

**ICICI Bank Limited Hong Kong Branch
Unaudited Disclosure Statement
As at March 31, 2016**



**ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2016**

Statement of Compliance

We have prepared this unaudited Disclosure Statement of ICICI Bank Limited, Hong Kong Branch ("the Branch") as at March 31, 2016. It is compiled according to the Banking (Disclosure) Rules under the Banking Ordinance (Chapter 155M) effective from January 1, 2007.

As the Chief Executive of the Branch, I confirm that, to the best of my knowledge, the information contained in the Disclosure Statement is correctly compiled in accordance with the Banking (Disclosure) Rules requirement and consistent with the books and records of the Branch.

ICICI Bank Limited
Hong Kong Branch



Murali Ramakrishnan
Chief Executive
29 JUN 2016

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Section A – Branch information (Hong Kong office only)

I. Profit and Loss Information

	Year ended March 31, 2016 HK\$ in million	Year ended March 31, 2015 HK\$ in million
Income		
Interest income	1,670	1,755
Interest expense	<u>(1,213)</u>	<u>(1,445)</u>
Net interest income	457	310
Other operating income		
Gains less losses arising from trading in foreign currencies	101	72
Gains less losses on securities held for trading purposes	-	-
Gains less losses from other trading activities	(74)	(78)
Net fees and commission income	173	198
Fees and commission income	173	198
Fees and commission expense	<u>-</u>	<u>-</u>
Other income	32	102
Total operating income	<u>689</u>	<u>604</u>
Expenses		
Operating expenses		
Staff expenses	(47)	(40)
Rental expenses	(11)	(9)
Other expenses	<u>(32)</u>	<u>(33)</u>
Total operating expenses	<u>(90)</u>	<u>(82)</u>
Operating profit before impairment losses	599	522
Release of / (charge for) impairment losses and provisions for impaired loans and receivables		
Collective provision	13	(16)
Specific provision	<u>1</u>	<u>(21)</u>
	14	(37)
Gains less losses from the disposal of property, plant and equipment and investment properties	<u>-</u>	<u>-</u>
Profit before taxation	613	485
Tax expense	(98)	(34)
Profit after taxation	<u>515</u>	<u>451</u>

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II. Balance Sheet Information

	March 31, 2016 HK\$ in million	September 30, 2015 HK\$ in million
Assets		
Cash and balances with banks	2,560	696
Placement with banks which have a residual contractual maturity of more than one month but not more than twelve months	1	-
Amount due from overseas offices of the institution	22,774	28,186
Trade bills	1,681	2,273
Advances and other accounts		
Advances to customers	11,094	12,673
Advances to banks	897	873
Accrued interest	75	77
Unamortized discount on loans	(2)	(1)
Provision for impaired loans and receivables (collective)	(176)	(176)
Provision for impaired loans and receivables (specific)	(10)	(31)
	11,878	13,415
Securities held for trading purposes		
Investment in treasury bills	386	387
Investment securities		
Investment in treasury bills	120	118
Investment in corporate bonds	209	272
Investment in certificate of deposit held	-	155
Other investments		
Investment in group subsidiaries	1,712	1,777
Investment in credit linked notes	-	-
	1,712	1,777
Property, plant and equipment	4	4
Other assets and receivables	899	1,642
Total assets	<u>42,224</u>	<u>48,925</u>
Liabilities		
Deposits and balances from banks	24,493	26,156
Deposits from customers		
Demand deposits and current accounts	625	631
Time, call and notice deposits	3,705	3,652
	4,330	4,283
Amount due to overseas offices of the institution	817	2,109
Certificate of deposit issued	863	757
Issued debt securities	9,683	13,187
Other liabilities	627	899
Retained earnings	1,411	1,534
Total liabilities	<u>42,224</u>	<u>48,925</u>

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III. Additional Balance Sheet Information

