M S K A & Associates
Chartered Accountants

602 Floor 6, Raheja Titanium,
Western Express Highway,
Geetanjali, Railway Colony,
Ram Nagar, Goregaon (E),
Mumbai 400 063

KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Level-19, Sunshine Tower,
Senapati Bapat Marg,
Elphinstone Road.
Mumbai 400 013

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of ICICI Bank Limited
Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of ICICI Bank Limited, IBU Gift City Branch ("the Branch"), which comprise the Balance Sheet as at 31 March 2023, Profit and Loss Account, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (together herein referred to as "Special Purpose Financial Statements"). The Special Purpose Financial Statements have been prepared by the management of the Branch in accordance with basis of accounting as specified in Schedule 17 to the accompanying Special Purpose Financial Statements as communicated by the ICICI Bank Limited (the "Bank" or "Head Office")

In our opinion and to the best of our information and explanations given to us, the accompanying Special Purpose Financial Statements are prepared in all material respects, in accordance with Head Office accounting policies as specified in Schedule 17 of the accompanying Special Purpose Financial Statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act 2013 (the "Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Schedule 17 to the accompanying Special Purpose Financial Statements, which describes the basis of accounting used for preparing the aforesaid financial statements. These Special Purpose Financial Statements have been prepared by the Bank, in accordance with the special purpose framework, solely to assist the Head Office to prepare its financial statements and for onward submission by the Head Office to the Reserve Bank of India ("RBI"). As a result, the Special Purpose Financial Statements may not be suitable for another purpose.

MSKA & ASSOCIATES MUMBAI Chartered Accountants

KKC & associates llp Chartered Accountants

Our report is intended solely for the use of Bank's management and should not be distributed to or used by any other parties. M S K A & Associates and KKC & Associates LLP shall not be liable to the Bank or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Responsibilities of management and those charged with governance for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these Special Purpose Financial Statements in accordance with the Head Office accounting policies and this includes design, implementation and maintenance of such internal controls as management determines necessary to enable the preparation of Special Purpose Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements, the management is responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Branch's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our responsibility is to express an opinion on those financial statements and that they are in accordance with Head Office accounting policies. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for expressing our opinion on whether the Bank has internal financial controls with reference to Special Purpose Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

KKC & associates llp Chartered Accountants

MSKA & ASSOCIATES MUMBAI Chartered Accountants

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the Special Purpose Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For M S K A & Associates
Chartered Accountants

ICAI Firm Registration No.105047W

Tushar Kurani

MSKA & ASSOCIATES MUMBAI Chartered Accountants

Tushar Kurani
Partner
Membership No.: 118580
UDIN: 23118580BGXRPH6551

Place: Mumbai
Date: 22 April 2023

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration No.105146W/W100621

Gautam Shah
Partner
Membership No.: 117348
UDIN: 23117348BGSZHT8163

Place: Mumbai
Date: 22 April 2023

KKC & associates llp Chartered Accountants

ICICI BANK LIMITED
IBU GIFT Branch
Balance Sheet at March 31, 2023
(All amounts in USD)

	Schedule	At March 31, 2023	At March 31, 2022
CAPITAL AND LIABILITIES			
Capital	1	50,000,000.00	50,000,000.00
Reserves and surplus	2	28,609,095.34	18,527,301.13
Deposits	3	549,646,715.49	199,739,759.26
Borrowings	4	1,096,234,837.04	2,132,497,299.52
Other liabilities and provisions	5	137,628,041.53	48,017,537.83
TOTAL CAPITAL AND LIABILITIES		1,862,118,689.40	2,448,781,897.74
ASSETS			
Cash and balances with Reserve Bank of India	6	-	-
Balances with banks and money at call and short notice	7	315,236,669.47	293,858,299.29
Investments	8	180,976,260.98	1,062,405,752.42
Advances	9	1,220,642,230.98	1,039,436,650.23
Fixed assets	10	148,191.19	70,341.71
Other assets	11	145,115,336.78	53,010,854.09
TOTAL ASSETS		1,862,118,689.40	2,448,781,897.74
Contingent liabilities	12	27,101,264,581.86	2,661,632,639.49
Bills for collection		-	-

The schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

For M S K A and Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Tushar Kurani

Tushar Kurani
Partner
Membership No :118580

For KKC & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 105146W/W100621

Gautam Shah
Partner
Membership No :117348

Mumbai
April 22, 2023

For and on behalf of
ICICI Bank Limited- IBU GIFT City Branch

CEO / Head - IBU
Place: IBU GIFT City
Date: April 21, 2023

Head - Finance

ICICI BANK LIMITED
IBU GIFT Branch
Profit and Loss Account for the year ended March 31, 2023
(All amounts in USD)

		Schedule	Year ended March 31, 2023	Year ended March 31, 2022
I.	**INCOME**			
	Interest earned	13	68,904,780.06	16,302,137.68
	Other income	14	7,869,267.58	2,452,049.39
TOTAL INCOME			**76,774,047.64**	**18,754,187.07**
II.	**EXPENDITURE**			
	Interest expended	15	63,017,112.73	8,580,736.88
	Operating expenses	16	2,544,032.72	1,352,263.12
	Provisions and contingencies	16 A	1,131,107.98	1,636,325.66
TOTAL EXPENDITURE			**66,692,253.43**	**11,569,325.66**
III.	**PROFIT/(LOSS)**			
	Net profit/(loss) for the year		10,081,794.21	7,184,861.41
	Profit brought forward		18,527,301.13	11,342,439.72
TOTAL PROFIT/(LOSS)			**28,609,095.34**	**18,527,301.13**
IV.	**APPROPRIATIONS/TRANSFERS**			
	Balance carried over to balance sheet		28,609,095.34	18,527,301.13
TOTAL APPROPRIATIONS/TRANSFERS			**28,609,095.34**	**18,527,301.13**

The schedules referred to above form an integral part of the Profit and Loss Account.

