

ICBC Bank (Joint Stock Company)

Auditor's Report on annual accounting statements for 2015

Moscow | 2016



Independent Auditor's Report

on annual accounting statements of Bank ICBC (Joint Stock Company) for 2015

To the shareholders
of Bank ICBC (JSC)

Audited entity:

Name:

Bank ICBC (joint-stock company) (hereinafter – Bank ICBC (JSC)).

Address:

109028, Moscow, Serebryanicheskaya nab., 29

State registration:

Certificate of State Registration of an Institutional Lender No.3475 issued by the Central Bank of the Russian Federation on August 30, 2007.

Certificate of Registration in the Unified State Register of Legal Entities No.1077711000157 issued by the Moscow Department of the Federal Tax Service on August 30, 2007.

Auditor

Name:

Limited Liability Company "Financial and accounting consultants" (LLC "FBK").

Address:

101990, Moscow, Myasnitskaya St., 44/1, bld. 2, AB

State registration:

Registered by the Moscow Registration Chamber on November 15, 1993, the certificate: series IO3 3 № 484.583 ПП. Entered in the Uniform State Register of Legal Entities on July 24, 2002 under the main state number 1027700058286.

Membership in self-regulated organization of auditors:

Non-profit partnership "Auditor Association Commonwealth".

Number in register of auditor organizations of self-regulated organization of auditors:

Membership certificate in non-profit partnership "Auditor Association Commonwealth" № 7198, OPH3 – 11506030481.

Limited Liability company

FSK
Auditor's report

2 of 5

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"Accountant's seal"

Report on audit according to the requirements**Of Federal Law 395-I of 2 December 1990****"On banks and banking activities"**

The Bank management is responsible for meeting by the Bank the mandatory requirements set by the Bank of Russia as well as for compliance of the internal control and organization of risk management systems of the Bank with the requirements set by the Bank of Russia to the systems like these.

According to Article 42 of Federal Law №395-I "On Banks and Banking Activities" of 2 December 1990 auditing the annual Accounting Statements of the Bank for 2015 we have checked whether:

- the Bank meets the mandatory requirements set by the Bank of Russia as at 1 January 2016.
- the internal control and organization of risk management systems of the Bank are in compliance with the requirements set by the Bank of Russia to the systems like this.

The said check has been limited to procedures selected based on our judgement such as requests, analysis, document examination, comparison of requirements, order and methodologies approved by the Bank with the requirements set by the Bank of Russia and restatement and comparison of estimates and other information.

As a result of our audit we have established the following:

- 1) as to meeting by the Bank the mandatory requirements set by the Bank of Russia:
 - values of the mandatory requirements of the Bank set by the Bank of Russia as at 1 January 2016 were within the limits set by the Bank of Russia.

We have not conducted any procedures as to the Bank's accounting records other than procedures we have found relevant for the purpose of expressing an opinion on whether the Bank's annual accounting statements presented fairly in all material respects its financial position as at 1 January 2016, financial results of its activities and cash flows for 2015 in accordance with Russian Accounting Standards used for preparation of annual accounting statements by credit institutions;

- 2) as to compliance of the internal control and organization of risk management systems of the Bank with the requirements set by the Bank of Russia to the systems like this:
 - a) in accordance with the requirements and recommendations of the Bank of Russia as at 31 December 2015 the Bank's internal audit service reports to the Board of Directors of the Bank, the risk management divisions of the Bank has not reported to the units assuming the respective risks, the managers of the internal audit service and the risk management divisions of the Bank comply with the qualifications set by the Bank of Russia;

The Bank's department responsible for realization of internal control rules in respect of identification of operations to be controlled on a mandatory basis and other operations with cash or other property related to the legitimization (laundering) of

proceeds of crime and the financing of terrorism (hereinafter AML/CFT) had the subordination structure effective in the reporting period which did not meet the requirements of the legislation and had conflict of interest as to identification and management of compliance risk according to AML/CFT.

b) the Bank's internal documents effective as at 31 December 2015 which state the methodologies to identify and manage credit risks, operational risks, market risks, interest risks, legal risks, liquidity risks and goodwill risks relevant for the Bank, as well as stress-testing of main risks have been approved by the Board of Directors of the Bank according to the requirements and recommendations of the Bank of Russia;

c) as at 31 December 2015 the Bank has the report system on credit risks, operational risks, market risks, interest risks, legal risks, liquidity risks and goodwill risks relevant for the Bank as well as owner's equity (capital) of the Bank;


d) frequency and sequence of reports prepared by the risk management divisions of the Bank and the internal audit service of the Bank during 2015 associated with issues of managing credit risks, operational risks, market risks, interest risks, legal risks, liquidity risks and goodwill risks of the Bank were in compliance with the Bank's internal documents; the said reports comprised the results of observation of efficiency assessment of the Bank's respective methodologies conducted by the risk management divisions and the internal audit service of the Bank as well as recommendations on their improvement.


e) as at 31 December 2014 the powers of the Board of Directors of the Bank and the executive bodies of the Bank include control over compliance with risk limits and adequacy of owner's equity (capital) set by the Bank's internal documents. For the purpose of control over efficiency of the risk management procedures used in the Bank and sequence of their apply during 2015 the Board of Directors of the Bank and the executive bodies of the Bank discussed on a regular basis reports prepared by the risk management divisions of the Bank and the internal audit service, reviewed the offered measures to remove defects.

However the auditors note that the governing bodies of the Bank (the Board and the Board of Directors of the Bank) were not informed on a timely basis of higher operational risk and compliance risk in the Bank and timely measures were not taken to remove the identified defects stated in the reports of the internal audit service and the internal control service.

Separate violations and defects in the Bank's activities identified in the audit show that banking risk management in the credit institution including banking risk monitoring were not in compliance with the nature and scope of the Bank's activities to the full extent.

The procedures in respect of the internal control and organization of risk management systems of the Bank have been conducted exclusively in order to check whether the internal control and organization of risk management systems of the Bank are in compliance with the requirements set by the Bank of Russia to the systems like these.


S.M. Shapiguzov
President of LLC "FBK" On the basis of Charter
auditor's qualification certificate 01-001230, primary registration number of entry 29501041926


N.P. Muskarina
Manager of Audit (auditor's qualification certificate № 01-000988 of 19 November 2012, primary registration number of entry 20401041655)

Date of auditor's report

31 May 2016

Territory code under OKATO	Code of the credit institution (branch)	
	under OKPO	Registration number (/orderly number)
45286580000	83086298	3475

BALANCE SHEET
(disclosure form)

as of January 01, 2016

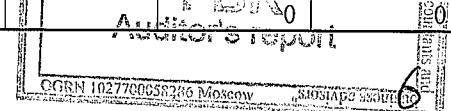
Credit institution: **Bank ICBC (joint-stock company)/ Bank ICBC (JSC)**
(full and abbreviated business name)

Mailing address: **29 Serebryanicheskaya nab., Moscow, 109028 Russian Federation**

Form code under OKUD 0409806
Quarterly (Annual)

thous. rubles

Line number	Name of line item	Notes	As of reporting date	As of the beginning of the reporting year
1	2	3	4	5
I. ASSETS				
1	Cash and cash equivalents	4.1; 8.4	47 125	61 916
2	Funds of credit institutions held with the Central Bank of the Russian Federation	4.1; 8.4	2 024 265	1 814 669
2.1	Required reserves	4.1; 8.4	390 558	513 453
3	Funds held with credit institutions	4.1; 8.4	19 503 044	21 113 455
4	Financial assets assessed at their fair value through profit and loss		0	0
5	Net loan indebtedness	4.3	45 933 098	36 410 136
6	Net investment in securities and other financial assets available-for-sale		0	0
6.1	Investments in subsidiaries and affiliates		0	0
7	Net investments in securities held-to-maturity	4.4	2 112 743	190 666
8	Current income tax claims	4.5	63 153	1
9	Deferred tax asset		0	0
10	Fixed assets, intangible assets and inventories	4.6	12 491	16 568
11	Other assets	4.7	395 908	167 357
12	Total assets		70 091 827	59 774 768
II. LIABILITIES				
13	Loans, deposits and other funds from the Central Bank of the Russian Federation		0	0
14	Funds due to credit institutions	4.8	22 578 110	21 320 605
15	Funds due to customers other than credit institutions	4.9	42 711 704	35 099 126
15.1	Deposits (funds) from individuals, including sole proprietors	4.9	170	2
16	Financial liabilities assessed at their fair value through profit and loss		0	0
17	Issued debt obligations		0	0
18	Current income tax liabilities	4.10	862	32
19	Deferred income tax liabilities	4.10	119	88
20	Other liabilities	4.11	316 251	189 291
21	Provisions for possible losses from credit contingencies, other possible losses		0	0



	and transactions with offshore residents			
22	Total liabilities		65 607 046	56 609 142
III. SOURCES OF EQUITY				
23	Equity of shareholders (members)	4.12	2 309 500	2 309 500
24	Treasury shares (interests) redeemed from shareholders (members)		0	0
25	Share premium		0	0
26	Reserve fund	6.1	42 806	22 016
27	Revaluation of securities available-for-sale at fair value less deferred tax liability (plus deferred tax asset)		0	0
28	Revaluation of fixed assets less deferred tax liability		0	0
29	Retained earnings (uncovered losses) of previous years		813 319	418 303
30	Unused profit (loss) for the reporting period	2.2	1 319 156	415 807
31	Total sources of equity		4 484 781	3 165 626
IV. OFF-BALANCE-SHEET LIABILITIES				
32	Irrevocable liabilities of the credit institution		1 353 658	280 000
33	Guarantees and sureties issued by the credit institution		4 028 832	2 399 533
34	Non-credit contingencies		0	0

Acting President

Chief Accountant

Executed by

Tel.: (495) 287-30-99 (1401)

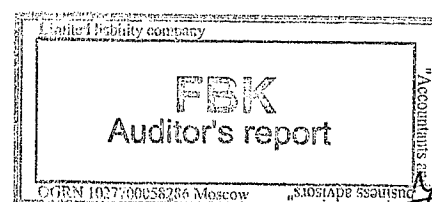
March 31, 2016



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N.V. Kuzmina

V.V. Galkina



Territory code under OKATO	Code of the credit institution (branch)	
	under OKPO	Registration number (/orderly number)
45286580000	83086298	3475

