIT RISK MITIGATION

DF-5: Credit risk mitigation: Disclosures for standardised approaches

a. Collateral management and credit risk mitigation

The Bank has a Board approved policy framework for collateral management and credit risk mitigation techniques, which includes, among other aspects, guidelines on acceptable types of collateral, ongoing monitoring of collateral including the frequency and basis of valuation and application of credit risk mitigation techniques. The Bank has entered into Credit Support Annexes under ISDAs with certain counterparties under which independent amount (IA) and variation margin (VM) has been received. In line with the Large Exposure Framework and RBI Basel III capital regulations, credit risk mitigation is considered against the exposure on derivatives.

Collateral management

Overview

The Bank defines collateral as the assets or rights provided to the Bank by the borrower or a third party in order to secure a credit facility. The Bank would have the rights of secured creditor in respect of the assets/contracts offered as security for the obligations of the borrower/obligor. The Bank ensures that the underlying documentation for the collateral provides the Bank appropriate rights over the collateral or other forms of credit enhancement including the right to liquidate, retain or take legal possession of it in a timely manner in the event of default by the counterparty. The Bank also endeavours to keep the assets provided as security to the Bank under adequate insurance during the tenure of the Bank's exposure. The collateral value is monitored periodically.

Collateral valuation

As stipulated by the RBI guidelines, the Bank uses comprehensive approach for collateral valuation. Under this approach, the Bank reduces its credit exposure to counterparty when calculating its capital requirements to the extent of risk mitigation provided by the eligible collateral as specified in the Basel III guidelines.

The Bank adjusts the value of any collateral received to adjust for possible future fluctuations in the value of the collateral in line with the requirements specified by RBI guidelines. These adjustments, also referred to as 'haircuts', to produce volatility-adjusted amounts for collateral, are reduced from the exposure to compute the capital charge based on the applicable risk weights.

Types of collateral taken by the Bank

The Bank determines the appropriate collateral for each facility based on the type of product and risk profile of the counterparty. In case of corporate and small and medium enterprises financing, fixed assets are generally taken as security for long tenure loans and current assets for working capital finance. For project finance, security of the assets of the borrower and assignment of the underlying project contracts is generally taken. In addition, in some cases, additional security such as pledge of shares, cash collateral, charge on receivables with an escrow arrangement and guarantees is also taken.

For retail products, the security to be taken is defined in the product policy for the respective products. Housing loans and automobile loans are secured by the property/automobile being financed. The valuation of the properties is carried out by an empanelled valuer at the time of sanction or disbursement of the loan.

The Bank also offers products which are primarily based on collateral such as shares, specified securities, warehoused commodities and gold jewellery. These products are offered in line with the approved product policies, which include types of collateral, valuation and margining.

The Bank extends unsecured facilities to clients for certain products depending on the credit comfort on such clients. The limits with respect to unsecured facilities have been approved by the Board of Directors.

The decision on the type and quantum of collateral for each transaction is taken by the credit approving authority as per the credit approval authorisation approved by the Board of Directors. For facilities provided as per approved product policies, collateral is taken in line with the policy.

Credit risk mitigation techniques

The RBI guidelines on Basel III allow the following credit risk mitigants to be recognised for regulatory capital purposes:

- **Eligible financial collateral,** which include cash (deposited with the Bank), gold (including bullion and jewellery, subject to collateralised jewellery being benchmarked to 99.99% purity), securities issued by Central and State Governments, Kisan Vikas Patra, National Savings Certificates, life insurance policies with a declared surrender value issued by an insurance company, which is regulated by the insurance sector regulator, certain debt securities, mutual fund units where daily net asset value is available in public domain and the mutual fund is limited to investing in the instruments listed above.

- **On-balance sheet netting**, which is confined to loans/advances and deposits, where banks have legally enforceable netting arrangements, involving specific lien with proof of documentation.

- **Guarantees**, where these are direct, explicit, irrevocable and unconditional. Further, the eligible guarantors would comprise:

  - Sovereigns, sovereign entities stipulated in the RBI guidelines on Basel III, banks and primary dealers with a lower risk weight than the counterparty; and
  - Other entities, which are rated better than the entities for which the guarantee is provided.

The Bank reckons the permitted credit risk mitigants for obtaining capital relief only when the credit risk mitigant fulfills the conditions stipulated for eligibility and legal certainty by RBI in its guidelines on Basel III.

Concentrations within credit risk mitigation

Currently, the Bank does not have any concentration risk within credit risk mitigation. The RBI guidelines, among its conditions for eligible credit risk mitigants, require that there should not be a material positive correlation between the credit quality of the counterparty and the value of the collateral being considered. The risks associated with collateral concentration and residual risk in credit risk mitigation are assessed as a part of the annual internal capital adequacy assessment process.

b. The following table sets forth, the portfolio covered by eligible financial collateral at September 30, 2022

₹ in million

	Amount[1]
Exposures fully covered by eligible financial collateral, after application of haircut	852,979.5
Exposure that is covered by guarantees/credit derivatives	156,160.7

1. Includes all entities considered for Basel III capital adequacy computation.

The processes for capital computation and credit risk mitigation based on Basel III guidelines are consistent across subsidiaries of the Bank.

SECURITISATION

Table DF-6: Securitisation exposures: Disclosure for standardised approach

a. Securitisation objectives, roles played by the Bank and the risks

Objectives

The Bank's primary objective of securitisation activities is to increase the efficiency of capital and enhance the return on capital employed by diversifying sources of funding. The Bank also invests in third party originated securitisation transactions, primarily for priority sector requirements, in accordance with the Investment Policy of the Bank.

Roles played by the Bank

In securitisation transactions backed by assets, either originated by the Bank or third parties, the Bank plays the following major roles:

- **Underwriter:** allowing un-subscribed portions of securitised debt issuances, if any, to devolve on the Bank, with the intent of selling at a later stage.

- **Investor/trader/market-maker:** acquiring investment grade securitised debt instruments backed by financial assets originated by third parties for purposes of investment/ trading/ market-making with the aim of developing an active secondary market in securitised debt.

- **Structurer:** structuring appropriately in a form and manner suitably tailored to meet investor requirements, while being compliant with extant regulations.

- **Provider of liquidity facilities:** addressing temporary mismatches on account of the timing differences between the receipt of cash flows from the underlying performing assets and the fulfillment of obligations to the beneficiaries.

- **Provider of credit enhancement facilities:** addressing delinquencies associated with the underlying assets, i.e., bridging the gaps arising out of credit considerations between cash flows received/collected from the underlying assets and the fulfillment of repayment obligations to the beneficiaries.

- **Provider of collection and processing services:** collecting and/or managing receivables from underlying obligors, contribution from the investors to securitisation transactions, making payments to counterparties/appropriate beneficiaries, reporting the collection efficiency and other performance parameters and providing other services relating to collections and payments as may be required for the purpose of the transactions.