As per our report of even date

For M S K A and Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Chartered Accountants

Tushar Kurani

Tushar Kurani
Partner
Membership No :118580

For KKC & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 105146W/W100621

Gautam Shah
Partner
Membership No :117348

KKC & associates llp Chartered Accountants

Mumbai
April 22, 2023

For and on behalf of
ICICI Bank Limited- IBU GIFT City Branch

ICICI BANK LTD. IFSC Banking Unit GIFT City Gandhinagar

CEO / Head - IBU
Place: IBU GIFT City
Date: April 21, 2023

Head - Finance

ICICI BANK LIMITED
IBU GIFT Branch
Cash Flow Statement for the year ended March 31, 2023
(All amounts in USD)

		Year ended 31.03.2023	Year ended 31.03.2022
Cash flow from/(used in) operating activities			
Profit/(loss) before taxes		10,081,794.21	7,184,861.41
Adjustments for:			
Depreciation and amortisation		23,508.99	12,088.40
Net (appreciation)/depreciation on investments		(64,000.43)	(84,379.32)
Provision in respect of non-performing and other assets		-	-
General provision for standard assets		1,195,108.41	1,720,704.98
Provision for contingencies & others		-	-
Income from subsidiaries, joint ventures and consolidated entities		-	-
(Profit)/loss on sale of fixed assets		100.30	1,039.10
	(i)	11,236,511.48	8,834,314.57
Adjustments for:			
(Increase)/decrease in investments		881,493,491.87	(537,117,875.91)
(Increase)/decrease in advances		(181,205,580.75)	(497,728,441.36)
Increase/(decrease) in deposits		349,906,956.23	186,131,791.91
(Increase)/decrease in other assets		(91,955,568.77)	(48,255,656.54)
Increase/(decrease) in other liabilities and provisions		88,415,395.29	36,590,096.49
	(ii)	1,046,654,693.87	(860,380,085.41)
Refund/(payment) of direct taxes	(iii)	5,530.62	(5,530.62)
Net cash flow from/(used in) operating activities (i)+(ii)+(iii)	**(A)**	**1,057,896,735.97**	**(851,551,301.46)**
Cash flow from/(used in) investing activities			
Redemption/sale from/(investments in) subsidiaries and/or joint ventures (including application money)		-	-
Income from subsidiaries, joint ventures and consolidated entities		-	-
Purchase of fixed assets		(255,903.31)	(15,823.13)
Proceeds from sale of fixed assets		-	-
(Purchase)/sale of held-to-maturity securities		-	-
Net cash flow from/(used in) investing activities	**(B)**	**(255,903.31)**	**(15,823.12)**
Cash flow from/(used in) financing activities			
Proceeds from issue of share capital (including ESOPs)		-	-
Proceeds from long-term borrowings		250,000,000.00	475,000,000.00
Repayment of long-term borrowings		(78,333,333.48)	(577,333,333.48)
Net proceeds/(repayment) of short-term borrowings		(1,207,929,129.00)	927,830,633.00
Dividend and dividend tax paid		-	-
Net cash flow from/(used in) financing activities	**(C)**	**(1,036,262,462.48)**	**825,497,299.52**
Effect of exchange fluctuation on translation reserve	**(D)**	-	
Net increase/(decrease) in cash and cash equivalents		**21,378,370.18**	**(26,069,825.06)**
Cash and cash equivalents at beginning of the year		**293,858,299.29**	**319,928,124.36**
Cash and cash equivalents at end of the year		**315,236,669.47**	**293,858,299.29**

1. Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

As per our report of even date

For M S K A and Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Chartered Accountants

Tushar Kurani

Tushar Kurani
Partner
Membership No :118580

For KKC & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 105146W/W100621

Gautam Shah
Partner
Membership No :117348

KKC & associates llp Chartered Accountants

Mumbai
April 22, 2023

For and on behalf of
ICICI Bank Limited - IBU GIFT City Branch

ICICI BANK LTD IFSC Banking Unit GIFT City Gandhinagar

CEO / Head - IBU
Place: IBU GIFT City
Date: April 21, 2023

Head - Finance

Schedules forming part of the Balance Sheet
(All amounts in USD)

	At March 31, 2023	At March 31, 2022
SCHEDULE 1 - CAPITAL		
Capital Infusion	50,000,000.00	50,000,000.00
TOTAL CAPITAL	**50,000,000.00**	**50,000,000.00**

	At March 31, 2023	At March 31, 2022
SCHEDULE 2 - RESERVES AND SURPLUS		
I. Balance in profit and loss account	28,609,095.34	18,527,301.13
TOTAL RESERVES AND SURPLUS	**28,609,095.34**	**18,527,301.13**

	At March 31, 2023	At March 31, 2022
SCHEDULE 3 - DEPOSITS		
A. I. Demand deposits		
i) From banks	-	-
ii) From others	29,864,756.92	84,579,165.38
II. Savings bank deposits	2,352,989.56	-
III. Term deposits		
i) From banks	-	-
ii) From others	517,428,969.01	115,160,593.88
TOTAL DEPOSITS	**549,646,715.49**	**199,739,759.26**
B. I. Deposits of branches in India	-	-
II. Deposits of branches outside India	549,646,715.49	199,739,759.26
TOTAL DEPOSITS	**549,646,715.49**	**199,739,759.26**

	At March 31, 2023	At March 31, 2022
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
i) Reserve Bank of India	-	-
ii) Other banks	-	-
iii) Other institutions and agencies		
iv) Borrowings in the form of Bonds and debentures (excluding subordinated debt)	-	-
v) Application money-bonds	-	-
vi) Capital instruments		
TOTAL BORROWINGS IN INDIA	-	-
II. Borrowings outside India		
i) Capital instruments	-	-
ii) Bonds and notes	-	-
iii) Other borrowings	1,096,234,837.04	2,132,497,299.52
TOTAL BORROWINGS OUTSIDE INDIA	**1,096,234,837.04**	**2,132,497,299.52**
TOTAL BORROWINGS	**1,096,234,837.04**	**2,132,497,299.52**

