

**ICICI Bank Limited Hong Kong Branch
Unaudited Interim Disclosure Statement
As at September 30, 2015**



**ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED INTERIM FINANCIAL DISCLOSURE AS AT SEPTEMBER 30, 2015**

Statement of Compliance

We have prepared this unaudited Interim Disclosure Statement of ICICI Bank Limited, Hong Kong Branch ("the Branch") as at September 30, 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
28 DEC 2015

ICICI BANK LIMITED (HONG KONG BRANCH)
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Section A – Branch information (Hong Kong office only)

I. Profit and Loss Information

	Half year ended September 30, 2015 HK\$ in million	Half year ended September 30, 2014 HK\$ in million
Income		
Interest income	875	900
Interest expense	<u>(640)</u>	<u>(732)</u>
Net interest income	235	168
Other operating income		
Gains less losses arising from trading in foreign currencies	37	41
Gains less losses on securities held for trading purposes	-	-
Gains less losses from other trading activities	(38)	(37)
Net fees and commission income	85	100
Fees and commission income	85	100
Fees and commission expense	<u>-</u>	<u>-</u>
Other income	6	8
Total operating income	<u>325</u>	<u>280</u>
Expenses		
Operating expenses		
Staff expenses	(22)	(17)
Rental expenses	(6)	(4)
Other expenses	<u>(15)</u>	<u>(17)</u>
Total operating expenses	<u>(43)</u>	<u>(38)</u>
Operating profit before impairment losses	282	242
Release of / (charge for) impairment losses and provisions for impaired loans and receivables		
Collective provision	13	(19)
Specific provision	<u>7</u>	<u>(3)</u>
	20	(22)
Gains less losses from the disposal of property, plant and equipment and investment properties	<u>-</u>	<u>-</u>
Profit before taxation	302	220
Tax expense	(50)	(7)
Profit after taxation	<u>252</u>	<u>213</u>

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II. Balance Sheet Information

	September 30, 2015 HK\$ in million		March 31, 2015 HK\$ in million	
Assets				
Cash and balances with banks		696		2,156
Placement with banks which have a residual contractual maturity of more than one month but not more than twelve months		-		21
Amount due from overseas offices of the institution		28,186		28,110
Trade bills		2,273		3,775
Advances and other accounts				
Advances to customers	12,673		12,257	
Advances to banks	873		1,243	
Accrued interest	77		81	
Unamortized discount on loans	(1)		(1)	
Provision for impaired loans and receivables (collective)	(176)		(189)	
Provision for impaired loans and receivables (specific)	(31)	13,415	(37)	13,354
Securities held for trading purposes				
Investment in treasury bills		387		386
Investment securities				
Investment in treasury bills		118		118
Investment in corporate bonds		272		-
Investment in certificate of deposit held		155		-
Other investments				
Investment in group subsidiaries	1,777		1,824	
Investment in credit linked notes	-	1,777	-	1,824
Property, plant and equipment		4		5
Other assets and receivables		1,642		1,042
Total assets		48,925		50,791
Liabilities				
Deposits and balances from banks		26,156		28,010
Deposits from customers				
Demand deposits and current accounts	631		519	
Time, call and notice deposits	3,652	4,283	3,461	3,980
Amount due to overseas offices of the institution		2,109		855
Certificate of deposit issued		757		353
Issued debt securities		13,187		15,551
Other liabilities		899		760
Retained earnings		1,534		1,282
Total liabilities		48,925		50,791

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III. Additional Balance Sheet Information

	September 30, 2015		March 31, 2015	
	HK\$ in million		HK\$ in million	
(a) Loans and receivables				
Loan and advances to customers		12,673		12,257
Loan and advances to banks		873		1,243
Accrued interest		77		81
Unamortized discount on loans		(1)		(1)
Provision for impaired loans and advances to customers				
- Collective		(176)		(189)
- Individual		(31)		(37)
		<u>13,415</u>		<u>13,354</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	65	0.48%	44	0.33%
- Above 3 months but up to 6 months	-	-	-	-
- Above 6 months but up to 1 year	-	-	2	0.02%
- Above 1 year	<u>33</u>	<u>0.25%</u>	<u>47</u>	<u>0.35%</u>
Total overdue advances	<u>98</u>	<u>0.73%</u>	<u>93</u>	<u>0.70%</u>
Secured overdue advances	97		91	
Unsecured overdue advances	1		2	
	<u>98</u>		<u>93</u>	

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

The impaired loans and advances to customers which are individually determined to be impaired amounted to HK\$33 million (0.25%) as at September 30, 2015 as against HK\$49 million (0.37%) as at March 31, 2015. There were no impaired loans and advances to banks as at September 30, 2015 and March 31, 2015.