	March 31, 2016		September 30, 2015	
	HK\$ in million		HK\$ in million	
(a) Loans and receivables				
Loan and advances to customers		11,094		12,673
Loan and advances to banks		897		873
Accrued interest		75		77
Unamortized discount on loans		(2)		(1)
Provision for impaired loans and advances to customers				
- Collective		(176)		(176)
- Individual		(10)		(31)
		<u>11,878</u>		<u>13,415</u>
(b) Overdue and rescheduled advances				
Overdue advances	Gross amount	% to total loans and receivables	Gross amount	% to total loans and receivables
	HK\$ in million		HK\$ in million	
Advances to customers overdue for				
- Above 1 month but up to 3 months	58	0.49%	65	0.48%
- Above 3 months but up to 6 months	-	-	-	-
- Above 6 months but up to 1 year	14	0.12%	-	-
- Above 1 year	<u>4</u>	<u>0.03%</u>	<u>33</u>	<u>0.25%</u>
Total overdue advances	<u>76</u>	<u>0.64%</u>	<u>98</u>	<u>0.73%</u>
Secured overdue advances	75		97	
Unsecured overdue advances	1		1	
	<u>76</u>		<u>98</u>	

There were HK\$10 million specific provisions made on overdue advances which were impaired as at March 31, 2016 (September 30, 2015: HK\$31 million).

The impaired loans and advances to customers which are individually determined to be impaired amounted to HK\$18 million (0.15%) as at March 31, 2016 and HK\$33 million (0.25%) as at September 30, 2015. There were no impaired loans and advances to banks as at March 31, 2016 and September 30, 2015.

The amount of specific provisions made on impaired loans and advances to customers amounted to HK\$10 million as at March 31, 2016 (September 30, 2015: HK\$31 million). There were no specific provisions made on impaired loans and advances to banks as at March 31, 2016 and September 30, 2015.

Collateral held with respect to overdue loans and advances to customers as at March 31, 2016 and September 30, 2015 is mainly property, plant and machinery. Collateral of a total of HK\$17 million has been taken into account in respect of loans and advances to customers to which individual impairment allowances relate (September 30, 2015: HK\$33 million).

Impaired loans and advances to customers included no rescheduled loans and advances to customers as at March 31, 2016 (September 30, 2015: HK\$29 million (0.22%)). There were no rescheduled loans and advances to banks as at March 31, 2016 and September 30, 2015. No rescheduled loans and advances to customers which are overdue more than 90 days as at March 31, 2016 (September 30, 2015: HK\$29 million (0.22%)).

No repossessed asset was held for impaired and overdue advance as at March 31, 2016 and September 30, 2015. Other than the HK\$76 million and HK\$98 million respectively as presented above, there are no other advances to customers overdue for more than 1 month as at March 31, 2016 and September 30, 2015.

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(c) The breakdown of the gross amount of loans and advances to customers by industry categories

	March 31, 2016		HK\$ in million
	Gross loans and advances	Overdue loans and advances	Collateral or other security
Loans and advances for use in Hong Kong			
Industrial, commercial and financial			
- Transport and transport equipment	-	-	-
- Wholesale and retail trade	116	-	-
- Manufacturing	88	-	-
- Others	78	-	78
Loans and advances for use outside Hong Kong	10,527	18	8,462
Trade finance	285	58	256
	11,094	76	8,796

	September 30, 2015		HK\$ in million
	Gross loans and advances	Overdue loans and advances	Collateral or other security
Loans and advances for use in Hong Kong			
Industrial, commercial and financial			
- Transport and transport equipment	8	-	8
- Wholesale and retail trade	-	-	-
- Manufacturing	37	-	5
- Others	77	-	77
Loans and advances for use outside Hong Kong	12,245	98	9,294
Trade finance	306	-	301
	12,673	98	9,685

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(d) Analysis of gross loans and advances to customer by geographical areas