MSKA & ASSOCIATES MUMBAI Chartered Accountants

ICICI BANK LTD. IFSC Banking Unit GIFT City Gandhinagar

kkc & associates llp Chartered Accountants

Schedules forming part of the Balance Sheet
(All amounts in USD)

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS	At March 31, 2023	At March 31, 2022
I. Bills payable	-	-
II. Inter-office adjustments (net)	636,116.00	298,998.01
III. Interest accrued	8,592,694.63	1,276,923.98
IV. Sundry creditors	94,372.61	87,042.30
V. Provision for standard assets[1]	6,197,896.49	5,002,788.08
VI. Unrealised loss on foreign exchange and derivative contracts	107,380,453.73	38,745,991.46
VII. Others[2]	14,726,508.07	2,605,794.00
TOTAL OTHER LIABILITIES AND PROVISIONS	**137,628,041.53**	**48,017,537.83**

1 Standard assets provision is as per local regulatory guidelines or based on communication with the local regulator or as per local Generally Accepted Accounting Principles or as per RBI Guidelines, whichever is higher.

2 Accounting for country risk provision is done centrally at India in respect of the entire exposure of the Bank.

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA	At March 31, 2023	At March 31, 2022
I. Cash in hand (including foreign currency notes)	-	-
II. Balances with Reserve Bank of India in current accounts	-	-
TOTAL CASH AND BALANCES WITH RESERVE BANK OF INDIA	-	-

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	At March 31, 2023	At March 31, 2022
I. In India		
i) Balances with banks		
a) In current accounts	-	-
b) In other deposit accounts	-	-
ii) Money at call and short notice		
a) With banks	-	-
b) With other institutions	-	-
TOTAL	-	-
II. Outside India		
i) In current accounts	34,236,669.47	30,358,299.29
ii) In other deposit accounts	281,000,000.00	240,000,000.00
iii) Money at call and short notice	-	23,500,000.00
TOTAL	**315,236,669.47**	**293,858,299.29**
TOTAL BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	**315,236,669.47**	**293,858,299.29**

MSKA & ASSOCIATES MUMBAI Chartered Accountants

ICICI BANK LTD. IFSC Banking Unit GIFT City * Gandhinagar

kkc & associates llp Chartered Accountants

Schedules forming part of the Balance Sheet
(All amounts in USD)

	At March 31, 2023	At March 31, 2022
SCHEDULE 8 - INVESTMENTS		
I. Investments in India [net of provisions]		
i) Government securities	-	-
ii) Other approved securities	-	-
iii) Shares (includes equity and preference shares)	-	-
iv) Debentures and bonds	-	-
v) Subsidiaries and/or joint ventures	-	-
vi) Others (commercial paper, mutual fund units, pass through certificates, security receipts and certificate of deposits)	-	-
TOTAL INVESTMENTS IN INDIA	-	-
II. Investments outside India [net of provisions]		
i) Government securities	104,267,676.78	949,374,357.45
ii) ii) Subsidiaries and/or joint ventures abroad (includes equity and preference shares)	-	-
iii) Others	76,708,584.20	113,031,394.97
TOTAL INVESTMENTS OUTSIDE INDIA	180,976,260.98	1,062,405,752.42
TOTAL INVESTMENTS	180,976,260.98	1,062,405,752.42

A. Investment in India		
Gross value of Investments	-	
Less: Aggregate of provision/depreciation/(appreciation)	-	
Net investment	-	
B. Investment outside India		
Gross value of Investments	183,193,691.09	1,067,150,600.03
Less: Aggregate of provision/depreciation/(appreciation)	2,217,430.11	4,744,847.61
Net investment	180,976,260.98	1,062,405,752.42
TOTAL INVESTMENTS	180,976,260.98	1,062,405,752.42

	At March 31, 2023	At March 31, 2022
SCHEDULE 9 - ADVANCES [net of provisions]		
A. i) Bills purchased and discounted	256,479,293.59	221,970,217.57
ii) Cash credits, overdrafts and loans repayable on demand	316,524,016.17	509,090,768.12
iii) Term loans	647,638,921.22	308,375,664.54
TOTAL ADVANCES	1,220,642,230.98	1,039,436,650.23
B. i) Secured by tangible assets (includes advances against book debts)[1]	319,383,969.97	389,959,213.56
ii) Covered by bank/government guarantees	-	-
iii) Unsecured	901,258,261.01	649,477,436.67
TOTAL ADVANCES	1,220,642,230.98	1,039,436,650.23
C. I. Advances in India		
i) Priority sector	-	-
ii) Public sector	-	-
iii) Banks	-	-
iv) Others	-	-
TOTAL ADVANCES IN INDIA	-	-
II. Advances outside India		
i) Due from banks	-	-
ii) Due from others		
a) Bills purchased and discounted	256,479,293.59	221,970,217.57
b) Syndicated and term loans	647,638,921.22	308,375,664.54
c) Others	316,524,016.17	509,090,768.12
TOTAL ADVANCES OUTSIDE INDIA	1,220,642,230.98	1,039,436,650.23
TOTAL ADVANCES	1,220,642,230.98	1,039,436,650.23

1. Includes advances against book debts

MSKA & ASSOCIATES MUMBAI Chartered Accountants

ICICI BANK LTD. IFSC Banking Unit GIFT City Gandhinagar

KKC & associates llp Chartered Accountants

Schedules forming part of the Balance Sheet
(All amounts in USD)

