

**ICICI Bank Limited Hong Kong Branch
Unaudited Disclosure Statement
As at March 31, 2015**



**ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2015**

Statement of Compliance

We have prepared this unaudited Disclosure Statement of ICICI Bank Limited, Hong Kong Branch ("the Branch") as at March 31, 2015. 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 2015

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Section A – Branch information (Hong Kong office only)

I. Profit and Loss Information

	Year ended March 31, 2015 HK\$ in million	Year ended March 31, 2014 HK\$ in million
Income		
Interest income	1,755	1,656
Interest expense	<u>(1,445)</u>	<u>(1,389)</u>
Net interest income	310	267
Other operating income		
Gains less losses arising from trading in foreign currencies	72	134
Gains less losses on securities held for trading purposes	-	-
Gains less losses from other trading activities	(78)	(138)
Net fees and commission income	198	187
Fees and commission income	198	187
Fees and commission expense	<u>-</u>	<u>-</u>
Other income	102	135
Total operating income	<u>604</u>	<u>585</u>
Expenses		
Operating expenses		
Staff expenses	(40)	(43)
Rental expenses	(9)	(8)
Other expenses	<u>(33)</u>	<u>(26)</u>
Total operating expenses	<u>(82)</u>	<u>(77)</u>
Operating profit before impairment losses	522	508
Impairment losses and provision for impaired loans and receivables		
Collective provision	(16)	3
Specific provision	<u>(21)</u>	<u>5</u>
	(37)	8
Gains less losses from the disposal of property, plant and equipment and investment properties	<u>-</u>	<u>-</u>
Profit before taxation	485	516
Tax expense	(34)	(62)
Profit after taxation	<u>451</u>	<u>454</u>

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II. Balance Sheet Information

	March 31, 2015		September 30, 2014
	HK\$ in		HK\$ in
	million		million
Assets			
Cash and balances with banks	2,156		719
Placement with banks which have a residual contractual maturity between one and twelve months	21		340
Amount due from overseas offices of the institution	28,110		30,087
Trade bills	3,775		4,261
Advances and other accounts			
Advances to customers	12,257		13,453
Advances to banks and other financial institutions	1,243		638
Accrued interest	81		94
Unamortized discount on loans	(1)		(2)
Provision for impaired loans and receivables (collective)	(189)		(192)
Provision for impaired loans and receivables (specific)	(37)	13,354	(37)
			13,954
Securities held for trading purposes			
Investment in treasury bills	386		-
Investment securities			
Investment in treasury bills	118		-
Other investments			
Investment in group subsidiaries	1,824		2,224
Investment in credit linked notes	-	1,824	-
			2,224
Property, plant and equipment	5		6
Other assets and receivables	1,042		1,371
Total assets	<u>50,791</u>		<u>52,962</u>
Liabilities			
Deposits and balances of banks	28,010		27,125
Deposits from customers			
Demand deposits and current accounts	519		438
Time, call and notice deposits	3,461	3,980	3,512
			3,950
Amount due to overseas offices of the institution	855		2,432
Certificate of deposit issued	353		504
Issued debt securities	15,551		17,062
Other liabilities	760		844
Retained earnings	1,282		1,045
Total liabilities	<u>50,791</u>		<u>52,962</u>

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III. Additional Balance Sheet Information

	March 31, 2015		September 30, 2014	
	HK\$ in million		HK\$ in million	
(a) Loans and receivables				
Loans and advances to customers		12,257		13,453
Loans and advances to banks		1,243		638
Accrued interest		81		94
Unamortized discount on loans		(1)		(2)
Provision for impaired loans and advances to customers				
- Collective		(189)		(192)
- Individual		(37)		(37)
		<u>13,354</u>		<u>13,954</u>
(b) Overdue and rescheduled advances				
Overdue advances				
	Gross amount	% to total	Gross amount	% to total
	HK\$ in million	loans and receivables	HK\$ in million	loans and receivables
Advances to customers overdue for				
- Above 1 month but up to 3 months	44	0.33%	13	0.09%
- Above 3 months but up to 6 months	-	-	-	-
- Above 6 months but up to 1 year	2	0.02%	-	-
- Above 1 year	47	0.35%	68	0.49%
Total overdue advances	<u>93</u>	<u>0.70%</u>	<u>81</u>	<u>0.58%</u>
Secured overdue advances	91		58	
Unsecured overdue advances	2		23	
	<u>93</u>		<u>81</u>	

There were HK\$37 million specific provisions made on overdue advances which were impaired as at March 31, 2015 (September 30, 2014: HK\$37 million).