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

Collateral of a total of HK\$97 million has been taken into account in respect of loans and advances to customers to which individual impairment allowances relate (March 31, 2015: HK\$91 million).

The impaired loans and advances to customers included rescheduled loans and advances to customers amounting to HK\$29 million (0.22%) as at September 30, 2015 as against HK\$27 million (0.20%) as at March 31, 2015. There were no rescheduled loans and advances to banks as at September 30, 2015 and March 31, 2015. The rescheduled loans and advances to customers which are overdue more than 90 days amounted to HK\$29 million (0.22%) as at September 30, 2015 (March 31, 2015: HK\$27 million (0.20%)).

No repossessed asset was held for impaired and overdue advance at September 30, 2015 and March 31, 2015. Other than the HK\$98 million overdue advances and HK\$93 million respectively as presented above, there are no other advances to customers overdue for more than 1 month at September 30, 2015 and March 31, 2015.

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

	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
	<u>12,673</u>	<u>98</u>	<u>9,685</u>

	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
Trade finance	307	2	282
	<u>12,257</u>	<u>93</u>	<u>9,246</u>

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

	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>

	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
<i>of which India</i>	7,619	91	47
- Africa	1,162	-	-
<i>of which Mauritius</i>	1,162	-	-
- Others	2,462	2	2
	<u>12,257</u>	<u>93</u>	<u>49</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	September 30, 2015		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	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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(e) Non-bank mainland exposures

	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 provision	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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Section A – Branch information (Hong Kong office only)

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 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

	HK\$ in million					
	Banks	Official sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
At March 31, 2015						
- Developing Asia-Pacific	5,472	-	1,071	8,879	-	15,422
<i>of which India</i>	2,083	-	1,071	8,868	-	12,022
- Developed Countries	927	387	-	1,959	-	3,273
<i>of which United Kingdom</i>	64	-	-	1,835	-	1,899
- Offshore Centers	76	127	-	1,373	-	1,576

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. 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 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>

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	<u>512</u>	<u>(19)</u>	<u>493</u>

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

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Section A – Branch information (Hong Kong office only)

VI. Off-balance sheet exposures

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

	September 30, 2015	March 31, 2015
	HK\$ in million	HK\$ in million
Contingent liabilities and commitments		
- Direct credit substitutes	717	688
- Transaction related contingencies	1,129	1,264
- Trade related contingencies	794	713
- Other commitments	3,509	3,933
	<u>6,149</u>	<u>6,598</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.

	September 30, 2015	March 31, 2015
	HK\$ in million	HK\$ in million
Derivative transactions		
- Exchange rate related derivative contracts (exclude forward foreign exchange arising from swap deposit arrangements)	8,833	12,257
- Interest rate derivative contracts	13,883	14,052
	<u>22,716</u>	<u>26,309</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

	September 30, 2015 HK\$ in million	March 31, 2015 HK\$ in million
Fair value recognized through profit and loss		
- Exchange rate related derivative contracts	<u>97</u>	<u>(126)</u>
- Interest rate derivative contracts	<u>-</u>	<u>-</u>
Fair value of outstanding derivatives		
- Exchange rate related derivative contracts	<u>399</u>	<u>356</u>
- Interest rate derivative contracts	<u>-</u>	<u>-</u>

There are no bilateral netting arrangements for above derivative transactions.

VII. Liquidity

	September 30, 2015	September 30, 2014
The average liquidity maintenance ratio	50.99% ¹	-
The average liquidity ratio	-	121.40% 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 maintenance ratio is for the months of April to September 2015.
2. The average liquidity ratio is for the months of April to September 2014.

Section A – Branch information (Hong Kong office only)

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.

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Section B – Bank information (Consolidated basis)

	September 30, 2015	March 31, 2015
	HK\$ in million	HK\$ in million
IX. Capital and Capital Adequacy		
Risk-based ratios: (Include market-risk equivalent)		
(a) Capital adequacy ratio ¹	16.17%	17.20%
(b) Total capital ¹	122,674	128,149
(c) Total amount of shareholders' funds ^{2,3}	107,681	104,924
X. Other Financial Information		
(a) Total assets	1,005,688	1,024,912
(b) Total liabilities ⁴	898,007	919,988
(c) Total loans and advance	550,541	544,032
(d) Total deposits	487,082	478,853
(e) Pre-tax profit (before minority interest)	11,547	22,753

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 September 30, 2015 does not contain the retained earnings for half year ended September 30, 2015.
2. Shareholders' funds are the sum total of share capital & reserves (net of restricted reserves).
3. Employee stock options outstanding of HK\$8.2 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 September 30, 2015 is ₹8.46 = HK\$1. (March 31, 2015 is ₹8.06 = HK\$1).