Risks in securitisation

The major risks inherent in the securitised transactions are:

- **Credit risk:** Risk arising on account of payment delinquencies from underlying obligors/borrowers in the assigned pool.

- **Market risk:**

  i) Liquidity risk: Risk arising on account of lack of secondary market to provide ready exit options to the investors/participants.

  ii) Interest rate: Mark-to-market risks arising on account of interest rate fluctuations.

- **Operational risk:**

  i) Co-mingling risk: Risk arising on account of co-mingling of funds belonging to investor(s) with that of the originator and/or collection and processing servicer, when there exists a time lag between collecting amounts due from the obligors and payment made to the investors.
  ii) Performance risk: Risk arising on account of the inability of a collection and processing agent to collect monies from the underlying obligors as well as operational difficulties in processing the payments.
  iii) Regulatory and legal risk: Risk arising on account of

  - non-compliance of the transaction structures with the extant applicable laws which may result in the transaction(s) being rendered invalid;
  - conflict between the provisions of the transaction documents with those of the underlying financial facility agreements; and
  - non-enforceability of security/claims due to imperfection in execution of the underlying facility agreements with the borrower(s).

- **Reputation risk:** Risk arising on account of :
  - rating downgrade of a securitised instrument due to unsatisfactory performance of the underlying asset pool; and
  - inappropriate practices followed by the collection and processing agent.

In addition to the above, securitised assets are exposed to prepayment and pipeline and warehousing risks. Prepayment risk arises on account of prepayment of dues by obligors/borrowers in the assigned pool either in part or full. Pipeline and warehousing risks refer to the event where originating banks are unable to off-load assets, which were originated with an intention of selling thus potentially exposing them to losses arising on declining values of these assets. The Bank does not follow the “originate to distribute” model in the domestic securitisation market and hence is not exposed to the pipeline and warehousing risks. Further, the Bank is not involved in sponsorship of off-balance sheet vehicles. In the overseas markets, where a banking subsidiary executes certain transactions on a “originate to securitise” model, the subsidiary has established an appropriate risk management and mitigation framework to assess and manage any risks associated with such transactions.

Processes in place to monitor change in risks of securitisation exposures

The Bank has established appropriate risk management processes to monitor the risks on securitisation exposures, which include:

i) Monitoring credit risk

The Bank, in the capacity of collection and processing agent, prepares monthly performance reports which are circulated to investors/assignees/rating agencies and continuously monitors the securitised pool. The risk assessment of the pools is done continuously by the rating agencies based on amortisation level, collection efficiency, credit enhancement utilisation levels and credit cover available for the balance deal tenure. In the pools, where the Bank is an investor, the underlying portfolio is monitored on an ongoing basis for delinquency rates, prepayment rates, available collateral and so on. The Bank also performs periodic stress tests for the securitisation exposures.

ii) Monitoring market risk

The Bank ascertains market value of the securitisation exposures based on extant norms, which is compared with their book value to assess the mark-to-market impact of these exposures, on a monthly basis.

Bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation exposures

The Bank has not used credit risk mitigants to mitigate retained risks.

b. Summary of the Bank's accounting policies for securitisation activities

Transfer and servicing of assets

The Bank transfers commercial and consumer loans through securitisation transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Bank surrenders the rights to benefits specified in the underlying securitised loan contract. Recourse and servicing obligations are accounted for net of provisions.

In accordance with the RBI guidelines for securitisation of standard assets, with effect from February 1, 2006, the profit/premium arising from securitisation is amortised over the life of the securities issued or to be issued by the special purpose vehicle to which the assets are sold. With effect from May 7, 2012, the RBI guidelines require the profit/premium arising from securitisation to be amortised based on the method prescribed in the guidelines. As per the RBI guidelines issued on September 24, 2021, gain realised at the time of securitisation of loans is accounted through profit and loss account on completion of transaction. The Bank accounts for any loss arising from securitisation immediately at the time of sale.

The unrealised gains, associated with expected future margin income is recognised in profit and loss account on receipt of cash, after absorbing losses, if any.

Net income arising from sale of loan assets through direct assignment with recourse obligation is amortised over the life of underlying assets sold and net income from sale of loan assets through direct assignment, without any recourse obligation, is recognised at the time of sale. Net loss arising on account of direct assignment of loan assets is recognised at the time of sale. As per the RBI guidelines issued on September 24, 2021, any loss or realised gain from sale of loan assets through direct assignment is accounted through profit and loss account on completion of transaction.

The acquired loans is carried at acquisition cost. In case premium is paid on a loan acquired, premium is amortised over the loan tenure.

In accordance with RBI guidelines, in case of non-performing loans sold to Asset Reconstruction Companies (ARCs), the Bank reverses the excess provision in profit and loss account in the year in which amounts are received. Any shortfall of sale value over the net book value on sale of such assets is recognised by the Bank in the year in which the loan is sold.

In case of specific stressed loans, where the Bank entered into an agreement with the ARC to share, in an agreed proportion, any surplus realised by the ARC from the concerned stressed loan, the profit is recognised in the profit and loss account only on realisation of surplus.

Methods and key assumptions (including inputs) applied in valuing positions retained or purchased

The valuation of pass-through certificates (PTCs) wherever linked to the Yield-to-Maturity (YTM) rates, is computed with a mark-up (reflecting associated credit risk) over the YTM rates for government securities published by Fixed Income Money Market and Derivatives Association(FIMMDA)/Financial Benchmark India Pvt Ltd (FBIL).
There is no change in the methods and key assumptions applied in valuing retained/purchased interests from previous period.

Policies for recognising liabilities on the balance sheet for arrangements that could require the Bank to provide financial support for securitised assets

The Bank provides credit enhancements in the form of cash deposits or guarantees in its securitisation transactions. The Bank makes appropriate provisions for any delinquency losses assessed at the time of sale as well as over the life of the securitisation transactions in accordance with the RBI guidelines.

c. Rating of securitisation exposures

Ratings obtained from ECAIs stipulated by RBI (as stated above) are used for computing capital requirements for securitisation exposures. Where the external ratings of the Bank's investment in securitised debt instruments/PTCs are at least partly based on unfunded support provided by the Bank, such investments are treated as unrated.

d. Details of securitisation exposures in the banking book

i. Total outstanding exposures securitised by the Bank and the related unrecognised gains/(losses) at September 30, 2022

₹ in million

Exposure type	Outstanding[1]	Unrecognised gains/(losses)
Vehicle/equipment loans	-	-
Home and home equity loans	326.0	-
Personal loans	-	-
Corporate loans	198.3	-
Mixed Asset	-	-
Total	**524.3**	**-**