	March 31, 2016		HK\$ in million
	Gross loans and advances	Overdue loans and advances	Impaired loans (individually determined)
- Asia & Pacific (excluding Hong Kong)	7,232	18	18
<i>of which India</i>	6,234	18	18
- Africa	2,055	-	-
<i>of which Mauritius</i>	2,055	-	-
- Others	1,807	58	-
	<u>11,094</u>	<u>76</u>	<u>18</u>

	September 30, 2015		HK\$ in million
	Gross loans and advances	Overdue loans and advances	Impaired loans (individually determined)
- Asia & Pacific (excluding Hong Kong)	8,094	98	33
<i>of which India</i>	7,044	98	33
- Africa	2,668	-	-
<i>of which Mauritius</i>	2,668	-	-
- Others	1,911	-	-
	<u>12,673</u>	<u>98</u>	<u>33</u>

Note: Gross amount of loans and advances to customers by geographical areas are derived according to the location of the counterparties and constitutes 10% or more of the relevant disclosure amount.

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(e) Non-bank mainland exposures

The following Mainland exposures to non-bank counterparties are prepared in accordance with HKMA Return of Mainland Activities (Form MA(BS)(20)) completion instructions.

Types of Counterparties	March 31, 2016		HK\$ in million
	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	210	-	210
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	221	22	243
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	431	22	453
Total assets after provision ¹	42,273		
On-balance sheet exposures as percentage of total assets	1.02%		

1. Total assets after provision are based on HKMA Return of Assets & Liabilities (Form MA(BS)(1)).

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(e) Non-bank mainland exposures

	September 30, 2015		HK\$ in million
Types of Counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	235	-	235
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	235	-	235
Total assets after provision¹	48,994		
On-balance sheet exposures as percentage of total assets	0.48%		

1. Total assets after provision are based on HKMA Return of Assets & Liabilities (Form MA(BS)(1)).

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IV. International claims (excluding intra-group claims) by geographical areas after taking into consideration of transfer of risks

	HK\$ in million					
	Banks	Official sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
At March 31, 2016						
- Developing Asia-Pacific	3,802	-	212	7,396	-	11,410
<i>of which India</i>	2,693	-	212	7,289	-	10,194
- Developed Countries	766	386	28	1,630	-	2,810
<i>of which United Kingdom</i>	69	-	-	1,252	-	1,321
- Offshore Centers	116	135	223	2,495	-	2,969

	HK\$ in million					
	Banks	Official sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
At September 30, 2015						
- Developing Asia-Pacific	3,241	275	-	8,184	-	11,700
<i>of which India</i>	1,004	275	-	8,115	-	9,394
- Developed Countries	735	387	48	2,372	-	3,542
<i>of which United Kingdom</i>	62	-	-	1,836	-	1,898
- Offshore Centers	48	123	383	2,778	-	3,332

Note: International claims by geographical area are derived according to the location of the counterparties, which are prepared in accordance with HKMA Return of International Banking Statistics (Form MA(BS)(21)) completion instructions. A major country or geographical segment is disclosed if international claims attributable to the country or segment (including Hong Kong) constitute not less than 10% of total international claims after taking into account any recognized risk transfer at either March 31, 2016 or September 30, 2015. Claims arising between branches and subsidiaries are excluded.

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V. Currency risk

Foreign currency exposures (Position of individual currency reported is the net position and constitutes 10% or more of the total net position in all foreign currencies).

At March 31, 2016

	USD	OTHERS	HK\$ in million TOTAL
Spot assets	37,646	4,053	41,699
Spot liabilities	(35,481)	(4,891)	(40,372)
Forward purchases	14,935	4,771	19,706
Forwards sales	(16,533)	(3,953)	(20,486)
Net options position	-	-	-
Net long / (short) position	<u>567</u>	<u>(20)</u>	<u>547</u>

At September 30, 2015

	USD	OTHERS	HK\$ in million TOTAL
Spot assets	44,192	4,176	48,368
Spot liabilities	(41,677)	(5,923)	(47,600)
Forward purchases	18,715	5,139	23,854
Forwards sales	(20,732)	(3,364)	(24,096)
Net options position	-	-	-
Net long position	<u>498</u>	<u>28</u>	<u>526</u>

There was no structural position held by the branch as at 31 March, 2016 and 30 September, 2015.