STATEMENT OF FINANCIAL RESULTS
(disclosure form)
for 2015

Credit institution: **Bank ICBC (joint-stock company)/ Bank ICBC (JSC)**
(full and abbreviated business name)

Mailing address: **29 Serebryanicheskaya nab., Moscow, 109028 Russian Federation**

Form code under OKUD 0409807
Quarterly (Annual)

thous. rubles

Line number	Name of line item	Notes	As of reporting date	As of the relevant reporting date of the previous year
1	2	3	4	5
1	Total interest income, including amounts:		1 877 019	1 006 772
1.1	from funds deposited in credit institutions		1 214 328	576 153
1.2	from loans issued to customers other than credit institutions		600 257	417 957
1.3	from financial lease (leasing) services		0	0
1.4	from investments in securities		62 434	12 662
2	Total interest expenses, including amounts:		824 467	370 786
2.1	on funds raised from credit institutions		269 166	152 036
2.2	on funds raised from customers other than credit institutions		555 301	218 750
2.3	on issued debt obligations		0	0
3	Net interest income (negative interest margin)		1 052 552	635 986
4	Changes in the provisions for possible losses on loans and equivalent loan debts, funds on correspondent accounts and accrued interest income, including:		-84 819	-39 147
4.1	Changes in the provisions for possible losses on accrued interest income		-86	71
5	Net interest income (negative interest margin) after provision for possible losses	2.2	967 733	596 839
6	Net income from securities assessed at their fair value through profit and loss	2.2	29 617	18 596
7	Net income from securities available-for-sale		0	0
8	Net income from securities held-to-maturity	2.2	825	0
9	Net income from foreign currency operations	5.2; 2.2	926 671	102 017
10	Net income from foreign currency revaluation	5.2; 2.2	181 729	70 435
11	Income from investments in other legal entities		0	0
12	Fees and commissions income	2.2	98 402	50 885
13	Fees and commissions expenses	2.2	14 178	6 647
14	Changes in the provisions for possible losses on securities available-for-sale		0	0
15	Changes in the provisions for possible losses on securities held-to-maturity		0	0
16	Changes in the provisions for other losses	2.2	9 466	1 169
17	Other operating income	2.2	6 909	626
18	Net income (expenses)		2 188 242	831 582
19	Operating expenses	2.2; 5.4	512 486	278 901

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20	Profit (loss) before tax	2.2	1 675 756	552 681
21	Income tax refund (expense)	2.2; 5.3	356 600	136 874
22	Profit (loss) after tax	2.2	1 319 156	415 807
23	Disbursement from profit after tax, including:		0	0
23.1	Dividends to shareholders (members)		0	0
23.2	Allocations to reserve fund		0	0
24	Retained earnings (loss) for the reporting period	2.2	1 319 156	415 807

Acting President

Chief Accountant

Executed by

Tel.: (495) 287-30-99 (1401)

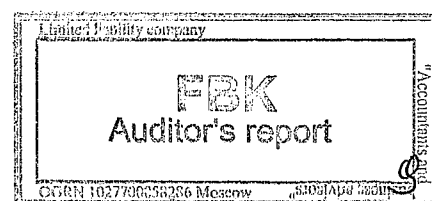
March 31, 2016




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N.V. Kuzmina

V.V. Galkina



Territory code under OKATO	Code of the credit institution (branch)	
	under OKPO	Registration number (/orderly number)
45286580000	83086298	3475

**REPORT ON CAPITAL ADEQUACY TO COVER RISKS,
AMOUNT OF PROVISIONS FOR POSSIBLE LOSSES ON LOANS AND OTHER ASSETS**
(disclosure form)
as of January 01, 2016

Credit institution: **Bank ICBC (joint-stock company)/ Bank ICBC (JSC)**
(full and abbreviated business name)

Mailing address: **29 Serebryanicheskaya nab., Moscow, 109028 Russian Federation**

Form code under OKUD 0409808
Quarterly (Annual)

Section 1. Information on capital adequacy

Line number	Name of line item	Notes	As of reporting date	Increase (+) / Decrease (-) over the reporting period	As of the beginning of the reporting year
1	2	3	4	5	6
1	Total equity (capital) (thous. rubles), including:	6.1	8 116 644.0	1 959 518.0	6 157 126.0
1.1	Sources of core capital:	6.1	3 165 625.0	415 806.0	2 749 819.0
1.1.1	Share capital of the credit institution, including:	4.12; 6.1	2 309 500.0	0.0	2 309 500.0
1.1.1.1	common stock (shares)	4.12; 6.1	2 309 500.0	0.0	2 309 500.0
1.1.1.2	preferred stock		0.0	0.0	0.0
1.1.2	Share premium		0.0	0.0	0.0
1.1.3	Reserve fund	6.1	42 806.0	20 790.0	22 016.0
1.1.4	Retained earnings:		813 319.0	395 016.0	418 303.0
1.1.4.1	for the previous period		813 319.0	395 016.0	418 303.0
1.1.4.2	for the reporting period		0.0	0.0	0.0
1.2	Items reducing the sources of core capital:		0.0	0.0	0.0
1.2.1	Intangible assets		0.0	0.0	0.0
1.2.2	Deferred tax assets		0.0	0.0	0.0
1.2.3	Treasury shares (interests) redeemed from shareholders (members)		0.0	0.0	0.0
1.2.4	Losses:		0.0	0.0	0.0
1.2.4.1	for the previous period		0.0	0.0	0.0
1.2.4.2	for the reporting period		0.0	0.0	0.0
1.2.5	Capital investment in financial entities:		0.0	0.0	0.0
1.2.5.1	Insignificant		0.0	0.0	0.0
1.2.5.2	Significant		0.0	0.0	0.0
1.2.5.3	Aggregate value of significant investments and aggregate value of deferred tax assets		0.0	0.0	0.0
1.2.6	Negative value of additional paid-in capital		0.0	0.0	0.0
1.2.7	Commitments to acquire the sources of core capital		0.0	0.0	0.0
1.2.8	Funds received as payment for shares (shares) included in core capital		0.0	0.0	0.0
1.3	Core capital	6.1	3 165 625.0	415 806.0	2 749 819.0
1.4	Sources of additional paid-in capital:		0.0	0.0	0.0
1.4.1	Share capital composed of preferred shares,		0.0	0.0	0.0

Auditor's report

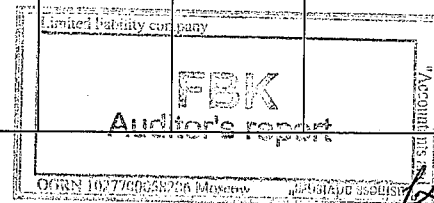
	including:				
1.4.1.1	issued in accordance with the Federal Law of July 18, 2009 № 181-FZ "On the Use of Government Securities of the Russian Federation to Increase the Capitalization of Banks"		0.0	0.0	0.0
1.4.2	Share premium		0.0	0.0	0.0
1.4.3	Subordinated loan with additional clause		0.0	0.0	0.0
1.4.4	Subordinated loan (deposit, loan, bond issue) with no maturity date		0.0	0.0	0.0
1.5	Items reducing sources of additional paid-in capital		0.0	0.0	0.0
1.5.1	Investments in own preferred shares		0.0	0.0	0.0
1.5.2	Capital investment in financial entities:		0.0	0.0	0.0
1.5.2.1	Insignificant		0.0	0.0	0.0
1.5.2.2	Significant		0.0	0.0	0.0
1.5.3	Subordinated loan (deposit, loan, bond issue) to financial entities		0.0	0.0	0.0
1.5.3.1	Insignificant		0.0	0.0	0.0
1.5.3.2	Significant		0.0	0.0	0.0
1.5.4	Negative value of additional capital		0.0	0.0	0.0
1.5.5	Commitments to acquire the sources of additional paid-in capital		0.0	0.0	0.0
1.5.6	Funds received as payment for shares (shares) are included in additional paid-in capital		0.0	0.0	0.0
1.6	Additional paid-in capital		0.0	0.0	0.0
1.7	Main capital	6.1	3 165 625.0	415 806.0	2 749 819.0
1.8	Sources of additional capital:	6.1	4 951 019.0	1 543 712.0	3 407 307.0
1.8.1	Share capital composed of preferred shares, including:		0.0	0.0	0.0
1.8.1.1	after March 1, 2013		0.0	0.0	0.0
1.8.2	Share capital formed by capitalizing capital gains		0.0	0.0	0.0
1.8.3	Profit:		1 306 884.0	915 027.0	391 857.0
1.8.3.1	for the current year		1 306 884.0	915 027.0	391 857.0
1.8.3.2	for the previous period		0.0	0.0	0.0
1.8.4	Subordinated loan (deposit, loan, bond issue), including:	4.8; 6.1	3 644 135.0	628 685.0	3 015 450.0
1.8.4.1	placed before March 1, 2013		0.0	-202 530.0	202 530.0
1.8.4.2	issued in accordance with the Federal Law of October 13, 2008 № 173-FZ "On Additional Measures to Support the Financial System of the Russian Federation" and of October 27, 2008 № 175-FZ "On Additional Measures to Strengthen the Stability of the Banking System in the Period Until 31 December 2014"		0.0	0.0	0.0
1.8.5	Capital Gains		0.0	0.0	0.0
1.9	Items reducing sources of additional capital:		0.0	0.0	0.0
1.9.1	Investments in own preferred shares		0.0	0.0	0.0
1.9.2	Capital investment in financial entities:		0.0	0.0	0.0
1.9.2.1	Insignificant		0.0	0.0	0.0
1.9.2.2	Significant		0.0	0.0	0.0
1.9.3	Subordinated loan (deposit, loan, bond issue) issued to financial entities		0.0	0.0	0.0
1.9.3.1	Insignificant		0.0	0.0	0.0
1.9.3.2	Significant		0.0	0.0	0.0
1.9.4	Commitments to acquire the sources of additional capital		0.0	0.0	0.0
1.9.5	Funds received as payment for shares (shares) are included in additional capital		0.0	0.0	0.0
1.10	Items reducing the sum of main and additional capital:		0.0	0.0	0.0
1.10.1	Overdue accounts receivable		0.0	0.0	0.0
1.10.2	Subordinated loans the value of which does not exceed 1% of the share capital of the credit organization-borrower		0.0	0.0	0.0
1.10.3	Excess of the aggregate value of loans, bank guarantees and sureties issued to its members (shareholders) and insiders over its maximum size according to the federal laws and regulations the Bank of Russia		0.0	0.0	0.0
1.10.4	Excess investments in the construction, manufacturing and purchase of fixed assets over the amount of main and		0.0	0.0	0.0