1. The amounts represent the total outstanding principal at September 30, 2022 for securitisation deals and include direct assignments in the nature of sell-downs. Credit enhancements and liquidity facilities are not included in the above amounts. During the six month ended September 30, 2022, the Bank has not securitised any assets as an originator.

ii. Break-up of securitisation gains/(losses) (net) at September 30, 2022

₹ in million

Exposure type	September 30, 2022
Vehicle/equipment loans	1.1
Home and home equity loans	-
Personal loans	2.2
Corporate loans	-
Mixed asset pool	-
Total	**3.3**

iii. Assets to be securitised within a year at September 30, 2022

₹ in million

Particulars	Amount
Amount of assets intended to be securitised within a year	48,716.2
Of which: amount of assets originated within a year before securitisation	48,716.2

iv. Securitisation exposures retained or purchased at September 30, 2022

₹ in million

Exposure type[1]	On-balance sheet	Off-balance sheet	Total
Vehicle/equipment loans	120.0	-	120.0
Home and home equity loans	1,420.5	209.7	1,630.2
Personal loans	-	-	-
Corporate loans	-	1,794.0	1,794.0
Mixed asset pool	-	-	-
Total	**1,540.5**	**2,003.7**	**3,544.2**

1. Securitisation exposures include but are not restricted to liquidity facilities, other commitments and credit enhancements such as interest only strips, cash collateral accounts and other subordinated assets as well as direct assignments in the nature of sell-downs. The amounts are net of provisions. Credit enhancements have been stated at gross levels and not been adjusted for their utilisation.

v. Risk weight bands break-up of securitisation exposures retained or purchased at September 30, 2022

₹ in million

Exposure type[1]	<100% risk weight	100% risk weight	>100% risk weight	Total
Vehicle/equipment loans	-	-	120.0	120.0
Home and home equity loans	691.0	-	939.3	1630.2
Personal loans	-	-	-	-
Corporate loans	-	1,794.0	-	1,794.0
Mixed asset pool	-	-	-	-
Total	**691.0**	**1,794.0**	**1,059.3**	**3,544.2**
Total capital charge	**21.9**	**209.9**	**1,549.2**	**1,781.0**

1. Includes direct assignments in the nature of sell-downs.

e. Details of securitisation exposures in the trading book

i. Aggregate amount of exposures securitised for which the Bank has retained some exposures subject to market risk at September 30, 2022 is Nil.

ii. Securitisation exposures retained or purchased at September 30, 2022

₹ in million

Exposure type[1]	On-balance sheet	Off-balance sheet	Total
Vehicle/equipment loans	24,394.4	-	24,394.4
Home and home equity loans	23,522.0	-	23,522.0

Exposure type[1]	On-balance sheet	Off-balance sheet	Total
Personal loans	2,141.7	-	2,141.7
Unsecured loans	790.7	-	790.7
Gold/Jewel loans	966.2	-	966.2
Corporate loans	-	-	-
Mixed asset pool	-	-	-
Education loans	1,329.8	-	1,329.8
Small enterprise loans	3,849.2	-	3,849.2
Micro credit	2,547.3	-	2,547.3
Total	**59,541.3**	**-**	**59,541.3**

1. Securitisation exposures include PTCs originated by the Bank as well as PTCs purchased in case of third party originated securitisation transactions.

iii. Risk weight bands break-up of securitisation exposures retained or purchased and the related capital charge at September 30 , 2022

₹ in million

	Exposure	Capital charge[1]
<100% risk weight	55,972.4	1,843.7
100% risk weight	2,638.3	347.3
>100% risk weight	-	-
Total	**58,610.7**	**2,191.0**

1. Represents capital required to be maintained at 11.70%.

MARKET RISK IN TRADING BOOK

Table DF-7: Market risk in trading book

a. Market risk management policy

Risk management policies

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 currently follows the standardised approach for computation of market risk capital on interest rate related instruments in the trading book, equities in the trading book and foreign exchange risk (including gold and other precious metals) in both trading and banking books. The Market Risk Management Group (MRMG) is responsible for setting up the risk metrics on market risk through the Investment Policy of the Bank which includes the Derivatives Policy. The key risk metrics for market risk are reviewed annually as a part of the Enterprise Risk Management – Risk

Appetite Framework (ERM-RAF) and approved by the Board. The policies ensure that operations in securities, foreign exchange and derivatives are conducted in accordance with sound and acceptable business practices and are as per the extant regulatory guidelines, laws governing transactions in financial securities and the financial environment. The policies contain the limit structure that governs transactions in financial instruments. The policies are reviewed periodically to incorporate changed business requirements, financial environment and revised policy guidelines.

Risk management objectives

The Bank manages its market risk with the broad objectives of:

1. Compliance with regulatory requirements
2. Management of market risk such as interest rate risk, currency risk, equity risk and credit spread risk arising from the investments and derivatives portfolio within the approved limits.
3. Taking position by various treasury groups, within the approved limits, to benefit from price movements.
4. Effective internal control on the operation/execution of the investment, forex and derivatives transactions and correct recording thereof
5. Proper classification, valuation and accounting of investments, forex and derivatives portfolio
6. Adequate and proper reporting of investments, forex and derivatives products

Structure and organisation of the market risk management function

The Market Risk Management Group (MRMG), which is an independent function reports to the Chief Risk Officer through Head – Market Risk. MRMG exercises independent control over the process of market risk management and recommends changes in risk policies, controls, processes and methodologies for quantifying and assessing market risk. There is clear functional separation with:

- Trading i.e. front office; and
- Reporting, control, settlements and accounting i.e. Treasury and Securities Services Group (TSSG)

Strategies and processes

Internal control system

Treasury operations warrant elaborate control procedures. Keeping this in view, the following guidelines are followed for effective control of the treasury operations:

1. Tracking utilisation of limits

TSSG is responsible for an independent check of the transactions entered into by the front office. It also reports utilisation of all the limits laid down in the Investment Policy.

MRMG reports the value-at-risk (VaR), price-value of basis point (PV01) and stop loss limit utilisations to the ALCO as a part of the review of treasury positions. A market risk dashboard covering detailed aspects of market risk is presented to the Risk Committee on a quarterly basis.

2. System controls

The system used for recording, processing, monitoring and accounting of treasury transactions have adequate data integrity controls. The process for enabling/disabling role-based access is also documented.

3. Delegation and exception handling processes

Keeping in view the size of the investment portfolio and the variety of securities that the Bank deals in, authority for investment decisions has been delegated to various dealers depending on business requirements.

The Investment Policy sets out deal-size limits for various products. Various coherence checks have been inserted in the system for ensuring that the appropriate deal size limits are enforced to minimise exceptions.

The Investment Policy lists limits such as notional, stop loss, Greeks and VaR. It also defines the approval mechanism in case of exceeding of these limits.