	At March 31, 2023	At March 31, 2022
SCHEDULE 10 - FIXED ASSETS		
I. Premises		
Gross block		
At cost at March 31 of preceding year	47,237.70	42,359.69
Additions during the year	-	4,878.01
Deductions during the year	-	-
Closing balance	**47,237.70**	**47,237.70**
Depreciation		
At March 31 of preceding year	(12,791.86)	(8,246.77)
Charge during the year	(4,985.84)	(4,545.09)
Deductions during the year	-	-
Total Depreciation	**(17,777.70)**	**(12,791.86)**
Net block	**29,460.00**	**34,445.84**
II. Other fixed assets (including furniture and fixtures)		
Gross block		
At cost at March 31 of preceding year	56,392.14	53,677.28
Additions during the year	101,458.77	10,945.12
Deductions during the year	(551.69)	(8,230.26)
Closing balance	**157,299.22**	**56,392.14**
Depreciation		
At March 31 of preceding year	(20,496.26)	(20,144.12)
Charge during the year	(18,071.77)	(7,543.31)
Deductions during the year	-	7,191.16
Total Depreciation	**(38,568.03)**	**(20,496.27)**
Net block	**118,731.19**	**35,895.87**
TOTAL FIXED ASSETS	**148,191.19**	**70,341.71**

	At March 31, 2023	At March 31, 2022
SCHEDULE 11 - OTHER ASSETS		
I. Inter-office adjustments (net)	-	-
II. Interest accrued	10,186,198.82	2,760,423.92
III. Tax paid in advance/tax deducted at source (net)1	-	5,530.62
IV. Stationery and stamps	-	-
V. Non-banking assets acquired in satisfaction of claims	-	-
VI. Advances for capital assets	154,444.54	-
VII. Deposits	26,041,647.74	9,837,596.61
VIII. Deferred tax asset (net)1	-	-
IX. Deposits in Rural Infrastructure and Development Fund	-	-
X. Unrealised gain on foreign exchange and derivative contracts	108,435,330.61	40,054,257.63
XI. Accumulated losses	-	-
XII. Others	297,715.07	353,045.31
TOTAL OTHER ASSETS	**145,115,336.78**	**53,010,854.09**

1 Taxation (including deferred taxation) related accounting is based on local tax laws.

	At March 31, 2023	At March 31, 2022
SCHEDULE 12 - CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	-	-
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts1	146,526,854.34	1,221,087,208.13
IV. Guarantees given on behalf of constituents	-	-
a) In India	-	-
b) Outside India	11,859,983.85	49,647,725.36
V. Acceptances, endorsements and other obligations	-	-
VI. Currency swaps1	23,202,000.00	31,697,706.00
VII. Interest rate swaps, currency options and interest rate futures1	26,919,627,166.08	1,359,200,000.00
VIII. Other items for which the Bank is contingently liable	48,577.59	-
TOTAL CONTINGENT LIABILITIES	**27,101,264,581.86**	**2,661,632,639.49**

1. Represents notional amount.

MSKA & ASSOCIATES MUMBAI Chartered Accountants

ICICI BANK LTD. IFSC Banking Unit Gift City * Gandhinagar

KKC & associates llp Chartered Accountants

Schedules forming part of the Profit and Loss account

(All amounts in USD)

SCHEDULE 13 - INTEREST EARNED		Year ended March 31, 2023	Year ended March 31, 2022
I.	Interest/discount on advances/bills	47,347,003.71	12,483,851.66
II.	Income on investments	7,089,909.70	2,882,101.72
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	13,249,102.23	638,126.00
IV.	Others	1,218,764.42	298,058.30
TOTAL INTEREST EARNED		68,904,780.06	16,302,137.68

SCHEDULE 14 - OTHER INCOME		Year ended March 31, 2023	Year ended March 31, 2022
I.	Commission, exchange and brokerage	4,126,592.97	4,444,569.33
II.	Profit/(loss) on sale of investments (net)	(622,070.64)	(1,599.64)
III.	Profit/(loss) on revaluation of investments (net)	2,463,417.07	(3,016,593.35)
IV.	Profit/(loss) on sale of land, buildings and other assets (net)	(100.30)	(1,039.10)
V.	Profit/(loss) on exchange transactions (net)	1,889,202.70	940,781.42
VI.	Income earned by way of dividends, etc. from subsidiary companies and/or joint ventures abroad/in India	-	-
VII.	Miscellaneous income (including lease income)	12,225.78	85,930.73
TOTAL OTHER INCOME		7,869,267.58	2,452,049.39

SCHEDULE 15 - INTEREST EXPENDED		Year ended March 31, 2023	Year ended March 31, 2022
I.	Interest on deposits	6,836,289.87	219,963.91
II.	Interest on Reserve Bank of India/inter-bank borrowings	49,237,308.01	6,159,929.76
III.	Others	6,943,514.85	2,200,843.21
TOTAL INTEREST EXPENDED		63,017,112.73	8,580,736.88

Schedules forming part of the Profit and Loss account
(All amounts in USD)

SCHEDULE 16 - OPERATING EXPENSES		Year ended March 31, 2023	Year ended March 31, 2022
I.	Payments to and provisions for employees	916,294.03	532,982.32
II.	Rent, taxes and lighting	29,371.38	31,670.49
III.	Printing and stationery	1,018.09	-
IV.	Advertisement and publicity	12,417.87	-
V.	Depreciation on Bank's property	23,508.99	12,088.40
VI.	Depreciation (including lease equalisation) on leased assets	-	-
VII.	Directors' fees, allowances and expenses	-	-
VIII.	Auditors' fees and expenses1	-	229.22
IX.	Law charges	58,855.84	13,292.42
X.	Postages, telegrams, telephones, etc.	4,913.49	-
XI.	Repairs and maintenance	20,524.56	-
XII.	Insurance	-	95.50
XIII.	Direct marketing agency expenses	-	-
XIV.	Other expenditure	1,477,128.47	761,904.77
TOTAL OPERATING EXPENSES		2,544,032.72	1,352,263.12

1. The audit fees to the statutory auditors for the year ended March 31, 2022 was paid/payable at the parent level and hence not separately identified for the Branch.