	additional capital		UNOFFICIAL TRANSLATION		
1.10.5	Excess of the fair value of the share of former LLC member over the net realizable value of another LLC member		0.0	0.0	0.0
1.11	Additional capital	6.1	4 951 019.0	1 543 712.0	3 407 307.0
2	Total risk-weighted assets (thous. rubles), including:	X	X	X	X
2.1	required to determine core capital adequacy		47 356 378.0	2 285 341.0	45 071 037.0
2.2	required to determine main capital adequacy		47 356 378.0	2 285 341.0	45 071 037.0
2.3	appropriate to define equity (capital) adequacy		47 356 378.0	2 285 341.0	45 071 037.0
3	Capital adequacy (interest):	X	X	X	X
3.1	Core capital adequacy	6.1	6.7	X	6.1
3.2	Main capital adequacy	6.1	6.7	X	6.1
3.3	Total own capital adequacy	6.1	17.1	X	13.7

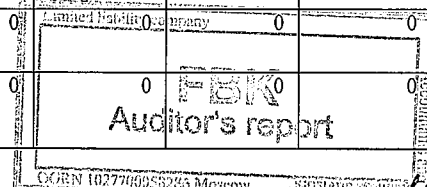
Section 2. Information on the amount of credit, operational and market risks covered by capital

Subsection 2.1. Credit risk

Line number	Name of line item	Notes	As of reporting date			As of the beginning of the reporting year		
			Value of assets (instruments)	Assets (instruments) after provisions for possible losses	Value of risk-weighted assets (instruments)	Value of assets (instruments)	Assets (instruments) after provisions for possible losses	Value of risk-weighted assets (instruments)
1	2	3	4	5	6	7	8	9
1	Credit risk on assets recorded on the balance sheet accounts	9.3	43 500 017	43 483 515	22 291 559	33 792 272	33 738 258	21 748 925
1.1	Assets with risk coefficient of 0 percent, including:	9.3	2 758 490	2 758 490	0	1 944 400	1 944 400	0
1.1.1	cash and required reserves held with the Central Bank of the Russian Federation		2 011 309	2 011 309	0	575 369	575 369	0
1.1.2	credit claims and other claims secured by guarantees of the Russian Federation, the Russian Ministry of Finance and the Bank of Russia and bonds of the Russian Federation, the Russian Ministry of Finance and the Bank of Russia		0	0	0	0	0	0
1.1.3	credit claims and other claims to central banks or governments of countries with ratings of "0", "1", including the guarantees provided by those countries		0	0	0	0	0	0
1.2	Assets with risk coefficient of 20 percent, including:	9.3	13 291 510	13 291 510	2 658 302	3 300 225	3 300 225	660 045
1.2.1	credit claims and other claims to the federal subjects of the Russian Federation, municipal entities, to other organizations, to provide guarantees and pledge of securities of the federal subjects of the Russian Federation and municipal entities		0	0	0	0	0	0
1.2.2	credit claims and other claims to central banks or governments of countries with a rating of "2", including the provision of guarantees (pledge of securities)		0	0	0	0	0	0



1.2.3	credit claims and other claims to credit organizations - residents of the country with ratings of "0", "1", with long-term credit rating, including the provision of guarantees		430	430	86	0	0	0
1.3	Assets with risk coefficient of 50 percent, including:	9.3	15 600 516	15 600 516	7 800 258	14 809 506	14 809 506	7 404 753
1.3.1	credit claims and other claims in foreign currency secured by guarantees of the Russian Federation, the Russian Ministry of Finance and the Bank of Russia and bonds of the Russian Federation, the Russian Ministry of Finance and the Bank of Russia denominated in foreign currency		0	0	0	0	0	0
1.3.2	credit claims and other claims to central banks or governments of countries with a rating of "3", including the provision of guarantees (pledge of securities)		0	0	0	0	0	0
1.3.3	credit claims and other claims to credit organizations - residents of the country with ratings of "0", "1", or without long-term credit ratings and credit institutions - residents of the country with a rating of "2", including the provision of guarantees		14 878 878	14 878 878	7 439 564	14 806 146	14 806 146	7 403 073
1.4	Assets with risk coefficient of 100 percent, including:	9.3	11 849 501	11 832 999	11 832 999	13 738 141	13 684 127	13 684 127
1.4.1	credit claims for credit institutions		6 609 985	6 609 985	6 609 985	9 806 789	9 806 789	9 806 789
1.4.2	credit claims for legal entities		4 877 270	4 876 000	4 876 000	3 295 137	3 295 137	3 295 137
1.5	Assets with risk coefficient of 150 percent - credit claims and other claims to central banks or governments of countries with a rating of "7"		0	0	0	0	0	0
2	Assets with other risk coefficients	x	x	x	x	x	x	x
2.1	with decreased risk coefficients, total, including:	9.3	842 132	842 132	71 957	63 965	63 965	12 793
2.1.1	mortgage loans with risk coefficient of 70 percent		0	0	0	0	0	0
2.1.2	claims of clearing participants		842 132	842 132	71 957	63 965	63 965	12 793
2.2	with increased risk coefficients, total, including:	9.3	24 385 029	24 252 251	19 518 059	25 949 574	25 898 051	19 977 759
2.2.1	with risk coefficient of 110 percent		831 301	724 603	797 063	1 575 890	1 549 665	1 704 632
2.2.2	with risk coefficient of 130 percent		19 494 676	19 494 676	12 671 539	21 469 943	21 469 943	13 955 463
2.2.3	with risk coefficient of 150 percent		4 059 052	4 032 971	6 049 457	2 903 741	2 878 443	4 317 664
2.2.4	with risk coefficient of 250 percent		0	0	0	0	0	0
2.2.5	with risk coefficient of 1000 percent		0	0	0	0	0	0
3	Consumer loans, including:		0	0	0	0	0	0



3.1	with risk coefficient of 110 percent		0	0	0	0	0	0
3.2	with risk coefficient of 140 percent		0	0	0	0	0	0
3.3	with risk coefficient of 170 percent		0	0	0	0	0	0
3.4	with risk coefficient of 200 percent		0	0	0	0	0	0
3.5	with risk coefficient of 300 percent		0	0	0	0	0	0
3.6	with risk coefficient of 600 percent		0	0	0	0	0	0
4	Total credit risk on contingent credit liabilities, including:	9.3	5 382 490	5 382 490	4 422 777	2 679 533	2 679 533	2 709 315
4.1	on financial instruments with a high risk	9.3	4 830 332	4 830 332	4 195 948	2 399 533	2 399 533	2 569 315
4.2	on financial instruments with a moderate risk	9.3	453 658	453 658	226 829	280 000	280 000	140 000
4.3	on financial instruments with a low risk		0	0	0	0	0	0
4.4	on financial instruments with no risk	9.3	98 500	98 500	0	0	0	0
5	Credit risk on derivatives		0		0	0		0

Subsection 2.2. Operational risk

Line number	Name of line item	Notes	As of reporting date	As of the beginning of the reporting year
1	2	3	5	5
6	Total operational risk, including:	9.3	84 162.0	49 858.0
6.1	Revenues for calculating the capital requirements to cover operational risk	9.3	871 865.0	478 954.0
6.1.1	net interest income	9.3	635 986.0	371 966.0
6.1.2	net non-interest income	9.3	235 879.0	106 988.0
6.2	Years prior to the date of operational risk calculation	9.3	3.0	3.0

Subsection 2.3. Market risk

Line number	Name of line item	Notes	As of reporting date	As of the beginning of the reporting year
1	2	3	4	5
7	Aggregate market risk, including:		0.0	0.0
7.1	total interest rate risk, including:		0.0	0.0
7.1.1	General		0.0	0.0
7.1.2	Specific		0.0	0.0
7.2	total equity risk, including:		0.0	0.0
7.2.1	General		0.0	0.0
7.2.2	Specific		0.0	0.0
7.3	foreign exchange risk		0.0	0.0

Section 3. Information on the amount of provision for impairment of doubtful loans and other assets

UNOFFICIAL TRANSLATION

Line number	Name of line item	Notes	As of reporting date	Increase (+) / Decrease (-) over the reporting period	As of the beginning of the reporting year
1	2	3	4	5	6
1	Total actual provisions for losses, including from:	5.1	149 281	94 285	54 996
1.1	loans and equivalent loan debt	5.1	138 561	84 819	53 742
1.2	other assets exposed to losses and other losses	5.1	10 720	9 466	1 254
1.3	off-balance sheet credit contingencies and investment securities the right of ownership to which is certified by depositories		0	0	0
1.4	transactions with offshore residents		0	0	0

Section 4. Information on the financial leverage indicator

Line number	Name of line item	Notes	As of the reporting date	As of the date one quarter behind the reporting date	As of the date two quarters behind the reporting date	As of the date three quarters behind the reporting date
1	2	3	4	5	6	7
1	Main capital, thous.rubles	7.2	3 165 625.0	3 165 625.0	3 165 625.0	2 749 819.0
2	Amount of balance sheet assets and off-balance sheet claims at risk for calculation of the financial leverage indicator, thous.rubles	7.2	73 893 987.0	58 077 375.00	63 089 493.0	55 694 351.0
3	Financial leverage indicator under Basel III, percent	7.2	4.3	5.5	5.0	4.9

Reference Section:

Information on movement in the provisions for possible losses on loans and similar receivables (Notes _____).

1. Creation of provisions in the reporting period (thousand of rubles), total 122 370, including as a result of:

- 1.1. new loan issuance 16 703;
- 1.2. changes in loan quality 0;
- 1.3. changes in the official CBR exchange rate of foreign currency to the ruble 96 376;
- 1.4. other reasons 9 291.