Scope and nature of risk reporting and/or measurement systems

Reporting

The Bank periodically reports on the various investments and their related risk measures to the senior management and the committees of the Board. The Bank also periodically submits the reports to the regulator as per the regulatory reporting requirements.

Measurement

The Bank has devised various risk metrics for different products and investments. These risk metrics are measured and reported to the senior management independently by TSSG. Some of the risk metrics adopted by the Bank for monitoring its risks are VaR, PV01 and stop loss amongst others. Limits are placed on various risk metrics, which are monitored on a periodic basis.

Hedging and mitigation

Limits on positions that can be maintained are laid out in the relevant policies. All business groups are required to operate within these limits. Hedge transactions for banking book are periodically assessed for hedge effectiveness.

Frameworks in overseas banking subsidiaries

Frameworks that are broadly similar to the above framework have been established at each of the overseas banking subsidiaries of the Bank to manage market risk. The frameworks are established considering host country regulatory requirements as applicable.

b. Capital requirements for market risk

The following table sets forth, the capital requirements for market risk (general and specific) at September 30, 2022.

₹ in million

	Amount[1]
Capital required	**95,696.2**
- for interest rate risk[2]	57,660.8
- for foreign exchange (including gold) risk	2,532.1
- for equity position risk	35,503.3

1. Includes all entities considered for Basel III capital adequacy computation.
2. Includes capital required of ₹ 2,191.0 million for securitisation exposure.

OPERATIONAL RISK

Table DF-8: Operational risk

a. Operational risk management framework

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputation risk. Operational risk is inherent in the Bank's business activities in both domestic as well as overseas operations and covers a wide spectrum of issues.

Objectives

The objective of the Bank’s operational risk management is to manage and control operational risks in a cost effective manner within targeted levels of operational risk consistent with the Bank’s risk appetite as specified in the Operational Risk Management (ORM) policy (the Policy) approved by the Board of Directors. The Policy aims to:

- Define Bank level operational risk appetite;
- Ensure clear accountability and responsibility for management and mitigation of operational risk;
- Develop a common understanding of operational risk across the Bank, to assess operational risk of business, operation and support groups, and take appropriate actions;
- Assist business, operations and support groups to improve internal controls throughout the Bank, thereby reducing the probability and potential impact of losses from operational risk;
- Minimise losses and customer dissatisfaction due to failure in processes;
- Develop comprehensive operational risk loss database to collate and monitor operational risk related losses and effective mitigation;
- Meet regulatory requirements as set out in the guidance note on management of operational risk issued by the RBI;
- Compute capital charge for operational risk as per the guidelines issued by the RBI;
- Disclose the operational risk management framework in a manner that will allow stakeholders to determine whether the Bank identifies, assesses, monitors and controls/mitigates operational risk effectively; and
- Focus on flaws in products and their design that can expose the Bank to operational risk related losses.

Operational risk management governance and framework

The Bank has a comprehensive operational risk governance structure, in line with corporate governance requirements from the RBI guidelines, Companies Act and Sarbanes-Oxley Act (USA). Further, the guideline issued by Securities and Exchange Board of India (SEBI) on outsourcing of activities with respect to bankers to the issues, depository participants, merchant bankers, etc. is also considered in the management of operational risk.

The Board-level committees that undertake supervision and review of operational risk aspects are the Risk Committee, the Fraud Monitoring Committee, the Audit Committee and the Information Technology Strategy Committee.

The executive-level committees that undertake supervision and review of operational risk aspects are the Operational Risk Management Committee (ORMC), the Outsourcing Committee, the Committee of Executive Directors (COED), the Information & Cyber Security Committee, the Business Continuity and Disaster Recovery Management Steering Committee, the Information Technology Steering Committee and the Process Approval Committee (PAC).

The Board and the Risk Committee review the operational risk level and direction and the material operational risk exposures. The Fraud Monitoring Committee reviews the fraud risk aspects. The Information Technology Strategy Committee reviews IT risk aspects. The Audit Committee supervises the audit and compliance related aspects. Internal Audit Group carries out audit according to the risk-based audit plan and reports the findings to the Audit Committee.

In line with the RBI guidelines, an independent Operational Risk Management Group (ORMG) was set up in the year 2006. The Bank's operational risk management governance and framework is defined in the Policy. While the Policy provides a broad framework, detailed standard operating procedures for operational risk management processes have been established in accordance with the Product and Process Approval Framework of the Bank.

The Policy also specifies the composition, roles and responsibilities of Operational Risk Management Committee. ORMC is responsible for overseeing all material operational risks, responses to risk issues and the adequacy and effectiveness of controls within a given operational risk control area.

The key elements in the operational risk management framework as defined in the Policy include:

- Identification and assessment of operational risks and controls through risk and control self-assessments (R&CSA) and product and process review;
- Measurement through incident and exposure reporting;
- Monitoring through key risk indicators; and
- Mitigation through process and controls enhancement and insurance.

The Bank has implemented Outsourcing Policy approved by the Board of Directors, which specifies the composition, roles and responsibilities of Outsourcing Committee. The Outsourcing Committee is responsible for:

- Evaluation of the risks and materiality of outsourced activities;
- Approval of new outsourced activities;
- Ensuring that periodic review of outsourcing arrangements is conducted by the business/operations group; and
- Putting in place a central database on outsourcing.

Identification and assessment

Operational risks and controls across the Bank are documented and updated regularly. Each business and operations group in the Bank has designated official(s), as business operational risk manager(s) within the group. The business and operations groups carry out risk and control self-assessments which is reviewed by ORMG. The periodicity of risk and control self-assessments is determined as per the plan approved by the ORMC. Risk mitigation plans are monitored to ensure timely mitigation of risks. The Bank has a Product Approval Framework and a Process Approval Framework, which outline the authorities for approval of products and processes.

Measurement, monitoring, mitigation and reporting

Operational risk incidents are reported regularly and transactions resulting in losses are routed through operational risk account. Root cause analysis is carried out for the significant operational risk incidents reported and corrective actions are incorporated into respective processes. The Bank has implemented incident reporting systems, which facilitate capturing of operational risk incidents by the employees of the Bank.

The operational risk losses and incidents analysis are submitted to the ORMC, the Risk Committee, and to the Board on a periodic basis. Operational risk exposures (risk and control self-assessment results, operational risk incidents analysis, key risk indicators and open risks) are monitored by the ORMC on a regular basis and reported to the business heads in the form of dashboard on a periodic basis.

The Bank has been estimating operational value at risk (OpVaR) for the purpose of internal capital adequacy assessment process (ICAAP). The OpVaR is estimated based on the principles of loss distribution approach (LDA) by using historical internal loss data of the Bank. The OpVaR is stress tested on a quarterly basis to ensure adequacy of the capital provided for operational risk and is compared with trends of actual losses.

For facilitating effective operational risk management, the Bank has implemented a comprehensive operational risk management system. The application software comprises five modules namely incident management, risk and control self-assessment, key indicators, scenario analysis and issues and action.