SCHEDULE 16 A - PROVISIONS AND CONTINGENCIES		Year ended March 31, 2023	Year ended March 31, 2022
I.	Income tax		
	- Current period tax	-	-
	- Deferred tax adjustment	-	-
TOTAL TAXES		-	-
II.	Provision for investments (net)	(64,000.43)	(84,379.32)
III.	Provision for advances (net) 1	1,195,108.41	1,720,704.98
IV.	Others	-	-
TOTAL PROVISIONS AND CONTINGENCIES		1,131,107.98	1,636,325.66

1. Includes provisions for standard assets.

MSKA & ASSOCIATES MUMBAI Chartered Accountants

ICICI BANK LTD. IFSC Banking Unit GIFT City * Gandhinagar

kkc & associates llp Chartered Accountants

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

Overview

ICICI Bank Limited (ICICI Bank or the Bank), incorporated in Vadodara, India is a publicly held banking company engaged in providing a wide range of banking and financial services including commercial banking and treasury operations. ICICI Bank is a banking company governed by the Banking Regulation Act, 1949. The Bank also has overseas branches in Bahrain, China, Dubai, Hong Kong, Singapore, United States of America and Offshore Banking units.

Basis of preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of ICICI Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the historical cost convention and the accrual method of accounting, except in the case of interest and other income on non-performing assets (NPAs) where it is recognised upon realisation.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. The impact of any revision in these estimates is recognised prospectively from the period of change.

SIGNIFICANT ACCOUNTING POLICIES

1. Revenue recognition

a) Interest income is recognised in the profit and loss account as it accrues, except in the case of non-performing assets (NPAs) where it is recognised upon realisation, as per the income recognition and asset classification norms of RBI.

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

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

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

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

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

g) Commission received on guarantees and letters of credit issued is amortised on a straight-line basis over the period of the guarantee/letters of credit.

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

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

j) All other fees are accounted for as and when they become due where the Bank is reasonably certain of ultimate collection.

2. Investments

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

The Bank follows trade date method of accounting for purchase and sale of investments, except for government of India and state government securities where settlement date method of accounting is followed in accordance with RBI guidelines.

Classification:
All investments are classified into 'Held to Maturity' (HTM), 'Available for Sale' (AFS)

MSKA & ASSOCIATES MUMBAI Chartered Accountants

ICICI BANK LTD. IFSC Banking Unit GIFT City Gandhinagar

KKC & associates llp Chartered Accountants

and 'Held for Trading' (HFT) on the date of purchase as per the extant RBI guidelines on investment classification and valuation. Reclassifications, if any, in any category are accounted for as per RBI guidelines. Under each classification, the investments are further categorised as (a) government securities, (b) other approved securities, (c) shares, (d) bonds and debentures, (e) subsidiaries and joint ventures and (f) others.

Investments that are held principally for resale within 90 days from the date of purchase are classified as HFT securities. Investments which the Bank intends to hold till maturity are classified as HTM securities. Investments which are not classified in either of the above categories are classified under AFS securities. Investments in the equity of subsidiaries/joint ventures are classified under HTM or AFS categories.

Cost of acquisition:

Costs, including brokerage and commission pertaining to investments paid at the time of acquisition and broken period interest (the amount of interest from the previous interest payment date till the date of purchase of instruments) on debt instruments, are charged to the profit and loss account.

Valuation:

Securities are valued scrip-wise. Depreciation/appreciation on securities, other than those acquired by way of conversion of outstanding loans, is aggregated for each category. Net appreciation in each category under each investment classification, if any, being unrealised, is ignored, while net depreciation is provided. The depreciation on securities acquired by way of conversion of outstanding loans is fully provided. Non-performing investments are identified based on the RBI guidelines.

HTM securities are carried at their acquisition cost or at amortised cost, if acquired at a premium over the face value. Any premium over the face value of fixed rate and floating rate securities acquired is amortised over the remaining period to maturity on a constant yield basis and straight line basis respectively.

AFS and HFT securities are valued periodically as per RBI guidelines. Any premium over the face value of fixed rate and floating rate investments in government securities, classified as AFS, is amortised over the remaining period to maturity on constant yield basis and straight line basis respectively. Quoted investments are valued based on the closing quotes on the recognised stock exchanges or prices declared by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivatives Association (FIMMDA)/Financial Benchmark India

MSKA & ASSOCIATES MUMBAI Chartered Accountants

ICICI BANK LTD. IFSC Banking Unit GIFT City * Gandhinagar

kkc & associates llp Chartered Accountants

Private Limited (FBIL), periodically.

The market/fair value of unquoted government securities which are in nature of Statutory Liquidity Ratio (SLR) securities included in the 'Available for Sale' and 'Held for Trading' categories is as per the rates published by FBIL. The valuation of other unquoted fixed income securities, including Pass Through Certificates, wherever linked to the Yield-to-Maturity (YTM) rates, is computed with a mark-up (reflecting associated credit risk) over the YTM rates for government securities published by FIMMDA. The sovereign foreign securities and non-INR India linked bonds are valued on the basis of prices published by the sovereign regulator or counterparty quotes.

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

The units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund. Unquoted equity shares are valued at the break-up value, if the latest balance sheet is available, or at ₹ 1, as per RBI guidelines.

The units of Venture Capital Funds (VCFs) are valued at the net asset value (NAV) declared by the VCF. If the latest balance sheet is not available continuously for more than 18 months, the units of VCF are valued at ₹ 1, as per RBI guidelines.

At the end of each reporting period, security receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction companies are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting period end. The Bank makes additional provisions on the security receipts based on the remaining period for the resolution period to end. The security receipts which are outstanding and not redeemed as at the end of the resolution period are treated as loss assets and are fully provided.

The Bank assesses investments in subsidiaries for any other than temporary diminution in value and appropriate provisions are made.

Depreciation/provision on non-performing investments is made as per internal provisioning norms, subject to minimum provisioning requirements of RBI.