The impaired loans and advances to customers which are individually determined to be impaired amounted to HK\$49 million (0.37%) as at March 31, 2015 as against HK\$68 million (0.49%) as at September 30, 2014. There were no impaired loans and advances to banks as at March 31, 2015 and September 30, 2014.

The amount of specific provisions made on impaired loans and advances to customers amounted to HK\$37 million as at March 31, 2015 (September 30, 2014: HK\$37 million). There were no specific provisions made on impaired loans and advances to banks as at March 31, 2015 and September 30, 2014.

Collateral of a total of HK\$91 million has been taken into account in respect of loans and advances to customers to which individual impairment allowances relate (September 30, 2014: HK\$58 million).

The impaired loans and advances to customers included rescheduled loans and advances to customers amounting to HK\$27 million (0.20%) as at March 31, 2015 as against HK\$32 million (0.23%) as at September 30, 2014. There were no rescheduled loans and advances to banks as at March 31, 2015 and September 30, 2014. The rescheduled loans and advances to customers which are overdue more than 90 days amounted to HK\$27 million as at March 31, 2015 (September 30, 2014: HK\$32 million).

No repossessed asset was held for impaired and overdue advance at March 31, 2015 and September 30, 2014. Other than the HK\$93 million overdue advances and HK\$81 million respectively as presented above, there are no other advances to customers overdue for more than 1 month at March 31, 2015 and September 30, 2014.

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

	March 31, 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	11	-	11
- Wholesale and retail trade	22	-	8
- Others	77	-	77
Loans and advances for use outside Hong Kong	11,840	91	8,868
Loans to finance imports to Hong Kong, and exports and re-exports from Hong Kong			
- Trade financing	307	2	282
	<u>12,257</u>	<u>93</u>	<u>9,246</u>

	September 30, 2014 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	11	-	11
- Wholesale and retail trade	22	-	7
- Others	78	-	76
Loans and advances for use outside Hong Kong	13,019	68	9,407
Loans to finance imports to Hong Kong, and exports and re-exports from Hong Kong			
- Trade financing	323	13	314
	<u>13,453</u>	<u>81</u>	<u>9,815</u>

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

	March 31, 2015		HK\$ in million
	Gross loans and advances	Overdue loans and advances	Impaired loans (individually determined)
- Asia & Pacific (excluding Hong Kong)	8,633	91	47
- Others	3,624	2	2
	<u>12,257</u>	<u>93</u>	<u>49</u>

	September 30, 2014		HK\$ in million
	Gross loans and advances	Overdue loans and advances	Impaired loans (individually determined)
- Asia & Pacific (excluding Hong Kong)	9,543	68	68
- Others	3,910	13	-
	<u>13,453</u>	<u>81</u>	<u>68</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.

March 31, 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	232	-	232
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	232	-	232
Total assets after provision¹	50,856		
On-balance sheet exposures as percentage of total assets	0.46%		

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, 2014 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	233	-	233
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	233	-	233
Total assets after provision¹	53,031		
On-balance sheet exposures as percentage of total assets	0.44%		

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

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

As at March 31, 2015, the following international claims are prepared in accordance with HKMA Return of International Banking Statistics (Form MA(BS)(21)) completion instructions, which is a new statutory return introduced by the HKMA to replace the existing HKMA Return of External Positions (Form MA(BS)(9)).

	HK\$ in million Banks	HK\$ in million Official Sector	HK\$ in million Non-bank Private Sector	HK\$ in million Others
At March 31, 2015				
- Developing Asia and Pacific	5,472	-	9,950	-
- Developed Countries	927	387	1,959	-

As at September 30, 2014, the following cross-border claims are prepared in accordance with HKMA Return of External Positions (Form MA(BS)(9)) completion instructions.

	HK\$ in million Banks	HK\$ in million Public Sector	HK\$ in million Others
At September 30, 2014			
- Asia & Pacific (excluding Hong Kong)	5,071	-	9,610
- Western Europe	346	-	1,973

Note: International / cross-border claims by geographical area are derived according to the location of the counterparties and constitutes 10% or more of the relevant disclosure amount. Claims arising between branches and subsidiaries are excluded.

The above changes of disclosure were made pursuant to the amended section 98 of the Banking (Disclosure) Rules with effective from March 31, 2015. The comparative information is not directly comparable due to the adoption of different reporting basis in line with new disclosure requirements.