The Bank is currently using the Basic Indicator Approach for computing regulatory capital for operational risk.

RBI had communicated through its letter dated January 9, 2019 that due to the revision in the Basel III framework by the Basel Committee on Banking Supervision, which inter-alia provides for a revised standardised approach for operational risk to replace the existing approaches, banks need not submit operational risk capital charge calculations under The Standardised Approach (TSA) and Advanced Measurement Approaches (AMA). The final guideline on the implementation of New Standardised Approach (NSA) is awaited from RBI.

Operational risk management in overseas branches and banking subsidiaries

Operational Risk Management policy of the Bank and the Branch Operational Risk Manual of each branch would govern the operational risk management of the overseas branches of the Bank. ORMG exercises oversight by providing inputs during the periodic review of their operational risk processes such as risk and control self-assessment activity and branch operational risk manual which are presented at the operational risk forum of the overseas branches.

The banking subsidiaries of the Bank have a separate Operational Risk Management Policy which governs the operational risk management in these subsidiaries. The Policy is approved annually by the Board Risk Committee (BRC) of the subsidiaries.

Operational risk management in other subsidiaries

The Bank has designed Group Operational Risk Management Policy. The Policy document describes the approach towards the management of operational risk within ICICI Group. While the common framework is adopted, suitable modifications in the processes are carried out depending upon the requirements of the regulatory guidelines of the respective companies.

b. Capital requirement for operational risk at September 30, 2022

As per the RBI guidelines on Basel III, the Bank has adopted Basic Indicator approach for computing capital charge for operational risk. The capital required for operational risk at September 30, 2022 was ₹ 137,229.2 million.

INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

Table DF-9: Interest rate risk in the banking book (IRRBB)

a. Risk management framework for IRRBB

Interest rate risk is the risk of potential variability in earnings and capital value resulting from changes in market interest rates. IRRBB refers to the risk of deterioration in the positions held on the banking book of an institution due to movement in interest rates over time. The Bank holds assets, liabilities and off balance sheet items across various markets with different maturity or re-pricing dates and linked to different benchmark rates, thus creating exposure to unexpected changes in the level of interest rates in such markets.

Organisational set-up

The ALCO is responsible for management of the balance sheet of the Bank with a view to manage the market risk exposure assumed by the Bank within the risk parameters laid down by the Board of Directors/Risk Committee. The Market Risk Management Group (MRMG) is responsible for setting up the risk metrics on IRRBB through the ALM Policy of the Bank and ICAAP. The risk metrics is reviewed annually as a part of the Enterprise Risk Management – Risk Appetite Framework (ERM-RAF) and approved by the Board. The Structural Rate Risk Management Group (SRMG) at the Bank monitors and manages IRRBB under the supervision of ALCO, by assuming risks within the interest rate risk limits specified in the ALM Policy.

The ALM Policy of the Bank contains the prudential limits on liquidity and interest rate risk, as prescribed by the Board of Directors/Risk Committee/ALCO. Any amendments to the ALM Policy can be proposed by business group(s), in consultation with the market risk and compliance teams and are subject to approval from ALCO/Risk Committee/Board of Directors, as per the authority defined in the Policy. The amendments so approved by ALCO are presented to the Board of Directors/Risk Committee for information/approval.

TSSG is an independent group responsible for preparing various reports to ensure adherence to the prudential limits as per the ALM Policy. The utilisation against these limits is computed on a regular basis at various levels of periodicity. Exceedings, if any, are duly reported to ALCO/Risk Committee/Board of Directors, as may be required under the framework defined for approvals. Upon review of the indicators of IRRBB and the impact thereof, ALCO may approve necessary corrective actions proposed by SRMG in order to re-align the exposure with the current assessment of the markets.

Risk measurement and reporting framework

The ALM policy defines different types of interest rate risks that are to be monitored, measured and controlled. The ALCO approves strategies for managing IRRBB at the desired level. The ALCO periodically gives direction for management of interest rate risk on the basis of its expectations of future interest rates. Based on the guidance, SRMG primarily manages the IRRBB with the help of various tools i.e. gap analysis, earnings at risk (EaR), duration of equity (DoE) and stress testing for basis risk which are monitored on a fortnightly basis. These tools are as follows:

- **Gap analysis:** The interest rate gap or mismatch risk is measured by calculating gaps over different time intervals at a given date for domestic and overseas operations. Gap analysis measures mismatches between rate sensitive liabilities (RSL) and rate sensitive assets (RSA) (including off-balance sheet positions). The report is prepared by grouping rate sensitive liabilities, assets and off-balance sheet positions into time buckets according to residual maturity or next re-pricing period, whichever is earlier. Balances maintained in current account with banks/central banks are non-sensitive except for balances in interest bearing accounts which is bucketed in "1-28 days" bucket. For non-maturity liabilities such as current account deposits and Indian Rupee denominated savings account deposits, the bucketing is as per the behavioural study. The study reckons the volatile portion at a certain percentile confidence level for buckets upto 1 year with the core/balance portion beyond the 1 year maturity bucket. Savings deposits in other currencies are bucketed as per the RBI guidelines. The difference between RSA and RSL for each time bucket signifies the gap in that time bucket. The direction of the gap indicates whether net interest income is positively or negatively impacted by a change in the direction of interest rates and the extent of the gap is used to approximate the change in net interest income for a given interest rate shift. The ALM Policy of the Bank stipulates bucket-wise limits on rupee interest rate sensitive gaps for the domestic operations of the Bank, linked to the domestic balance sheet size of the Bank.

- **EaR:** The Bank monitors the EaR with respect to net interest income (NII) based on a 100 basis points adverse change in the level of interest rates. The magnitude of the impact over a one year period, as a percentage of the NII of the previous four quarters gives a fair measure of the earnings risk that the Bank is exposed to. The EaR computations include the banking book as well as the trading book.

  For some of the products, Bank provides its depositors and borrowers an option to terminate the deposit/loan pre-maturely. These products may or may not provide for a penalty for pre-mature termination. In case of pre-mature terminations, the Bank faces a risk of re-pricing of the assets/liabilities at the current rates and the resultant impact on the NII (adjusted for the penalty). The Bank carries out behavioural studies for estimation of pre-mature termination of term deposits and term loans, and applies the same while computing the interest rate sensitivity statement and EaR.

- **DoE:** Change in the interest rates also have a long-term impact on the economic value of equity of the Bank, as the economic value of the Bank's assets, liabilities and off-balance sheet positions are impacted. DoE is a measure of interest rate sensitivity of assets, liabilities and also net worth. Duration may be defined as the percentage change in the economic value of an asset or liability (or equity) for a given change in interest rates. Thus, DoE is a measure of change in the economic value of equity of a firm due to the identified change in the interest rates. The Bank uses DoE as a part of framework to manage IRRBB for its domestic and overseas operations and DoE is computed for the overall Bank and banking book separately. The ALM Policy stipulates a limit on the overall DoE of the Bank and the banking book separately in order to monitor and manage IRRBB. The utilisation against these limits is computed for appropriate interest rate movements and monitored periodically.