ICICI BANK LTD. IFSC Banking Unit GIFT City Gandhinagar

MSKA & ASSOCIATES MUMBAI Chartered Accountants

KKC & associates llp Chartered Accountants

Disposal:

Gain/loss on sale of investments is recognised in the profit and loss Account. Cost of investments is computed based on the First-In-First-Out (FIFO) method. The profit from sale of investment under HTM category, net of taxes and transfer to statutory reserve is transferred to "Capital Reserve" in accordance with the RBI Guidelines.

Short sale:

The Bank undertakes short sale transactions in dated central government securities in accordance with RBI guidelines. The short positions are categorised under HFT category and are marked to market. The mark-to-market loss is charged to profit and loss account and gain, if any, is ignored as per RBI guidelines.

Repurchase transactions:

Market repurchase, reverse repurchase and transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as borrowing and lending transactions in accordance with the extant RBI guidelines.

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

Classification:

The Bank classifies its loans and investments, including at overseas branches and overdues arising from crystallised derivative contracts, into performing and NPAs in accordance with RBI guidelines. Loans and advances held at the overseas branches that are identified as impaired as per host country regulations but which are standard as per the extant RBI guidelines are classified as NPAs to the extent of amount outstanding in the respective host country. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Interest on non-performing advances is transferred to an interest suspense account and not recognised in profit and loss account until received.

The Bank considers an account as restructured, where for economic or legal reasons relating to the borrower's financial difficulty, the Bank grants concessions to the borrower, that the Bank would not otherwise consider. The moratorium granted to the borrowers based on RBI guidelines is not accounted as restructuring of loan. The RBI guidelines on 'Resolution Framework for COVID-19-related Stress' provide a prudential framework for resolution plan of certain loans. The borrowers where

MSKA & ASSOCIATES MUMBAI Chartered Accountants

ICICI BANK LTD. IFSC Banking Unit GIFT City * Gandhinagar

KKC & associates llp Chartered Accountants

resolution plan was implemented under these guidelines are classified as standard restructured.

Non-performing and restructured loans are upgraded to standard as per the extant RBI guidelines or host country regulations, as applicable.

Provisioning:

In the case of corporate loans and advances, provisions are made for sub-standard and doubtful assets as per internal provisioning norms, subject to minimum provisioning requirements of RBI. Loss assets and the unsecured portion of doubtful assets are fully provided. For impaired loans and advances held in overseas branches, which are performing as per RBI guidelines, provisions are made as per the host country regulations. For loans and advances held in overseas branches, which are NPAs both as per the RBI guidelines and host country regulations, provisions are made at the higher of the provisions required as per internal provisioning norms and host country regulations. Provisions on homogeneous non-performing retail loans and advances, subject to minimum provisioning requirements of RBI, are made on the basis of the ageing of the loan. The specific provisions on non-performing retail loans and advances held by the Bank are higher than the minimum regulatory requirements.

In respect of non-retail loans reported as fraud to RBI the entire amount, is provided over a period not exceeding four quarters starting from the quarter in which fraud has been detected. In respect of non-retail loans where there has been delay in reporting the fraud to the RBI or which are classified as loss accounts, the entire amount is provided immediately. In case of fraud in retail accounts, the entire amount is provided immediately. In respect of borrowers classified as non-cooperative borrowers or willful defaulters, the Bank makes accelerated provisions as per RBI guidelines.

The Bank holds specific provisions against non-performing loans and advances and against certain performing loans and advances in accordance with RBI directions.

The Bank makes provision on restructured loans subject to minimum requirements as per RBI guidelines. Provision due to diminution in the fair value of restructured/rescheduled loans and advances is made in accordance with the applicable RBI guidelines.

ICICI BANK LTD. IFSC Banking Unit GIFT City Gandhinagar

MSKA & ASSOCIATES MUMBAI Chartered Accountants

kkc & associates llp Chartered Accountants

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

In terms of RBI guidelines, the NPAs are written-off in accordance with the Bank's policy. Amounts recovered against bad debts written-off are recognised in the profit and loss account.

The Bank maintains general provision on performing loans and advances in accordance with the RBI guidelines, including provisions on loans to borrowers having unhedged foreign currency exposure, provisions on loans to specific borrowers in specific stressed sectors, provision on exposures to step-down subsidiaries of Indian companies and provision on incremental exposure to borrowers identified as per RBI's large exposure framework. For performing loans and advances in overseas branches, the general provision is made at higher of aggregate provision required as per host country regulations and RBI requirement.

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposures including indirect country risk (other than for home country exposure). The countries are categorised into seven risk categories namely insignificant, low, moderately low, moderate, moderately high, high and very high, and provisioning is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 25%. For exposures with contractual maturity of less than 180 days, provision is required to be held at 25% of the rates applicable to exposures exceeding 180 days. The indirect exposure is reckoned at 50% of the exposure. If the Bank's net funded exposure in respect of a country is less than 1% of its total assets, no provision is required on such country exposure.

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

The Bank, on prudent basis, has made contingency provision on certain loan portfolios, including borrowers who had taken moratorium at any time during FY2021 under the extant RBI guidelines related to Covid-19 regulatory package. The Bank also makes additional contingency provision on certain standard assets. The contingency provision is included in 'Schedule 5 - Other Liabilities and Provisions'.

The Bank has a Board approved policy for making floating provision, which is in addition to the specific and general provisions made by the Bank. The floating provision is utilised, with the approval of Board and RBI, in case of contingencies which do not arise in the normal course of business and are exceptional and non-recurring in nature and for making specific provision for impaired loans as per the requirement if extant RBI guidelines or any regulatory guidance/instructions. The floating provision is netted-off from advances.

4. Transfer and servicing of assets

The Bank transfers commercial and consumer loans through securitisation transactions. The transferred loans are de-recognised and gains/losses are accounted, only if the Bank surrenders the right 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.