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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, 2015

	USD	OTHERS	HK\$ in million TOTAL
Spot assets	43,930	6,190	50,120
Spot liabilities	(42,769)	(6,675)	(49,444)
Forward purchases	21,761	6,353	28,114
Forwards sales	(22,410)	(5,887)	(28,297)
Net options position	-	-	-
Net long / (short) position	512	(19)	493

At September 30, 2014

	USD	OTHERS	HK\$ in million TOTAL
Spot assets	44,176	8,171	52,347
Spot liabilities	(44,563)	(6,497)	(51,060)
Forward purchases	24,163	6,066	30,229
Forwards sales	(23,434)	(7,749)	(31,183)
Net options position	-	-	-
Net long / (short) position	342	(9)	333

There was no structural position held by the branch as at March 31, 2015 and September 30, 2014.

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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, 2015	September 30, 2014
	HK\$ in million	HK\$ in million
Contingent liabilities and commitments		
- Direct credit substitutes	688	1,170
- Transaction related contingencies	1,264	1,253
- Trade related contingencies	713	573
- Other commitments	3,933	3,747
	<u>6,598</u>	<u>6,743</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, 2015	September 30, 2014
	HK\$ in million	HK\$ in million
Derivative transactions		
- Exchange rate related derivative contracts (exclude forward foreign exchange arising from swap deposit arrangements)	12,257	14,158
- Interest rate derivative contracts	14,052	14,484
	<u>26,309</u>	<u>28,642</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, 2015 HK\$ in million	September 30, 2014 HK\$ in million
Fair value recognized through profit and loss		
- Exchange rate related derivative contracts	(126)	(88)
- Interest rate derivative contracts	-	-
Fair value of outstanding derivatives		
- Exchange rate related derivative contracts	356	444
- Interest rate derivative contracts	-	-

There are no bilateral netting arrangements for above derivative transactions.

VII. Liquidity

	Year ended March 31, 2015	Year ended March 31, 2014
The average liquidity ratio	124.22% ¹	129.97% ³
The average liquidity maintenance ratio	39.80% ²	-

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 ratio is for the months of April to December 2014.
2. The average liquidity maintenance ratio is for the months of January to March 2015.
3. The average liquidity ratio is for the financial year of 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 Mar 2015 and 2014 are as follows:

	March 31, 2015	March 31, 2014		
	HK\$ in million	HK\$ in million		
Fixed remuneration				
Cash	<u>6</u>	<u>6</u>		
Variable remuneration				
Cash	<u>1</u>	<u>1</u>		
	Number	Weighted	Number	Weighted
	of units	average	of units	average
		exercise		exercise
		price (₹)		price (₹)
Share and share-linked instruments	<u>125,000</u>	<u>308.25</u>	<u>123,500</u>	<u>259.91</u>

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IX. Disclosure on Remuneration

	March 31, 2015		March 31, 2014	
	Number of units	Weighted average exercise price (₹)	Number of units	Weighted average exercise price (₹)
Deferred remuneration				
Vested	421,850	191.28	395,650	183.84
Unvested	<u>315,700</u>	228.30	<u>275,850</u>	207.49
Total	<u><u>737,550</u></u>		<u><u>671,500</u></u>	
		HK\$ in million		HK\$ in million
Awarded		-		-
Paid		-		-
Reduced through performance adjustment		-		-

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, 2015 was ₹311.74, equivalent to HK\$ 38.68 (March 31, 2014: ₹209.32, equivalent to HK\$ 27.11). The conversion rate at March 31, 2015 is ₹8.06 = HK\$1 (March 31, 2014 is ₹7.7225 = HK\$1).

No guaranteed bonuses were awarded during the financial year of 2015 and 2014.

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

Remuneration excludes stock options exercised during fiscal 2014 and 2015 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, 2015 and March 31, 2014 was awarded in the month of April 2015 and April 2014 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 awardee.

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, 2015 HK\$ in million	September 30, 2014 HK\$ in million
X. Capital and Capital Adequacy		
Risk-based ratios: (Include market-risk equivalent)		
(a) Capital adequacy ratio ¹	17.20%	17.22%
(b) Total capital ¹	128,149	126,222
(c) Total amount of shareholders' funds ^{2,3}	104,924	103,857
XI. Other Financial Information		
(a) Total assets	1,024,912	979,163
(b) Total liabilities ⁴	919,988	875,306
(c) Total loans and advance	544,032	516,958
(d) Total deposits	478,853	476,748
(e) Pre-tax profit (before minority interest)	22,753	11,166

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.
2. Shareholders' funds are the sum total of share capital & reserves (net of restricted reserves).
3. Employee stock options outstanding of HK\$9.2 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, 2015 is ₹8.06 = HK\$1. (September 30, 2014 is ₹7.95 = HK\$1).