- **Stress test for basis risk:** The assets and liabilities on the balance sheet are priced based on multiple benchmarks and when interest rates fluctuate, all these different yield curves may not necessarily move in tandem exposing the balance sheet to basis risk. Therefore, over and above the EaR, the Bank measures the impact of differential movement in interest rates across benchmark curves. For the domestic operations, various scenarios of interest rate movements (across various benchmark yield curves) are identified and the worst-case impact is measured as a percentage of the NII. These scenarios take into account the magnitude as well as the timing of various interest rate movements (across various benchmark curves such as wholesale and retail deposit rates, benchmark lending rates, GOI Sec, CDs and corporate bonds benchmark). Currently, the scenarios provide for differential movements in each yield curve but the movement in each curve is assumed to be parallel. The Bank offers loans linked to external benchmarks such as repo rate and 3-month T-bill rate with a maximum reset frequency of 3 months. Further, for the domestic foreign currency operations and overseas operations of the Bank, assets and liabilities are primarily linked to LIBOR/Alternative risk free rates (ARRs) and the basis risk is computed for a parallel shift in LIBOR/ARR as well as the spread over LIBOR/ARR. The basis risk for the overall Bank is a summation of the basis risk arising from domestic rupee and overseas (including domestic foreign currency) operations. As a part of the ongoing transition from LIBOR to ARRs, the Bank has set up a Working Group to monitor the developments internationally in this respect. The ALCO and The Working Group are overseeing the LIBOR transition.

MRMG reports the utilisation of DoE, EaR and basis risk measures to the ALCO as a part of the ALM risk profile presentation and to the Risk Committee as part of the Risk dashboard.

Marked-to-market (MTM) on the trading book

In addition to the above, the price risk of the trading book is monitored through measures such as notional, PV01, Greeks, VaR, foreign exchange net overnight open position and stop loss limits. The management of price risk of the trading book is detailed in the Investment Policy.

Hedging policy

Depending on the underlying asset or liability and prevailing market conditions, the Bank enters into hedge transactions for identified assets or liabilities. The Bank has a policy for undertaking hedge transactions. These hedges are periodically assessed for hedge effectiveness as per the applicable accounting guidelines.

Frameworks in overseas banking subsidiaries

Frameworks that are broadly similar to the above framework have been established at each of the overseas banking subsidiaries of the Bank to manage interest rate risk in the banking book. The frameworks are established considering host country regulatory requirements as applicable.

b. Level of interest rate risk

The following table sets forth, one possible prediction of the impact on the net interest income of changes in interest rates on interest sensitive positions at September 30, 2022, assuming a parallel shift in the yield curve.

₹ in million

	Change in interest rates[1]	
Currency	**-100 basis points**	**+100 basis points**
INR	(35,539.3)	35,539.3
USD	(1,495.2)	1,495.2
Others	(404.2)	404.2
Total	**(37,438.7)**	**37,438.7**

1. Consolidated figures for the Bank and its banking subsidiaries, ICICI Home Finance Company Limited, ICICI Securities Primary Dealership Limited and ICICI Securities Limited and its subsidiaries.

The following table sets forth, one possible prediction of the impact on economic value of equity of changes in interest rates on interest sensitive positions at September 30, 2022, assuming a parallel shift in the yield curve.

₹ in million

	Change in interest rates[1,2]	
Currency	**-100 basis points**	**+100 basis points**
INR	(3,017.6)	3,017.6
USD	(2,032.8)	2,032.8
Others	(823.6)	823.6
Total	**(5,874.0)**	**5,874.0**

1. The assets/liabilities of ICICI Bank, as well as the investments and derivatives of ICICI Securities Primary Dealership Limited, are discounted using the yield curve and actual coupon applicable for respective products as per maturity/repricing bucket. Assets/liabilities of the other group entities are discounted using G sec yields/Libor along with the relevant spread having maturity closest to the midpoint of the respective time bucket.
2. Consolidated figures for the Bank and its banking subsidiaries, ICICI Home Finance Company Limited, ICICI Securities Primary Dealership Limited and ICICI Securities Limited and its subsidiaries.

LIQUIDITY RISK

Liquidity risk is the risk of inability to meet financial commitments as they fall due, through available cash flows or through sale of assets at fair market value. It is the current and prospective risk to the Bank's earnings and equity arising out of inability to meet the obligations as and when they become due. It includes both, the risk of unexpected increase in the cost of funding an asset portfolio at appropriate maturities as well as the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The goal of liquidity management is to ensure that the Bank is always in a position to efficiently meet both expected and unexpected current and future cash flow and collateral needs without negatively affecting either its daily operations or financial condition.

Organisational set-up

The Asset Liability Management Group (ALMG) at the Bank monitors and manages the liquidity risk under the supervision of ALCO. Further, the Asset Liability Management (ALM) groups in overseas branches manage the risk at the respective branches, in coordination with the Bank's ALMG at Head Office. ALMG also focuses on the implementation of medium-term and long-term balance sheet management strategies as decided by Board of Directors, Risk Committee and ALCO.

MRMG is responsible for setting up the risk metrics on liquidity gaps and ratios through the ALM Policy of the Bank and ICAAP. The risk metrics is reviewed annually as a part of the Enterprise Risk Management - Risk Appetite Framework (ERM-RAF). The ALM Policy is framed as per the extant regulatory guidelines and is approved by the Board of Directors. The Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to re-align with changes in the economic landscape. The ALCO of the Bank approves and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the ALM Policy. The Risk Committee of the Board has an oversight on the ALCO.

Risk measurement and reporting framework

The Bank actively manages liquidity risk as a part of its ALM activities. The Bank uses various tools for measurement of liquidity risk including the statement of structural liquidity (SSL), dynamic liquidity cash flow statements, liquidity ratios and stress testing through scenario analysis.

The SSL is used as a standard tool for measuring and managing net funding requirements and assessment of surplus or shortfall of funds in various maturity buckets in the future. The cash flows pertaining to various assets, liabilities and off-balance sheet items are placed in different time buckets based on their contractual or behavioural maturity. For non-maturity assets/liabilities, e.g. working capital facilities on the assets side and current account and savings account deposits on the liabilities side, grouping into time buckets is done based on the assumptions/behavioural studies. The SSL for domestic operations as well as overseas operations of the Bank is prepared on a periodic basis. The utilisation against gap limits laid down for each bucket is reviewed by ALCO of the Bank/overseas branch.