ICICI BANK LTD. IFSC Banking Unit GIFT City Gandhinagar

MSKA & ASSOCIATES MUMBAI Chartered Accountants

KKC & associates llp Chartered Accountants

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

5. Fixed assets

Fixed assets, other than premises, are carried at cost less accumulated depreciation and impairment, if any. Premises are carried at revalued amount, being fair value at the date of revaluation less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

Depreciation is charged over the estimated useful life of fixed assets on a straight-line basis. Assets purchased/sold during the year are depreciated on a pro-rata basis for the actual number of days the asset has been capitalised. Assets individually costing upto ₹ 5,000/- are depreciated fully in the year of acquisition.

In case of revalued/impaired assets, depreciation is provided over the remaining useful life of the assets with reference to revised asset values. In case of premises, which are carried at revalued amounts, the depreciation on the excess of revalued amount over historical cost is transferred from Revaluation Reserve to General Reserve annually. The profit on sale of premises is appropriated to Capital Reserve, net of transfer to Statutory Reserve and taxes, in accordance with RBI guidelines.

The useful lives of the groups of fixed assets are given below.

Asset	Useful life
Premises owned by the Bank	60 years
Leased assets and improvements to leasehold premises	60 years or lease period whichever is lower
ATMs[1,2]	5 - 8 years
Plant and machinery[1] (including office equipment)	5 -10 years
Electric installations and equipments	10 - 15 years
Computers	3 years
Servers and network equipment[1]	4 – 10 years
Furniture and fixtures[1]	5 – 10 years
Motor vehicles[1]	5 years
Others (including software)[1,3]	3-4 years

1. The useful life of fixed assets is based on historical experience of the Bank, which is different from the useful life as prescribed in Schedule II to the Companies Act, 2013.
2. Cash acceptor machine
3. Excludes software, which are procured based on licensing arrangements and depreciated over the period of license.

Kau

ICICI BANK LTD. IBBC Banking Unit GIFT City Gandhinagar

MSKA & ASSOCIATES MUMBAI Chartered Accountants

KKC & associates llp Chartered Accountants

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

Non-banking assets

Non-banking assets (NBAs) acquired in satisfaction of claims are valued at the market value on a distress sale basis or value of loan, whichever is lower. Further, the Bank creates provision on these assets as per the extant RBI guidelines or specific RBI directions.

6. Translation of foreign currency items

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Income and expenditure items of integral foreign operations (representative offices) are translated at daily closing rates, and income and expenditure items of non-integral foreign operations (foreign branches and offshore banking units) are translated at quarterly average closing rates.

Monetary foreign currency assets and liabilities of domestic and integral foreign operations are translated at closing exchange rates notified by Foreign Exchange Dealers' Association of India (FEDAI) relevant to the balance sheet date and the resulting gains/losses are recognised in the profit and loss account.

Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at relevant closing exchange rates notified by FEDAI at the balance sheet date and the resulting gains/losses from exchange differences are accumulated in the foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operations. Pursuant to RBI guideline, the Bank does not recognise the cumulative/proportionate amount of such exchange differences as income or expenses, which relate to repatriation of accumulated retained earnings from overseas operations, in the profit and loss account.

Contingent liabilities on account of guarantees, endorsements and other obligations denominated in foreign currencies are disclosed at the closing exchange rates notified by FEDAI relevant to the balance sheet date.

7. Foreign exchange and derivative contracts

ICICI BANK LTD. IFSC Banking Unit GIFT City Gandhinagar

MSKA & ASSOCIATES MUMBAI Chartered Accountants

KKC & associates llp Chartered Accountants

The forward exchange contracts that are not intended for trading and are entered into to establish the amount of reporting currency required or available at the settlement date of a transaction are effectively valued at closing spot rate. The premium or discount arising on inception of such forward exchange contracts is amortised over the life of the contract as interest income/expense. All other outstanding forward exchange contracts are revalued based on the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of interim maturities. The contracts of longer maturities where exchange rates are not notified by FEDAI are revalued based on the forward exchange rates implied by the swap curves in respective currencies. The resultant gains or losses are recognised in the profit and loss account.

The swap contracts entered to hedge on-balance sheet assets and liabilities are structured such that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of underlying assets and liabilities and accounted pursuant to the principles of hedge accounting. The Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. Hedge effectiveness is ascertained at the time of the inception of the hedge and periodically thereafter. Based on RBI circular issued on June 26, 2019, the accounting of hedge relationships established after June 26, 2019 is in accordance with the Guidance note on Accounting for Derivative Contracts issued by ICAI. The swaps under hedge relationships established prior to that date are accounted on an accrual basis and are not marked to market unless their underlying transaction is marked-to-market. Gains or losses arising from hedge ineffectiveness, if any, are recognised in the profit and loss Account.

The derivative contracts entered into for trading purposes are marked-to-market and the resulting gain or loss is accounted in the profit and loss account. Pursuant to RBI guidelines, any receivables under derivative contracts which remain overdue for more than 90 days and mark-to-market gains on other derivative contracts with the same counter-parties are reversed through profit and loss account.

8. Employee Stock Option Scheme (ESOS)

The Employees Stock Option Scheme (the Scheme) provides for grant of options on the Bank's equity shares to wholetime directors and employees of the Bank and its subsidiaries. The options granted vest in a graded manner and may be exercised within a specified period.

Till March 31, 2021, the Bank recognised cost of stock options granted under

MSKA & ASSOCIATES MUMBAI Chartered Accountants

ICICI BANK LTD. IFSC Banking Unit GIFT City * Gandhinagar

KKC & associates llp Chartered Accountants

Employee Stock Option Scheme, using intrinsic value method. Under Intrinsic value method, options cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date. The fair market price is the closing price on the stock exchange with highest trading volume of the underlying shares, immediately prior to the grant date.

Pursuant to RBI clarification dated August 30, 2021, the cost of stock options granted after March 31, 2021 is recognised based on fair value method. The cost of stock options granted up to March 31, 2021 continues to be recognised on intrinsic value method. The Bank uses Black-Scholes model to fair value the options on the grant date and the inputs used in the valuation model include assumptions such as the expected life of the share option, volatility, risk free rate and dividend yield.