2. Reversal (decrease) of provisions in the reporting period (thousand of rubles), total 37 551, including as a result of:

- 2.1. write-off of bad debts 0;
- 2.2. repayment of loans 7 548;
- 2.3. changes in loan quality 0;
- 2.4. changes in the official CBR exchange rate of foreign currency to the ruble 25 247;
- 2.5. other reasons 4 756.

Acting President

Chief Accountant

Executed by

Tel.: (495) 287-30-99 (1401)

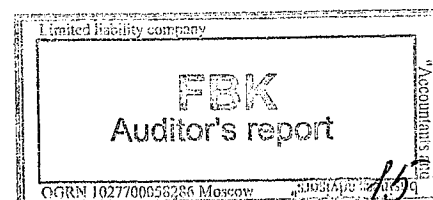
March 31, 2016



Lang Weijie

N.V. Kuzmina

V.V. Galkina



Territory code under OKATO	Code of the credit institution (branch)	
	under OKPO	Registration number (/orderly number)
45286580000	83086298	3475

**REPORT ON STATUTORY RATIOS AND
ON FINANCIAL LEVERAGE INDICATOR**
(disclosure form)
as of January 01, 2016

Credit institution: **Bank ICBC (joint-stock company)/ Bank ICBC (JSC)**
(full and abbreviated business name)

Mailing address: **29 Serebryanicheskaya nab., Moscow, 109028 Russian Federation**

Form code under OKUD 0409813
Quarterly (Annual)

Section 1. Data of mandatory ratios

percent

Line number	Name of line item	Notes	Normative value	Actual value	
				As of the reporting date	As of the beginning of the reporting year
1	2	3	4	5	6
1	Core capital adequacy ratio (N1.1)	7.1	5.0	6.7	6.1
2	Main capital adequacy ratio (N1.2)	7.1	6.0	6.7	6.1
3	Total own capital adequacy ratio (N1.0)	7.1	10.0	17.1	13.7
4	Capital adequacy ratio of non-banking credit institution entitled to money transfers without opening bank accounts and other related banking operations (N1.3)		0.0	0.0	0.0
5	Instant liquidity ratio of the bank (N2)		15.0	34.5	45.3
6	Current liquidity ratio of the bank (N3)		50.0	66.2	75.0
7	Long-term liquidity ratio of the bank (N4)		120.0	105.7	48.8
8	Required maximum exposure per borrower or group related borrowers ratio (N6)	7.1	25.0	Maximum	22.5
				Minimum	1.9
9	Required large credit exposure ratio (N7)		800.0	385.8	468.7
10	Maximum value of loans, guarantees and sureties issued by the bank to its members (shareholders) ratio (N9.1)		50.0	10.4	15.1
11	Insider risk ratio (N10.1)		3.0	0.0	0.0
12	Ratio of bank's equity capital used for acquiring shares of other legal entities (N12)		25.0	0.0	0.0
13	Ratio of liquid assets maturing within the next 30		0.0	0.0	0.0

Limited liability company
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 Auditor's report
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	calendar days to total liabilities of payment-processing non-banking credit institutions (N15)				
14	Liquidity ratio of non-banking credit institution entitled to money transfers without opening bank accounts and to other related banking transactions (N15.1)		0.0	0.0	0.0
15	Maximum aggregate loans to customers – settlements participants for settlements operations (N16)		0.0	0.0	0.0
16	Ratio of loans issued by non-banking credit institution on its behalf and for its own expense to customers, except for customers – settlements participants (N16.1)		0.0	0.0	0.0
17	Minimum ratio of mortgage value to mortgage-backed bonds (N18)		0.0	0.0	0.0

Section 2. Information on calculation of financial leverage indicator

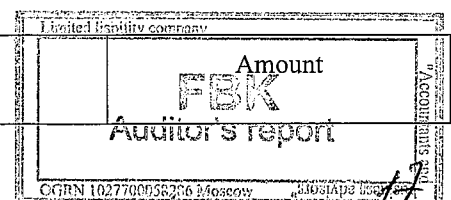
Subsection 2.1 Calculation of balance sheet assets and off-balance sheet claims at risk for calculation of financial leverage indicator

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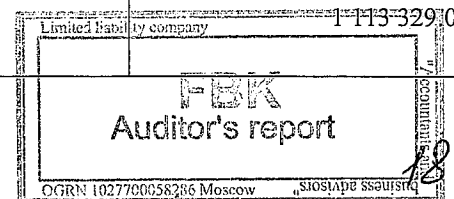
Line number	Name of line item	Notes	Amount
1	2	3	4
1	Amount of assets according to the balance sheet (disclosure form), total:		70 091 827
2	Adjustment in respect of investments in capital of credit, financial, insurance or other organizations reporting figures of which are included in the consolidated financial statements but are not included in calculation of the amount of equity (capital), mandatory ratios and sizes (limits) of open currency positions of the banking group		not applicable for reporting of the credit institution as a legal entity
3	Adjustment in respect of fiduciary assets accounted for according to the accounting rules but are not included in calculation of the financial leverage indicator		0
4	Adjustment in respect of derivative financial instruments (DFI)		0
5	Adjustment in respect of securities-based lending operations		0
6	Adjustment in respect of reconciliation of credit-related contingent liabilities to the credit equivalent		4 269 161
7	Other adjustments		467 001
8	Amount of balance sheet assets and off-balance sheet claims at risk with regard to adjustments for calculation of the financial leverage indicator, total:	7.2	73 893 987

2.2 Calculation of financial leverage indicator

Line number	Name of line item	Notes	Amount
			FBK Auditor's report



1	2	3	4
Risk on balance sheet assets			
1	Amount of balance sheet assets, total:		69 624 826.0
2	Decreasing adjustment by the amount of indicators accepted for decreasing the amount of the main capital sources		0.0
3	Amount of balance sheet assets at risk with regard to adjustment (difference of line 1 and 2), total:		69 624 826.0
Risk on DFI operations			
4	Current credit risk on DFI operations (less variable margin received), total:		0.0
5	Potential credit risk for a counterparty on DFI operations, total:		0.0
6	Adjustment by the size of nominal sum of collateral provided on DFI operations to be written off from the balance sheet according to the accounting rules		not applicable according to the Russian Accounting Standards
7	Decreasing adjustment by the sum of variable margin transferred in the determined cases		0.0
8	Adjustment in respect of claims of the bank – a clearing participant to the central counterparty on execution of customers' transactions		0.0
9	Adjustment for accounting for credit risk in respect of basic asset on issued credit DFI		0.0
10	Decreasing adjustment in respect of issued credit DFI		0.0
11	Amount of risk on DFI with regard to adjustments (sum of lines 4, 5, 9 less lines 7, 8, 10), total:		0.0
Risk on securities-based lending operations			
12	Claims on securities-based lending operations (without netting), total:		0.0
13	Adjustment by the value of netting of cash part (claims and liabilities) on securities-based lending operations		0.0
14	Amount of credit risk for a counterparty on securities-based lending operations		0.0
15	Amount of risk on guarantee operations of securities-based lending		0.0
16	Claims on securities-based lending operations with regard to adjustments (sum of lines 12, 14, 15 less line 13), total:		0.0
Risk on credit-related contingent liabilities (KRV)			
17	Nominal value of risk on credit-related contingent liabilities (KRV), total:		5 382 490.0
18	Adjustment in respect of application of credit equivalent coefficients		1 113 329.0



19	Amount of risk on credit-related contingent liabilities (KPB') with regard to adjustments (difference of lines 17 and 18), total:		4 269 161.0
Capital and risks			
20	Main capital	7.2	3 165 625.0
21	Amount of balance sheet assets and off-balance sheet claims at risk for calculation of the financial leverage indicator (sum of lines 3, 11, 16, 19), total:	7.2	73 893 987.0
Financial leverage indicator			
22	Financial leverage indicator under Basel III (line 20/line 21), percent	7.2	4.3

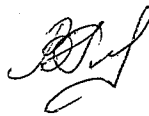
Acting President

Chief Accountant

Executed by

Tel.: (495) 287-30-99 (1401)

March 31, 2016




Lang Weijie

N.V. Kuzmina

V.V. Galkina



Territory code under OKATO	Code of the credit institution (branch)	
	under OKPO	Registration number (/orderly number)
45286580000	83086298	3475

CASH FLOW STATEMENT
(disclosure form)
as of January 01, 2016

Credit institution: **Bank ICBC (joint-stock company)/ Bank ICBC (JSC)**
(full and abbreviated business name)

Mailing address: **29 Serebryanicheskaya nab., Moscow, 109028 Russian Federation**

Form code under OKUD 0409814
Quarterly (Annual)

thous. rubles

Line number	Name of line item	Notes	Cash flow for the reporting period	Cash flow for the previous reporting period
1	2	3	4	5
1	Net cash from (used in) operating activities			
1.1	Cash flows from (used in) operating activities before changes in operating assets and liabilities, including:		1 089 168	433 174
1.1.1	Interest received		1 633 920	927 002
1.1.2	Interest paid		-672 914	-274 486
1.1.3	Fees and commissions received		98 402	50 885
1.1.4	Fees and commissions paid		-14 178	- 6 647
1.1.5	Net income from securities assessed at their fair value through profit and loss available-for-sale		29 617	18 596
1.1.6	Net income from securities held-to-maturity		825	0
1.1.7	Net income from foreign currency operations		926 671	102 017
1.1.8	Other operating income		6 909	626
1.1.9	Operating expenses		-501 741	-270 896
1.1.10	Income tax expense (refund)		-418 343	-113 923
1.2	Net increase (decrease) in operating assets and liabilities, including:		-7 615 760	9 759 789
1.2.1	Net increase (decrease) in required reserves with the Central Bank of the Russian Federation		122 895	-183 352
1.2.2	Net increase (decrease) in investments in financial assets assessed at their fair value through profit and loss		0	0
1.2.3	Net increase (decrease) in loan receivables	8.4	-3 134 016	- 6 332 995
1.2.4	Net increase (decrease) in other assets		-40 638	30 337
1.2.5	Net increase (decrease) in loans, deposits and other amounts due to the Central Bank of the Russian Federation		0	0
1.2.6	Net increase (decrease) in amounts due to credit institutions	8.4	-2 957 234	970 427
1.2.7	Net increase (decrease) in amounts due to customers other than credit institutions	8.4	-1 538 670	15 262 397
1.2.8	Net increase (decrease) in financial liabilities assessed at their fair value through profit and loss available-for-sale		0	0
1.2.9	Net increase (decrease) in issued debt obligations		0	0
1.2.10	Net increase (decrease) in other liabilities		-68 097	12 975
1.3	Total of section 1 (item 1.1 + item 1.2)		-6 526 592	10 192 963
2	Net cash from (used in) investing activities			
2.1	Purchase of securities available-for-sale		0	0