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VI. Off-balance sheet exposures

(a) The contractual or notional amounts of each of the following class of off-balance sheet exposures outstanding:

	March 31, 2016 HK\$ in million	September 30, 2015 HK\$ in million
Contingent liabilities and commitments		
- Direct credit substitutes	731	717
- Transaction related contingencies	1,141	1,129
- Trade related contingencies	440	794
- Other commitments	3,178	3,509
	<u>5,490</u>	<u>6,149</u>

Contingent liabilities and commitments arise from credit-related instruments which include letters of credit, guarantees and commitments to extend credit. The risk involved in these credit-related instruments is essentially the same as the credit risk involved in extending loan facilities to customers. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. As the facilities may expire without being drawn upon, the contractual amounts do not represent expected future cash flows.

	March 31, 2016 HK\$ in million	September 30, 2015 HK\$ in million
Derivative transactions		
- Exchange rate related derivative contracts (exclude forward foreign exchange arising from swap deposit arrangements)	9,495	8,833
- Interest rate derivative contracts	10,032	13,883
	<u>19,527</u>	<u>22,716</u>

These derivatives are used to manage the branch's own exposures to market risk as part of its asset and liability management process. The principal derivative instruments used by the Branch are interest and foreign exchange rate related contracts, which are primarily over-the-counter derivatives.

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VI. Off-balance sheet exposures

(b) The total fair value of the above derivative transactions

	March 31, 2016 HK\$ in million	September 30, 2015 HK\$ in million
Fair value recognized through profit and loss		
- Exchange rate related derivative contracts	<u>90</u>	<u>97</u>
- Interest rate derivative contracts	<u>-</u>	<u>-</u>
Fair value of outstanding derivatives		
- Exchange rate related derivative contracts	<u>349</u>	<u>399</u>
- Interest rate derivative contracts	<u>-</u>	<u>-</u>

There are no bilateral netting arrangements for above derivative transactions.

VII. Liquidity

	March 31, 2016	March 31, 2015
The average liquidity maintenance ratio	47.04% ¹	39.80% ²
The average liquidity ratio	-	124.22% ³

The average liquidity ratio / liquidity maintenance ratio is the arithmetic mean of each calendar month's average value of its liquidity ratio / liquidity maintenance ratio as reported in Part I(2) of the 'Return of Liquidity Position of an Authorized Institution'.

The amended Banking (Disclosure) Rules no longer mandate disclosure of the liquidity ratio, which was replaced by the liquidity maintenance ratio on January 1, 2015. The comparative information is not directly comparable due to the implementation of liquidity maintenance ratio from January 1, 2015.

1. The average liquidity maintenance ratio is for the months of April 2015 to March 2016.
2. The average liquidity maintenance ratio is for the months of January to March 2015.
3. The average liquidity ratio is for the months of April to December 2014.

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VIII. Liquidity Risk Management

The Bank uses various tools for measurement of liquidity risk including the statement of structural liquidity, dynamic liquidity gap statements, liquidity ratios and stress testing. The Bank maintains diverse sources of liquidity to facilitate flexibility in meeting funding requirements. International branches of the Bank are primarily funded by debt capital market issuances, lines of financing from export credit agencies, syndicated loans, bilateral loans and bank lines, in addition to deposits in certain local markets.