The cost of stock options is recognised in the profit and loss account over the vesting period.

9. Employee Benefits

Gratuity

The Bank pays gratuity, a defined benefit plan, to employees who retire or resign after a minimum prescribed period of continuous service and in case of employees at overseas locations as per the rules in force in the respective countries. The Bank makes contribution to recognised trust which administers the funds on its own account or through insurance companies.

Actuarial valuation of the gratuity liability is determined by an independent actuary appointed by the Bank. Actuarial valuation of gratuity liability is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognised in the profit and loss account.

Superannuation Fund and National Pension Scheme

The Bank has a superannuation fund, a defined contribution plan, which is administered by trustees and managed by insurance companies. The Bank contributes 15.0% of the total annual basic salary for certain employees to superannuation funds. Further, the Bank contributes upto 10.0% of the total basic salary of certain employees to National Pension Scheme (NPS), a defined contribution plan, which is managed and administered by pension fund management companies. The employees are given an option to receive the amount in cash in lieu of such contributions along with their monthly salary during their employment.

MSKA & ASSOCIATES MUMBAI Chartered Accountants

ICICI BANK LTD. IFSC GIFT City Gandhinagar

KKC & associates llp Chartered Accountants

The amounts so contributed/paid by the Bank to the superannuation fund and NPS or to employees during the year are recognised in the profit and loss account. The Bank has no liability towards future benefits under superannuation fund and national pension scheme other than its annual contribution.

Pension

The Bank provides for pension, a defined benefit plan, covering eligible employees of erstwhile Bank of Madura, erstwhile Sangli Bank and erstwhile Bank of Rajasthan. The Bank makes contribution to a trust which administers the funds on its own account or through insurance companies. The plan provides for pension payment including dearness relief on a monthly basis to these employees on their retirement based on the respective employee's years of service with the Bank and applicable salary.

Actuarial valuation of the pension liability is determined by an independent actuary appointed by the Bank. Actuarial valuation of pension liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method. The actuarial gains or losses arising during the year are recognised in the profit and loss account.

Employees covered by the pension plan are not eligible for employer's contribution under the provident fund plan.

Provident Fund

The Bank is statutorily required to maintain a provident fund, a defined benefit plan, as a part of retirement benefits to its employees. Each employee contributes a certain percentage of his or her basic salary and the Bank contributes an equal amount for eligible employees. The Bank makes contribution as required by The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to Employees' Pension Scheme administered by the Regional Provident Fund Commissioner. The Bank makes balance contributions to a fund administered by trustees. The funds are invested according to the rules prescribed by the Government of India. The Bank recognises such contribution as an expense in the year in which it is incurred.

Interest payable on provident fund should not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. Actuarial valuation for the interest obligation

MSKA & ASSOCIATES MUMBAI Chartered Accountants

ICICI BANK LTD. IFSC Banking Unit GIFT City Gandhinagar

kkc & associates llp Chartered Accountants

on the provident fund balances is determined by an actuary appointed by the Bank.

The actuarial gains or losses arising during the year are recognised in the profit and loss account.

The overseas branches of the Bank and its eligible employees contribute a certain percentage of their salary towards respective government schemes as per local regulatory guidelines. The contribution made by the overseas branches is recognised in profit and loss account at the time of contribution.

Compensated absences

The Bank provides for compensated absence based on actuarial valuation conducted by an independent actuary.

10. Income Taxes

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on Income respectively. Deferred tax adjustments comprise changes in the deferred tax assets or liabilities during the year and change in tax rate.

Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgement as to whether their realisation is considered as reasonably certain. However, in case of unabsorbed depreciation or carried forward loss, deferred tax assets will be recognised only if there is virtual certainty of realisation of such assets.

11. Impairment of Assets

The Bank follows revaluation model of accounting for its premises and the

MSKA & ASSOCIATES MUMBAI Chartered Accountants

ICICI BANK LTD. IFSC Banking Unit GIFT City Gandhinagar

kkc & associates llp Chartered Accountants

recoverable amount of the revalued assets is considered to be close to its revalued amount. Accordingly, separate assessment for impairment of premises is not required.

For assets other than premises, the Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the profit and loss account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

12. Provisions, contingent liabilities and contingent assets

The Bank estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available up to the date on which the financial statements are prepared. A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates of amounts required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made in the financial statements. In case of remote possibility neither provision nor disclosure is made in the financial statements. The Bank does not account for or disclose contingent assets, if any.

The Bank estimates the probability of redemption of customer loyalty reward points using an actuarial method by employing an independent actuary and accordingly makes provision for these reward points. Actuarial valuation is determined based on certain assumptions regarding mortality rate, discount rate, cancellation rate and redemption rate.

13. Earnings per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per

MSKA & ASSOCIATES MUMBAI Chartered Accountants

ICICI BANK LTD. IFSC Banking Unit GIFT City Gandhinagar

KKC & associates llp Chartered Accountants

equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

14. Share issue expenses

Share issue expenses are deducted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

15. Bullion transaction

The Bank deals in bullion business on a consignment basis. The bullion is priced to the customers based on the price quoted by the supplier. The difference between price recovered from customers and cost of bullion is accounted for as commission at the time of sales to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest expense/income is accounted on accrual basis.

16. Lease transactions

Lease payments, including cost escalations, for assets taken on operating lease are recognised as an expense in the profit and loss account over the lease term on straight line basis. The leases of property, plant and equipment, where substantially all of the risks and rewards of ownership are transferred to the Bank are classified as finance lease. Minimum lease payments under finance lease are apportioned between the finance costs and outstanding liability.

17. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

MSKA & ASSOCIATES MUMBAI Chartered Accountants

ICICI BANK LTD IFSC Banking Unit GIFT City Gandhinagar

KKC & associates llp Chartered Accountants