Auditor's report

2.2	Proceeds from redemption and sale of securities available-for-sale		0	0
2.3	Purchase of securities held-to-maturity		-1 625 133	-137 703
2.4	Proceeds from redemption of securities held-to-maturity		61 642	0
2.5	Purchase of fixed and intangible assets and inventories		-6 668	-8 661
2.6	Proceeds from redemption and sale of fixed assets, intangible assets and inventories		0	0
2.7	Dividends received		0	0
2.8	Total of section 2 (item 2.1 + item 2.7) (sum of lines 2.1 – 2.7)		-1 570 159	-146 364
3	Net cash from (used in) financing activities			
3.1	Contribution of shareholders (members) to share capital		0	0
3.2	Purchase of Treasury shares from shareholders (members)		0	0
3.3	Sale of equity shares (interests) redeemed from shareholders (members)		0	0
3.4	Dividends paid		0	0
3.5	Total of section 3 (item 3.1 + item 3.4)		0	0
4	Effect of changes in the official CBR exchange rates of foreign currencies to the ruble		6 743 959	7 209 479
5	Net increase (decrease) in cash and cash equivalents	8.4	-1 352 792	17 256 078
5.1	Cash and cash equivalents at the beginning of the year	8.4	22 476 587	5 220 509
5.2	Cash and cash equivalents at the end of the year	8.4	21 123 795	22 476 587

Acting President

Chief Accountant

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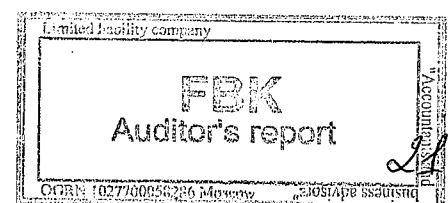
March 31, 2016



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N.V. Kuzmina

V.V. Galkina





ZAO INDUSTRIAL AND COMMERCIAL BANK OF CHINA
ICBC (Moscow)

EXPLANATORY INFORMATION
to the annual accounting (financial) statements
for 2015

This Explanatory Note shall be an integral part of the annual accounting (financial) statements of Bank ICBC (joint-stock company) for 2015, prepared according to the effective legislation of the Russian Federation.

The Explanatory Note to the annual accounting (financial) statements of the Bank is expressed in Russian rubles and rounded with the accuracy of up to whole thousands of rubles.

For the purposes of data comparability, the statements for 2015 have been prepared by the algorithm of preparation of public statements items, as proposed by the Order of the Bank of Russia No. 2332-U as of 12.11.2009, and submitted with comparative information for 2014.

1. Material Information on the Credit Institution.

1.1 Information on the Credit Institution

Bank ICBC (joint-stock company), the abbreviated name - Bank ICBC (JSC) (hereinafter referred to as "the Bank") was incorporated on August 30, 2007.

The Bank is a 100% subsidiary bank of Industrial and Commercial Bank of China Limited (ICBC Ltd.), where the principal ultimate beneficiary is the People's Republic of China represented by the Chinese Ministry of Finance.

As of January 1, 2016 the Bank has no branches, representative offices or other structural subdivisions possessing an independent balance, including branches, representative offices or structural subdivisions located at the territory of foreign states.

The Bank is registered at the following address: 29 Serebryanicheskaya nab., Moscow, Russian Federation, 109028.

Actual address of the Bank: 29 Serebryanicheskaya nab., Moscow, Russian Federation, 109028.

The Bank is:

- a Participant of the Section of the Electronic trading system (SELT) at the MICEX foreign exchange market;
- exercising the functions of a market maker for Yuan and Russian rubles;
- a Participant of the Association of Russian Banks;
- a Participant of the following Settlements systems: S.W.I.F.T.: ICBKRUMM
REUTERS-DEALING: DICB

On 3 June 2015 the Bank of Russia registered ICBC (Moscow) as an operator of the payment system (registration number №0040).

1.2 Separate subdivisions

Separate subdivisions comprise internal structural subdivisions:

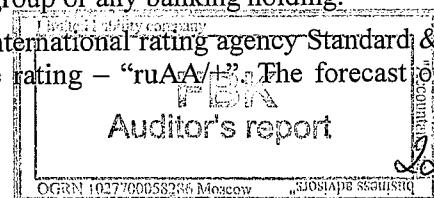
Supplementary office "GREENWOOD": 143441, Moscow region, Krasnogorsky district, settlement Putilkovo, 69th km of MKAD, office and public complex CJSC "Greenwood", building 17.

1.3 Data on state registration of the Bank. Licenses

The Primary State Registration Number (assigned by the Federal Tax Service of Russia) is 1077711000157.

In accordance with the Federal Law "On Banks and Banking Business" as of 02.12.1990 No. 395-1, as of January 01, 2016, the Bank is not a participant of any banking (consolidated) group or any banking holding.

As of 01.01.2015, the Bank has the following ratings assigned by the international rating agency Standard & Poor's: long-term and short-term credit ratings – "BB+/B", a national scale rating – "ruAA/1". The forecast of changing of the ratings is "Negative".



1.4 Reporting period and the units of measurement of annual statements

The reporting period is from January 01, 2015 to December 31, 2015, inclusively.

The annual statements were prepared in the currency of the Russian Federation.

In the annual statements, all the assets and liabilities in foreign currency are reflected in rubles at the official exchange rate of the corresponding foreign currency against rubles, as established by the Bank of Russia as of the reporting date.

Unless specified otherwise, these annual statements are expressed in thousands of Russian rubles (hereinafter – “thous. rubles”).

2. A short description of business of ICBC (Moscow).**2.1 The nature of operations and main areas of activity**

According to the Federal Law of the Russian Federation as of 02.12.1990 No. 395-1 "On Banks and Banking Business", as subsequently amended and supplemented, as well as pursuant to the licenses for performance of banking operations, issued by the Bank of Russia, the Articles of Association of the Bank, resolutions of the Management Board of the Bank and other regulatory acts applicable at the territory of the Russian Federation, the Bank performs the following operations:

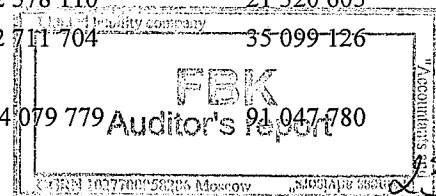
- opening of bank accounts for the benefit of legal entities in Russian rubles or foreign currency, as well as rendering of comprehensive services related thereto;
- provision of cash services to legal entities (including cash collection);
- taking of deposits opened by legal entities (withdrawable on demand or for a fixed period of time) subject to guaranteed recoverability and serviceability;
- supporting of customers through the Internet banking system;
- transferring of funds by order of individuals with no bank account opening;
- issuing of loans to legal entities, including participation in syndicated lending subject to maturity, serviceability and recoverability;
- investing of funds in securities (or debentures) issued by residents;
- performance of trade financing operations;
- opening of correspondent vostro accounts;
- handling of accounts by orders of correspondent banks;
- performance of interbank lending operations;
- purchase and sale of foreign currency in cash or non-cash form;
- acting as a foreign exchange control agent;
- issuing of banker's bonds and letters of credit.

The Bank's priority areas of activity are provision of banking services to corporate customers of various industrial economic sectors, development of the Russian and Chinese trading relations, as well as development of modern banking products and technologies.

2.2 Key performance indicators and the factors that affected the financial results of the Bank's activity in the reporting year.

The key performance indicators of the Bank are given in the table below:

	2015	2014
Book value of assets	70 091 827	59 774 768
Loan portfolio	45 933 098	36 410 136
Securities portfolio	2 112 743	190 666
Funds due to credit institutions	22 578 110	21 320 605
Funds due to customers	42 711 704	35 099 126
The Bank's income	154 079 779	91 047 780



The Bank's expenses	152 760 623	90 631 973
Net profit	1 319 156	415 807

The Bank has completed the year 2015 as an institutional lender included into the 100 largest banks of Russia (88-th place on the volume of net assets), occupying its niche on the banking market, receiving support from the parent bank, ICBC, and enjoying its benefits: a broad resource base, a large number of customers, a wide range of financial products and services, as well as an extensive network of branch offices and subsidiary banks worldwide.

The main qualitative and quantitative performance indicators characterizing the work of the Bank in 2015 and affecting the financial result are the following:

- growth of the balance sheet total by 32% for the year, primarily resulting from the growth of balances of correspondent accounts of correspondent banks, as well as the growth of balances of current and deposit accounts of legal entities;

- increase of the Bank's loan portfolio volume (about 26%) due to the increase of the volume of interbank transactions, expansion of business in the sphere of trade financing, as well as active participation in syndicated lending of large corporate customers.

- a significant increase in the volume of the stock exchange currency operations carried out by the Bank in 2015 (by 59,5%).

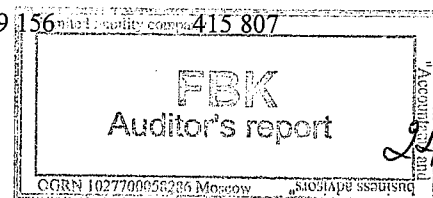
The Bank's business growth sources are driven by the policy pursued by the parent company with respect to its Russian subsidiary and are associated with either the growth of the loans issued to the Bank's customers (as well as with the customer base expansion upon the approach of the Russian market by other ICBC customers), or with the possibility of participation of the Bank in debt financing programs. The Russian market representation through expansion of the corporate customer base is one of priorities thereof.