IX. Disclosure on Remuneration

The Bank follows prudent compensation practices under the guidance of the Board and the Board Governance Remuneration and Nomination Committee (the BGRNC). The remuneration system for Hong Kong Branch is managed on a centralized basis and broadly consistent with the principles set out in Section 3 of Supervisory Policy Manual (CG-5) Guideline on a Sound Remuneration System issued by the HKMA.

Aggregate quantitative information on remuneration for senior management and key personnel for the year ended 31 March 2016 and 2015 are as follows:

	March 31, 2016 HK\$ in million	March 31, 2015 HK\$ in million		
Fixed remuneration				
Cash	<u>6</u>	<u>6</u>		
Variable remuneration				
Cash	<u>1</u>	<u>1</u>		
	Number of units	Weighted average exercise price (₹)	Number of units	Weighted average exercise price (₹)
Share and share-linked instruments	<u>94,050</u>	<u>244.60</u>	<u>125,000</u>	<u>308.25</u>

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IX. Disclosure on Remuneration

	March 31, 2016		March 31, 2015	
	Number of units	Weighted average exercise price (₹)	Number of units	Weighted average exercise price (₹)
Deferred remuneration				
Vested	478,550	202.11	421,850	191.28
Unvested	<u>319,000</u>	268.87	<u>315,700</u>	228.30
Total	<u><u>797,550</u></u>		<u><u>737,550</u></u>	

The options were exercised regularly throughout the period and weighted average share price as per National Stock Exchange of India (NSE) price volume data during the year ended March 31, 2016 was ₹273.37, equivalent to HK\$ 31.97 (the financial year of 2015: ₹ 311.74, equivalent to HK\$ 38.68). The conversion rate at March 31, 2016 is ₹8.55 = HK\$1 (March 31, 2015 is ₹8.06 = HK\$1).

No guaranteed bonuses were awarded during the financial year of 2015 and 2016.

Fixed pay includes basic salary, home leave allowances, car allowance and MPF contribution by the Bank.

Remuneration excludes stock options exercised during the financial year of 2015 and 2016 as it does not constitute remuneration paid to the key management personnel and senior management personnel for each fiscal year.

Variable pay for the year ended March 31, 2016 and March 31, 2015 was awarded in the month of April 2016 and April 2015 respectively.

The share-linked instruments, Employee Stock Option Scheme (ESOS), are at a face value of ₹2 each.

Deferred remuneration vested and unvested ESOS data is as at March 31 for the respective financial year end.

Deferred remuneration vested and unvested denotes units of ESOS.

Deferred remuneration vested includes vested but not exercised.

Figures listed are aggregate figures for senior management and key personnel.

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Section B – Bank information (Consolidated basis)

	March 31, 2016 HK\$ in million	September 30, 2015 HK\$ in million
X. Capital and Capital Adequacy		
Risk-based ratios: (Include market-risk equivalent)		
(a) Capital adequacy ratio ¹	16.60%	16.17%
(b) Total capital ¹	130,240	122,674
(c) Total amount of shareholders' funds ^{2,3}	109,915	107,681
XI. Other Financial Information		
(a) Total assets	1,074,569	1,005,688
(b) Total liabilities ⁴	964,654	898,007
(c) Total loans and advance	577,461	550,541
(d) Total deposits	527,576	487,082
(e) Pre-tax profit (before minority interest)	16,730	11,547

1. As per Basel III guidelines, all group entities have been consolidated, except Group companies which are engaged in insurance business and businesses not pertaining to financial services. Capital at March 31, 2016 includes retained earnings for the financial year of 2016.
2. Shareholders' funds are the sum total of share capital & reserves (net of restricted reserves).
3. Employee stock options outstanding of HK\$ 7.8 million (Rs. 67.0 million), which are transitional in nature and will ultimately be transferred to equity/reserve, are not considered in shareholders' funds.
4. Total liabilities are equal to total assets minus shareholders' funds.
5. The conversion rate at March 31, 2016 is ₹8.55 = HK\$1. (September 30, 2015 is ₹8.46 = HK\$1).