The Bank also prepares dynamic liquidity cash flow statements, which in addition to scheduled cash flows, also considers the liquidity requirements pertaining to incremental business and the funding thereof. The dynamic liquidity gap statements are prepared in close coordination with the business groups, and cash flow projections based on the same are presented to ALCO periodically. As part of the stock and flow approach, the Bank also monitors various liquidity ratios, and limits are laid down for these ratios under the ALM Policy.

Further, the Bank has a Board approved liquidity stress testing framework, as per which the Bank estimates its liquidity position under a range of stress scenarios. These scenarios cover the Bank-specific, market-wide and combined stress situations for domestic and overseas operations of the Bank. The potential impact on the Bank's financial position for meeting the stress outflows under these scenarios is measured and is subject to a stress tolerance limit specified by the Board. Further, the liquidity stress testing is also carried out for a protracted period of three months for domestic and overseas operations of the Bank. The results of liquidity stress testing are reported to ALCO on a monthly basis.

The Bank has also framed a Liquidity Contingency Plan (LCP), which serves as a framework for early identification and calibrated action in the event of tight liquidity conditions. The LCP includes various indicators which are monitored regularly, and lays down the mechanism for escalation, remedial action and crisis management until return to normalcy.

The Bank is currently subject to liquidity coverage ratio (LCR) requirement of 100% as per the RBI guidelines. LCR ensures that a bank has an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. The Bank computes LCR on a daily basis for the Bank and the Group.

The Bank is also subject to Net stable funding ratio (NSFR) requirements of 100% as per the RBI guidelines. NSFR ensures resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding. The Bank computes NSFR on a daily basis for the Bank and the Group.

Liquidity management

The Bank has diverse sources of liquidity to allow for flexibility in meeting funding requirements. For the domestic operations, deposits in current accounts and savings account payable on demand and retail term deposits form a significant part of the Bank's funding and the Bank is working with a concerted strategy to sustain and grow this segment of deposits. These deposits are augmented by wholesale deposits, borrowings and through issuance of certificate of deposits and bonds including subordinated debt from time to time. Loan maturities and sale of investments also provide liquidity. The Bank holds unencumbered, high quality liquid assets to protect against stress conditions.

For domestic operations, the Bank also has the option of managing liquidity by borrowing in the inter-bank market on a short-term basis. The overnight market, which is a significant part of the inter-bank market, is susceptible to volatile interest rates. To limit the reliance on such volatile funding, the ALM Policy has stipulated limits for borrowing and lending in the inter-bank market.

For the overseas operations too, the Bank has a well-defined borrowing program. The US dollar is the base currency for the overseas branches of the Bank, apart from the branches where the currency is not freely convertible. The wholesale borrowings are in the form of bond issuances, syndicated loans from banks, money market borrowings and inter-bank bilateral loans. The Bank also raises refinance from other banks against the eligible trade assets. The loans that meet the criteria of the Export Credit Agencies are refinanced as per the agreements entered with these agencies. Apart from the above, the Bank also mobilises deposit liabilities at overseas branches, in accordance with the regulatory framework at the host countries.

Frameworks that are broadly similar to the above framework have been established at each of the overseas banking subsidiaries of the Bank to manage liquidity risk. The frameworks are established considering host country regulatory requirements as applicable. Besides, as per local regulatory requirements, ICICI Bank UK PLC has implemented its Internal Liquidity Adequacy Assessment Process (ILAAP) framework, which stipulates the level of liquidity required to meet the UK regulatory requirements and the liquidity commensurate with the risks identified in its portfolio and strategic plans.

In summary, the Bank has in place robust governance structure, policy framework and review mechanism to ensure availability of adequate liquidity even under stressed market conditions. The Group Liquidity Management Framework (GLMF) sets out the approach to be followed to ensure that liquidity management principles are uniform across the parent Bank, overseas banking subsidiaries and other significant entities in the Group.

COUNTERPARTY CREDIT RISK

Table DF-10: General disclosure for exposures related to counterparty credit risk

The Bank stipulates limits as per the norms on exposure stipulated by RBI for both, fund and non-fund based products, including derivatives. Limits are set as a percentage of the capital funds and are monitored. Derivative limits for clients are based on assessment of Loan Equivalent Value (LEV) required for the transaction and case-to-case assessment of the client’s credit worthiness. The limits are typically used by the client for hedging client’s exposure arising out of current or capital account transactions.

Credit exposure of foreign exchange and interest rate derivatives transactions is computed on near real time basis and monitored when the deal is captured in core treasury system. The analysis of the composition of the portfolio is presented to the Risk Committee on a quarterly basis. TSSG reports the credit excess (MTM including treasury overdues exceeding sanctioned limit, margin and provisions held) for corporate clients on a daily basis. Further, RMG reports the credit exposure of derivatives as part of the risk dashboard to the Risk Committee, periodically. The Bank does not take any netting benefits for counterparty credit risk exposure, unless the transactions are centrally cleared.

In view of the margin rules for non-centrally cleared derivative transactions issued by the Basel Committee on Banking Supervision and master directions on Variation Margin (applicable from December 1, 2022) issued by the RBI, certain derivative transactions would be subject to margining and consequent collateral exchange would be as governed by Credit Support Annex (CSA). The Bank has entered into CSAs which would require maintenance of collateral. The Bank has also implemented International Swaps and

Derivatives Association (ISDA) prescribed Standardised Initial Margin Model (SIMM) for estimating the initial margin requirements for non-centrally cleared derivatives. The requirements are currently applicable for the overseas branches and overseas banking subsidiaries. The Bank settles certain derivative transactions through Qualified Central Counterparties (QCCP) i.e. Clearing Corporation of India Limited (CCIL) and London Clearing House Limited (LCH) and posts collateral in line with the margin regulations stipulated by QCCP. As per the regulations, CCIL may set different margins for different members based on the ratings of members. Consequently, changes in or withdrawal of the Bank's credit rating may increase the amount of collateral that the Bank is required to post with CCIL. The Bank engages in collateralised borrowing from the RBI and through CCIL. When the Bank borrows from the RBI, collateral is primarily statutory liquidity ratio eligible investments. The haircut for all such sovereign securities is stipulated by the RBI and is not based on the credit rating of the borrower. Similarly, CCIL's margin requirement is based on maturity and certain other factors but not on the credit ratings of the borrower. Any reduction or withdrawal of the Bank's credit ratings will not impact the collateralised borrowing operations.

At September 30, 2022, the Bank did not have any borrowing linked to credit downgrade covenants which would require the Bank to pay an increased interest rate on the borrowing.