The financial result of the Bank's activity for 2015 has significantly exceeded the result of 2014.

According to the results of the Bank's activity for 2015, *net earnings* have been registered in the amount of 1 319 156 thous. rubles, which is an increase of 903 349 thous. rubles (or 217,2%) as compared to the indicator of 2014.

The structure of income and expenses, characterizing the Bank's activity for the years 2015 and 2014, is given below:

	2015	2014
Net interest income (negative interest margin) after provision for possible losses	967 733	596 839
Net income (expense) from securities assessed at their fair value through profit or loss	29 617	18 596
Net gains from operations with securities held to maturity	825	-
Net income from foreign currency operations	926 671	102 017
Net income from foreign currency revaluation	181 729	70 435
Fees and commissions income	98 402	50 885
Fees and commissions expense	14 178	6 647
Changes in the provisions for possible losses on securities and other losses	(9 466)	(1 169)
Other operating income	6 909	626
Operating expenses	512 486	278 901
Profit (loss) before tax	1 675 756	552 681
Income tax refund (expense)	356 600	136 874
Profit (loss) after tax	1 319 156	415 807



The growth of the net interest income after establishing of the provision for possible losses in 2015 by 62% as compared to the previous year is attributable to the growth of interest income from interbank lending and trade financing operations, as well as by the growth of interest income from syndicated loans.

Note should also be made of the significant growth of net income from foreign currency transactions, which is due to the active participation of the Bank in trading in Yuan/Ruble at the Moscow Exchange as a leading market-maker.

The total amount of foreign currency transactions for 2015 was 1 892 148 million rubles (for 2014: 1 852 754 million rubles) where stock exchange currency transactions were 1 110 483 million rubles (for 2014 – 695 973 million rubles).

The positive financial result was also caused by increase in fee and commission income of the Bank. Its amount according to 2015 was 98 402 thous. rubles, which appeared to be two times more than in 2014. Growth of fee and commission income is due to the Bank's active involvement in syndicated lending projects.

2.3 Information on the economic environment where the Bank carries out its business.

The Bank carries out its business at the territory of the Russian Federation and is subject to impact by the economic environment of the Russian Federation.

In the midst of complicated external political atmosphere and declining oil prices the macroeconomic situation in Russia in 2015 was characterized by decrease in key indicators and was seen by many experts as "acute" phase of economic crises started earlier.

Preliminary figures of the Ministry of Economic Development of Russia for December showed that slowdown in economic activity was about to be over (after insignificant decrease last November).

According the results of 2015 as the first estimate of Russian Federal State Statistics Service showed GDP had decreased by 3,7% against the previous year. In December according to the estimate of the Ministry of Economic Development of Russia decrease amounted to 3,5% per year.

The decline of investments in main capital kept going. Annual rates of decrease in investments slowed down to 8,1% against 6,5% in November 2015.

Two of the key factors having an impact on slowdown of investing processes were decrease in consumer demand caused by decline of gains of population and restriction of financing sources (restriction of possibility for Russian companies to obtain lending resources abroad and high interest rates on loans issued by domestic banks).

The key factor supported the competitiveness of Russian products in 2015 was devaluation of Rouble which at the same time became the key factor of acceleration of inflation amounted to 12,9% at year end – the highest indicator since 2008.

Also counter sanctions introduced to restrict food import kept having a direct effect on inflation. Actual wage of entities' employees for January-December 2015 reduced by 9,5% against the respective period of 2014, real income of population decreased by 4%. All this resulted in decrease in consumer demand by 10%. In these circumstances there has increased the tendency for savings among population.

Industrial production index in 2015 was 96,6% as compared to 2014, along with this the highest reduction was seen in manufacturing (94,6%).

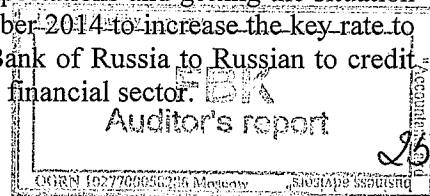
Sharp acceleration in November-December 2014 of decrease in oil price to the level close to the one stated in the stress-scenario led to the visible deviation in the evolving situation from the basic outlook.

Unfavourable external factors had an effect on the economy of Russia through several channels as supposed.

Significant deterioration of trading terms and conditions served the basis for Rouble weakening. Along with this, speed and scope of changes of external conditions had an adverse effect on the mood and expectations of entities of economy, led to growth of uncertainty and increase of volatility at financial markets. As a result there was decrease in attractiveness of investments in Russian assets, enhancement of capital outflow, fall of investing activity.

Considerable Rouble weakening accompanied by growth of devaluation expectations served the basis for sharp acceleration of inflation which exceeded the values given in the stress scenario of the Bank of Russia. Under these circumstances the Bank of Russia conducted the monetary policy aimed at meeting the balance between the necessity to decrease inflation and prevention of extreme cooling of economic activity maintaining the financial stability.

Measures aimed at restriction of growth of inflation and devaluation expectations and getting the situation at the financial market back to normal included the decision taken on 16 December 2014 to increase the key rate to 17% per annum, increasing of amount of foreign currencies provided by the Bank of Russia to Russian credit institutions on a repayable basis, and also measures to maintain soundness of the financial sector.



Implementation of these measures contributed to stabilization of the situation at the financial market, recovery of trust of economic entities to the Russian financial system on the whole and had a restraining impact on devaluation and inflation expectations to the extent the Bank of Russia believed it to be. It became possible to start reducing the key rate since January 2015. Along with this, the key rate change path in 2015 was determined regarding the measurement of the balance of inflation risks and risks of significant decrease in economic activity.

In the first half-year under weakening inflation risks and remaining risks of significant cooling of economy the key rate of the Bank of Russia was reduced in total by 5,50 per cent points to 11,50% per annum. In the second half-year the Bank of Russia carried out a single reduction of the key rate by 50 basic points to 11,00% per annum (since 3 August 2015).

From September to December 2015 there was an increase in inflation risks with remaining risks of significant cooling of economy. Within the said period the Bank of Russia suspended the easing of monetary policy and kept the key rate at the said level. Along with this during 2015 the Bank of Russia kept unchanged interest rates on specialized refinancing instruments.

As in previous years in 2015 change of rates was not homogeneous. In the section of short-term credit and deposit operations the reduction of rates became earlier and was more significant than in the section of similar long-term operations. It was also due to perception of the rates increase of the Bank of Russia at the year-end as a temporary measure.

Expected decrease in the key rate of the Bank of Russia alongside slowdown of inflation and cooling of economy included in rates on long-term operations resulted in establishing of inverted structure of rates at the beginning of the year at the credit and deposit market sections. Under these conditions there was a growing share of short-term deposits and long-term loans in the total amount of banking operations.

Raise in credit risks was one of the factors which restrained credit rates decrease. Within the reduction of real income and increased debt burden (also taking into account increase of cost of borrowed resources and currency revaluation) the quality of servicing their liabilities by Russian corporate and private borrowers worsened to some extent, which led to growth of overdue debt on loans. Write-off of bad loans and additional charge to provisions for loan-related losses associated with deteriorated quality of banks' loan portfolios made pressure on capital of Russian banks. However a set of measures of government support to the banking sector taken in 2015 restrained that pressure.

Effect of operations of the Bank of Russia in the internal currency market on liquidity of the banking sector during 2015 was different. The sale of foreign currencies by the Bank of Russia in January 2015 related to conversion operations of the Federal Treasury contributed to liquidity outflow from the banking sector. In May the Bank of Russia took a decision to start conducting operations on purchase of foreign currencies in the domestic currency market in order to replenish international reserves that facilitated the increase of liquidity level of the banking sector. These operations were suspended in July.

The anti-crisis measures in the banking regulation applied by the Bank of Russia facilitated reaching the aims on soundness of the Russian financial sector in 2015.

In the first half-year of 2015 there were still effective temporary changes in evaluation and classification of assets and liabilities by credit institutions introduced in December 2014 including moratorium on recognition of negative revaluation on securities portfolios, the right to use fixed exchange rates in calculation of prudential ratios, easing of the procedures for evaluation of outstanding loan quality.

The use of the said regulatory easings enabled to reduce unfavourable effect of significant deterioration of external and internal economic conditions occurred at the end of 2014 on complying with prudential ratios of banks and their credit activity and contributed to maintaining the stable operation of the banking system.

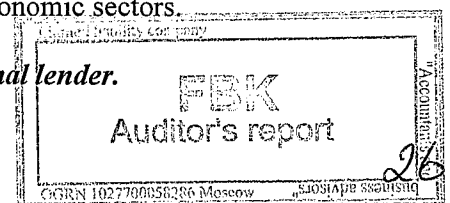
Despite negative market trends as well as intensifying anti-Russian sanctions from the USA and Europe Management of the Bank has a positive outlook for business extension in Russia due to continuing development of interstate relations and economic cooperation between RF and PRC.

In this connection, strengthening of economic cooperation between Russia and China seems to be very positive. In this connection, China becomes one of the key markets for conducting of both export and import operations.

Management of the Bank considers it takes all necessary and appropriate measures to maintain economic soundness of the Bank in current conditions and also believes that the Bank has potential for further development. The key competencies of the Bank and the credit policy applied enable to build long-term business relations with key clients and provide conditions for the Bank's operation as going concern.

In 2016 the Bank is going to follow the approved credit policy and grant loans to large-scale Russian companies and Russian subdivisions of Chinese companies operating in different economic sectors.

2.4 Information on the prospects for the development of the institutional lender.



In its activity, Bank ICBC (JSC) adheres to the developed "Strategy of Development of ICBC (Moscow) for the years 2015 – 2017".

Considering its strong points and competitive advantages, the Bank, being a 100% subsidiary bank of the world's largest from the point of view of capitalization bank, ICBC Ltd., has determined for itself the following directions of development for the nearest 3 years:

- increase and improvement of the Bank's work in all areas;
- establishment in Russia of a universal commercial bank carrying out its activities in accordance with the requirements of the Bank of Russia and possessing an advanced corporate governance structure;
- creation on the Russian market of a competitive bank that will be able to bring to its shareholders a good return of capital employed;
- maintenance of the leading positions on the Russian market among the banks with Chinese capital.

In 2015-2017, ICBC (Moscow) will undergo intensive development by means of expansion of its business and operations. Besides, in its work, the Bank will seek to become a flagman of the ICBC group and a major foreign bank on the Russian market.

2.5 Information on the management bodies of the institutional lender

The supreme managing body of the Bank is a sole Shareholder of the Bank owning 100% of the share capital – JSC "Industrial and Commercial Bank of China Limited".

General management of the Bank is undertaken by the Board of Directors of ICBC (Moscow).

The chairman of the Board of Directors is – Jiang Yulin.

Members of the Board of Directors:

- Wu Minmin,
- Hong Guilu,
- Wang Ying,
- Song Yang.

During 2015 the Board of Directors changed as follows:

- Mo Fuming was relieved of his duties as the Chairman of the Board of Directors;
- Shi Tzeu;

From 2013 to 16 February 2016 Song Yang held the position of the President, the Chairman of the Management Board of the Bank.

Members of the Management Board:

- Lang Weijie – Vice President, Vice Chairman of the Management Board, since 16 February 2016 Acting President,
- Igor Glebovich Titlin – Vice President,
- Natalia Viktorovna Kuzmina – Chief Accountant.

In 2014, no modifications occurred in the Management Board.

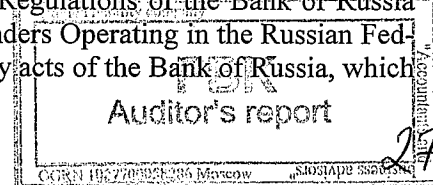
None of the members of the Bank's Board of Directors or the Management Board holds shares in ICBC (Moscow).

3. Short review of the basis of preparation of the annual accounting statements and accounting principles of the institutional lender.

These accounting (financial) statements for the year that ended on December 31, 2015 are expressed in Russian Rubles with rounding to whole thousands.

3.1 Principles and methods of evaluation and accounting of significant operations and events

In 2014, the Bank kept its accounting records in accordance with the Regulations of the Bank of Russia dated 16.07.2012 No. 385-II "On the Rules of Bookkeeping by Institutional Lenders Operating in the Russian Federation" (hereinafter - "Regulations No. 385-II"), as well as with other regulatory acts of the Bank of Russia, which determine the procedure of recording of separate transactions.



According to the requirements of the Bank of Russia and the Accounting Policy, separate transactions of the Bank shall be recorded on the balance sheet in accordance with the following procedure.

Monetary claims (liabilities) in the currency of the Russian Federation shall be reflected in the accounting records in rubles, in the amount of the claims (liabilities) which actually occurred.

Assets and liabilities expressed in a foreign currency shall be recorded on the Bank's balance sheet in rubles at the current exchange rate of the foreign currency, as established by the Bank of Russia. Such assets and liabilities shall be revaluated according to changing by the Bank of Russia of the foreign currency exchange rate.

The accounts receivable arising in the currency of the Russian Federation shall be reflected in the accounting records in rubles equivalent to the accounts receivable in a foreign currency, at the exchange rate of the Central Bank of the Russian Federation as of the day of recording of the accounts receivable.

Transactions related to accrual and payment (receipt) of interest on the raised (deposited) funds in form of credits or deposits shall be recorded according to the "accrual" method pursuant to the Regulations No. 385-II.

As to the deposited funds included into the I-III classes of quality, income generation shall be definite.

As to the deposited funds included into the IV-V classes of quality, income generation shall be indefinite, and interest shall be accrued on off-balance sheet accounts.

As to deposited funds, payment of expenses in form of interest shall be definite.

Securities shall be classified and recorded on the first order balance accounts according to the following categories:

- securities assessed at their fair value through profit and loss.

From the moment of initial recognition and till the moment of derecognition, investments into securities shall be evaluated (revaluated) at the current (fair) value, without establishment in their respect of any provisions for possible losses.

The current (fair) value of a security shall be deemed to be the price that would be obtained upon selling of the security when the transaction is conducted between participants of the securities market on a voluntary basis as of the valuation date. The current (fair) value shall be evaluated in accordance with the procedure determined by the International Financial Reporting Standard (IFRS) 13 "Fair Value Measurement".

- securities held to maturity.

The debt obligations the Bank intends to hold to maturity (regardless of the period of time between the acquisition date and the maturity date) shall be recognized in the amount of the actual costs associated with the acquisition. Whenever required, a provision for possible losses shall be established.

- securities available for sale.

If the current fair value of securities may not be reliably determined, the securities shall be recognized at the price of their acquisition and subsequently shall not be revaluated; if there are any indications of their impairment, provisions for possible losses shall be established in their respect.

The FIFO method shall be used for evaluation of the cost of disposed (realized) securities.

On custodial accounts, securities shall be recognized in pieces.

Accounting of derivative financial instruments is carried out by the Bank according to the Regulation of the Bank of Russia "On accounting of derivative financial instruments" № 372-II of 4 July 2011.

Measurement of fair value of derivative financial instruments is carried out by the Bank as follows.

After initial recognition the Bank accounts for a derivative financial instrument at fair value and reflects in the accounting records the change in fair value of the derivative financial instrument.

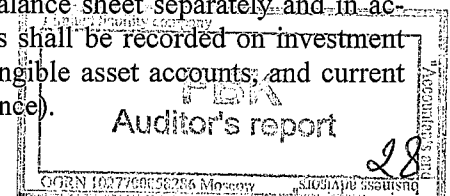
Measurement of fair value of derivative financial instruments and its disclosure in the accounting records is carried out on the last working day of a month on the date of derecognition of derivative financial instruments and also on the date of occurrence of claims and (or) liabilities to make interim payments according to the contractual terms.

Measurement of fair value of derivative financial instruments and accounting for its changes are carried out in the currency of the Russian Federation.

Accounting of the Bank's economic transactions conducted for the purposes of supporting of the Bank's activities shall be maintained subject to the following:

Expenses which are incurred in the given reporting period, but referred to future reporting periods, shall be recognized as expenses in the corresponding amounts upon occurrence of the reporting period to which they refer.

Investment and current expenditures shall be recorded on the Bank's balance sheet separately and in accordance with the requirements of the Bank of Russia (investment expenditures shall be recorded on investment expenditures accounts with subsequent transfer to fixed asset accounts and intangible asset accounts; and current expenditures shall be recorded on expenditure accounts according to their incurrence).



Items with the useful life exceeding 12 months and with the value at least equal to 40,000.00 rubles exclusive of VAT shall be recorded as fixed assets.

Fixed assets and intangible assets shall be posted to the relevant accounts at the book value which in terms of the items acquired for a valuable consideration or build by a contractor or independently shall represent a sum of actual expenditures incurred by the Bank when acquiring, developing (building), creation (producing) and bringing it to the state making the same suitable for use.

Items of fixed assets subject to revaluation shall be reflected in the accounting records at the market (replacement) value.

For accounting purposes, the fixed assets book value shall be exclusive of the VAT paid when acquiring or building the same.

For accounting purposes, intangible assets shall be recognized to be the acquired and (or) created by the Bank results of intellectual activity and other intellectual property items (exclusive rights thereto) used in the process of performance of works or provision of services or for the Bank's management needs for a prolonged period of time (with the duration exceeding 12 months). Non-exclusive rights to use intellectual property items shall not be intangible assets.

The costs of acquisition of inventory shall be posted to the Bank's expenditure accounts upon making of the materials available for use. In connection with the internal procedure of satisfaction of the needs of subdivisions for general materials strictly by requests, materials shall be made available for use on the date of their delivery.

Depreciation of fixed assets and intangible assets shall accrue by a straight-line method (monthly, in equal parts, on the basis of the useful life).

Provisions for the Bank's assets and operations - a provision for impaired loans, a provision for possible losses shall be formed in accordance with the requirements of the regulatory documents of the Bank of Russia, as well as interbank documents.

The Bank shall determine the financial result (profit or loss) annually.

The guarantees and sureties received by the Bank as a security of granted credits, invested assets and credit-related contingencies shall be recorded on off-balance sheet security accounts in the amount of the assumed security, i.e., in the amount securing fulfillment of actual liabilities of the borrower.

3.2 The nature and amount of the adjustments associated with changing of the accounting policy and accounting estimates affecting the comparability of separate indicators of performance of the institutional lender

The Bank shall maintain accounting records in compliance with the accounting consistency concept. The Bank's Accounting Policy shall be amended in case of introduction of new types of operations (transactions) or changing of the legislation of the Russian Federation or regulatory documents of the Bank of Russia, associated with the Bank's activities.

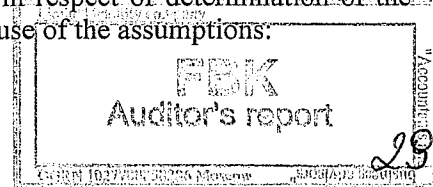
In the Bank's Accounting Policy for 2015, according to the Order of the Bank of Russia No. 3134-Y dated 05.12.2013, there was determined a Procedure of recognition of the current fair value of a security. The current fair value of a security shall be deemed to be the price that would be obtained upon selling of the security when the transaction is conducted between participants of the securities market on a voluntary basis as of the valuation date. The current (fair) value shall be evaluated in accordance with the procedure determined by the International Financial Reporting Standard (IFRS) 13 "Fair Value Measurement", as brought into force at the territory of the Russian Federation by an order of the Ministry of Finance of Russia dated July 18, 2012 No. 106H "On Bringing into Force and Invalidation of IFRS documents at the Territory of the Russian Federation".

In 2015, no material amendments affecting the comparability of indicators of performance of the Bank's previous and the reporting period were introduced into the Accounting Policy.

3.3 Information on the nature of assumptions and the key sources of uncertainty in estimations as of the end of the reporting period

For the Accounting Policy application, the Bank used its assumptions in respect of determination of the amounts recognized in the annual accounting statements. Below are the cases of use of the assumptions:

Cost of securities



According to the Regulations No. 385-II, if the current (fair) value of securities may not be reliably determined, and there are signs of their impairment, provisions for possible losses shall be formed on the basis of assumptions.