In respect of overseas operations, generally, the collateral requirements are applicable for the counterparties having outstanding repo borrowings or derivative transactions that are subject to margining and consequent collateral deposits are governed by Global Master Repurchase Agreement (GMRA)/CSA, respectively. In addition, there are certain CSAs/GMRAs at the overseas banking subsidiaries which require exchange of variation margin based on movement in MTM of underlying derivative/forex forwards & swaps/repo transactions. ICICI Bank UK PLC clears all eligible Interest Rate Swap transactions with financial counterparties through London Clearing House (LCH) which is a Central Clearing Counterparty (CCP).

The collateral received from the counterparty under the CSA framework is fully offset against the current exposure method (CEM) and the excess collateral posted over the net MTM payable is reckoned as exposure.

The following table sets forth, the derivative exposure calculated using Current Exposure Method (CEM) and the balance outstanding at September 30, 2022.

₹ in million

Particulars	Interest Rate derivatives	Currency derivatives	Forex	Credit derivatives
Gross Positive Fair Value of Contracts	204,160.0	43,945.4	48,461.9	-
Netting Benefits	-	-	-	-
Netted Current Credit Exposure	204,160.0	43,945.4	48,461.9	-
Collateral held (e.g. Cash, G-sec, etc.)[1]	-	-	-	-
Net Derivatives Credit Exposure	204,160.0	43,945.4	48,461.9	-
Exposure amount (under CEM)	519,497.3	110,181.6	514,053.0	-
Notional Value of Credit Derivative hedges	-	-	-	-
Credit derivative transactions that create exposures to CCR[2]	-	-	-	-

1. As per the Master Circular on Basel III Capital Regulations issued on July 01, 2015, for capital adequacy computation, banks in India are required to adopt the comprehensive approach, which allows fuller offset of collateral against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral. Hence, collateral received from the counterparty can be fully offset against the exposure and excess collateral posted over the net MTM payable will form part of exposure. However, as the collateral is received at counterparty-wise and not product or deal-wise, collateral netting off has not been considered in the above table. At September 30, 2022, collateral received is ₹ 18,932.7 million and excess collateral posted over net MTM payable is ₹ 4,911.5 million.
2. There were no Credit Default Swaps outstanding at September 30, 2022.

DF-16: Equities – Disclosure for banking book positions

Investments are classified at the time of purchase into Held for trade (HFT), Available for Sale (AFS) and Held to Maturity (HTM) categories in line with the RBI master circular-Prudential Norms for Classification, Valuation and Operation of Investments Portfolio by Banks. In accordance with the RBI guidelines, investments in equity of subsidiaries and joint ventures (a joint venture will be one where the Bank, along with its subsidiaries, holds more than 25 percent of the equity) are required to be classified under HTM category. For capital adequacy purpose, as per the RBI guidelines, equity securities held under HTM category are classified under banking book.

As per the RBI guidelines, investments classified under HTM category need not be marked to market and are carried at acquisition cost. Any diminution, other than temporary, in the value of equity investments is provided for. Any loss on sale of investments in HTM category is recognised in the profit and loss statement. Any profit on sale of investments under HTM category is recognised in the profit and loss statement and is then appropriated to capital reserve, net of taxes and statutory reserve.

Equity shares under the banking book are the Bank's investments in equity shares of its insurance entities. The book value of the equity investments under banking book is ₹ 45,787.4 million as per the regulatory scope of consolidation. The cumulative realised gain/(loss) arising from sale and liquidation of these securities in the reporting period is Nil. Total latent revaluation gain of these outstanding securities is ₹ 638,405.7 million and the market value is ₹ 592,618.4 million at September 30, 2022.

The book value of equity investments in insurance entities is deducted from capital as per the transition arrangement provided by RBI in the master circular on Basel III regulations.

LEVERAGE RATIO

DF-17: Summary Comparison of accounting assets and leverage ratio exposure

The Basel III leverage ratio is defined as the capital measure (Tier-1 capital of the risk-based capital framework) divided by the exposure measure, expressed as a percentage. The following table sets forth, the disclosures required for leverage ratio for the Bank at the consolidated level as per RBI guidelines at September 30, 2022.

₹ in million

Sr. No.	Particulars	Amount
1	Total consolidated assets as per published financial statements	18,331,538.2
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(32,755.7)
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	842,508.8

Sr. No.	Particulars	Amount
5	Adjustment for securities financing transactions (SFTs) (i.e. repos and similar secured lending)	4,752.0
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	2,048,973.8
7	Other adjustments	(2,487,867.2)
8	**Leverage ratio exposure**	**18,707,149.9**

DF-18: Leverage ratio common disclosure template

The following table sets forth, the leverage ratio at September 30, 2022

₹ in million

Sr. No.	Leverage ratio framework	Amount
	On-Balance sheet exposure	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	15,538,634.5
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(42,365.1)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**15,496,269.4**
	Derivative exposure	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	285,384.5
5	Add-on amounts for PFE associated with all derivatives transactions	858,042.1
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative 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)**	**1,143,426.6**

Sr. No.	Leverage ratio framework	Amount
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions.	13,728.1
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	4,752.0
15	Agent transaction exposures	-
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	**18,480.1**
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	8,157,489.9
18	(Adjustments for conversion to credit equivalent amounts)	(6,108,516.1)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**2,048,973.8**
	Capital and total exposures	
20	**Tier 1 capital[1]**	**1,725,320.3**
21	**Total exposures (sum of lines 3, 11, 16 and 19)[2]**	**18,707,149.9**
	Leverage ratio	
22	**Basel III leverage ratio[3]**	**9.22%**

1. Tier 1 capital at June 30, 2022, March 31, 2022 and December 31, 2021 was ₹ 1,731.94 billion, ₹ 1,727.00 billion and ₹ 1,551.45 billion respectively.
2. Total exposures at June 30, 2022, March 31, 2022 and December 31, 2021 were ₹ 17,623.28 billion, ₹ 17,312.69 billion and ₹ 16,532.72 billion respectively.
3. Leverage ratio at June 30, 2022, March 31, 2022 and December 31, 2021 was 9.83%, 9.98% and 9.38% respectively.

The following table sets forth the reconciliation of total published balance sheet size and on-balance sheet exposure at September 30, 2022

₹ in million

Sr. No.	Leverage ratio framework	Amount
1	Total consolidated assets as per published financial statements	18,331,538.2
2	Replacement cost associated with all derivatives transactions, i.e. net of eligible cash variation margin	(300,917.8)
3	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	(13,728.1)

Sr. No.	Leverage ratio framework	Amount
4	Adjustment for entities outside the scope of regulatory consolidation	(2,478,257.8)
5	**On-balance sheet exposure under leverage ratio (excluding derivatives and SFTs)**	**15,538,634.5**

MAIN FEATURES OF CAPITAL INSTRUMENTS

Disclosure pertaining to main features of equity and debt capital instruments, terms and conditions of equity and debt capital instruments have been disclosed separately on the Bank's website under 'Regulatory Disclosures Section'. The link to this section is http://www.icicibank.com/regulatory-disclosure.page