Provisions for possible losses shall be formed according to the method of evaluation of issuers, developed by the Bank.

Provisions for possible losses

The Bank shall regularly analyze the assets (instruments) in order to reveal the risk of possible losses.

Provisions for possible losses on loan debts and debts equaling to them shall be established on the basis of the Bank's assumptions pursuant to the Regulations of the Bank of Russia dated 26.03.2004 No. 254-II "On the Procedure of Establishment by Institutional Lenders of Provisions for Possible Losses on Loans, Loan Debts and Debts Equaling to Them" (hereinafter referred to as "the Regulations No. 254-II"). Provisions for possible losses on other assets (instruments) shall be established on the basis of the Bank's assumptions pursuant to the Regulations of the Bank of Russia dated 20.03.2006 No. 283-II "On the Procedure of Establishment by Institutional Lenders of Provisions for Possible Losses" (hereinafter referred to as "the Regulations No. 283-II").

Taxation

When determining the amount of deferred tax assets, which may be recognized in financial statements, the Bank's management shall assess the possibility of use of the available deferred tax asset in the full amount. Use of the deferred tax asset depends on generation of taxable profit in the periods when the temporary differences may be used against it. When conducting this assessment, the management shall consider the expected writing-off of the deferred tax liabilities, the future projected taxable profits and tax planning strategies. The Bank shall assess the possibility of generation of taxable profits sufficient for recording on the balance sheet of the deferred tax assets amount only in case it is significant (10% from the amount of the tax on income, calculated for the same reporting period).

3.4 Data on the adjusting events after the reporting date

A post-reporting event (PRE) shall be deemed to be the fact of the Bank's activity carried out during the period between the reporting date and the date of signing of the annual accounting report, which may significantly affect the Bank's financial position as of the reporting date.

The post-reporting events confirming the conditions, which existed as of the reporting date and during which the Bank carried out its activity, are reflected in the accounting statements.

1. In accordance with the clause 3.2.2. of the Order of the Bank of Russia No. 3054-Y, on the first business day of the new year after preparation of a daily balance-sheet as of January 01, the balances reported on the account No. 706 "Financial Result of the Current Year" were carried forward to the account No. 707 "Financial Result of the Previous Year".

2. In accordance with the clause 3.2.3. of the Order of the Bank of Russia No. 3054-Y, the adjusting events after the reporting date were the following:

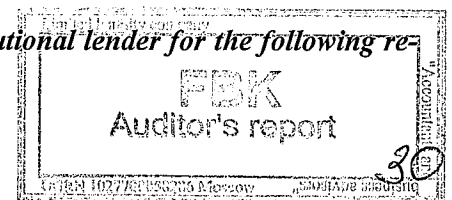
- recovery of the provision for possible losses on other requirements to customers in respect of commissions;
- recording of accrued amounts of taxes and fees on expenditure accounts;
- charging of tax on income for December of 2015;
- reporting of deferred tax assets and liabilities.

The expenses/incomes were also adjusted in connection with the documents received during the period of post-reporting events till March 25, 2016 (2014: till March 27, 2015).

As a result of events after the reporting date the Bank's revenue increased by 64 176 thous. rubles.

There were no non-adjusting post-reporting events in the Bank's activities.

3.5 Information about changes in the Accounting Policy of the institutional lender for the following reporting year



As a number of statutory documents of the Bank of Russia came into force since 2016 such as Regulation № 446-II "Regulation on determining income, expense and other comprehensive income of credit institutions" of 22 December 2014, Regulation № 465-II "Regulation "industry-specific accounting standard for remuneration to employees in credit institutions" of 15 April 2015, Regulation № 448-II "Regulation on accounting for premises and equipment, intangible assets, property temporarily not used in principle activities, long-term assets intended for sale, inventories, instruments of labour received under settlement agreement, collateral the purpose of which is not determined in credit institutions" of 22 December 2014, and also due to changes entered into Regulation of the Bank of Russia № 385-II and cancelation of Regulations № 39-II "Regulation on accrual of interests on operations related to attraction and placement of cash by banks" and № 54-II "Regulation on issuing (placement) by credit institutions of cash and its refund (repayment)", changes were entered in the Accounting policies of the Bank for 2016 as to the manner of determination and accounting for income and expense of the Bank, features of keeping the records of remunerations to employees, measurement and reflection in the accounting records of premises, equipment and intangible assets.

3.6 Information on the diluted earnings (loss) per share

For the Bank, information on earnings (loss) per share is not applicable, as there are no convertible securities in the Bank (according to the "Guidelines for Disclosure of Information on the Earnings per One Share", as approved by the Order of the Ministry of Finance of the Russian Federation dated March 21, 2000 No. 29H).

4. Accompanying information to the balance sheet.

4.1 Cash and cash equivalents

Cash and cash equivalents are presented in the following manner:

	as of 01.01.2016, thous. rubles	as of 01.01.2015, thous. rubles
Cash	47 125	61 916
Funds of credit institutions held with the Central Bank of the Russian Federation (except for required reserves and a security deposit of an operator of the payment system)	1 573 626	1 301 216
Total cash and balances with the Central Bank	1 620 751	1 363 132
Funds held with credit institutions	19 503 044	21 113 455
Provisions for possible losses		
Total cash with credit institutions	19 503 044	21 113 455
Total cash and cash equivalents	21 123 795	22 476 587

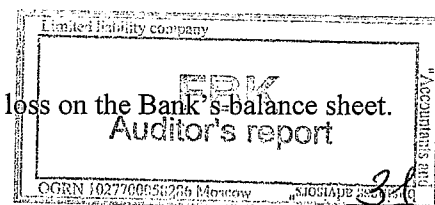
As of January 01, 2016 and January 01, 2015, balances of required reserve accounts with the Bank of Russia amounted to 390 558 thous. rubles and 513 453 thous. rubles, accordingly. The Bank places required reserves on deposit with the Central Bank of the Russian Federation on a continuous basis.

Also the Bank is an operator of the payment system, it transfers a security deposit within the payment system "ICBC" to the Bank of Russia every quarter. The amount of the accrued security deposit as of January 1, 2016 is 60 081 thous. Rubles.

This cash has been excluded from the item "Cash and cash equivalents" as the Bank has restrictions for its use according to Article 82.5 of Federal Law № 86-ФЗ "On Central Bank of the Russian Federation (the Bank of Russia)" of 10 July 2002.

4.2 Financial assets assessed at fair value through profit or loss

There are no debt and equity securities carried at fair value through profit or loss on the Bank's balance sheet.



Derivative financial instruments (DFI) the fair value of which is positive are to be accounted for as an asset in the item "Financial assets at fair value through profit or loss" of form 0409806 "Balance sheet (disclosure form)".

Current (fair) value of DFI is understood as the difference between transaction price and settlement price of DFI defined by the Bank according to the approved "Methodology to define fair value".

As of January 1, 2016 there are no derivative financial instruments in the Bank's balance sheet.

4.3 Loans and equivalent loan debts

The loans and equivalent loan debts issued to the customers were distributed as follows:

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Loans to customers – credit institutions	34 405 218	28 659 566
Loans to customers – legal entities other than credit institutions	11 666 319	7 804 276
Total loan indebtedness	46 071 537	36 463 842
Provision for possible losses on loans	(138 439)	(53 706)
Total net loan indebtedness	45 933 098	36 410 136

Information about loan debts with a breakdown into the types of issued loans is given below:

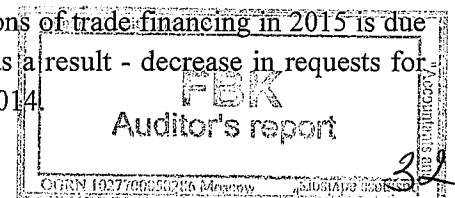
	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Loans and equivalent loan debts issued to customers – credit institutions:	34 405 218	28 659 566
- Interbank credits	18 136 642	13 762 878
- Trade financing operations	6 230 942	9 932 594
- Postfinancing	1 250 689	1 570 916
- Acquisition of rights to claim	7 950 364	3 333 066
- Other invested assets	836 581	60 112
Loans and equivalent loan debts issued to customers – legal entities other than credit institutions:	11 666 319	7 804 276
- Financing of current activity	8 009 220	3 309 132
- Acquisition of rights to claim	3 651 316	4 492 925
- Other invested assets	5 783	2 219
Total loan indebtedness	46 071 537	36 463 842
Provision for possible losses on loans	(138 439)	(53 706)
Total net loan indebtedness	45 933 098	36 410 136

As of January 01, 2016, the funds provided to credit institutions amounted to 34 405 218 thous. rubles, it exceeded the said indicator of the previous year 2014 by 20% and the third quarter of 2015 by 46,5%.

The expansion of the resource base in 2015 was caused by active investment of funds on the inter-bank market. As of 01.01.2016, the volume of placed interbank credits amounted to 18 136 642 thous. rubles, which is by 31,7% higher than this indicator of the corresponding period of the previous year (as of 01.01.2015 – 13 762 878 thous. rubles), including cash raised as of 01.01.2016 from non-resident banks of 3 256 642 thous. rubles (as of 01.01.2015 – 5 170 071 thous. rubles).

In 2015, the Bank continued its active work with trade financing instruments used for performance of export and import operations of its customers (both legal entities and correspondent banks). As of 01.01.2016, the main volume of funds with regard to trade financing operations amounted to 6 230 942 thous. rubles, while as of the corresponding reporting date of the last year, this indicator amounted to 9 932 594 thous. rubles.

In 2015, the total volume of financing of correspondent banks amounted to 36 780 552 thous. rubles (in 2014 this indicator was 50 487 223 thous. rubles). Decrease in the amount of operations of trade financing in 2015 is due to worsening of the overall economic environment in Russia and China, and as a result - decrease in requests for operations of trade financing from Russian and Chinese banks as compared to 2014.



At present the main areas of the Bank's activities is provision of products and services to the Russian companies representing the "large-scale corporate business" segment, as well as to the Russian subdivisions of Chinese companies.

During 2015, the Bank performed work related to formation of a proper loan portfolio. The majority of it (93,6%) is participation in syndicated loans (both at the primary market and through acquisition of rights to claim at the secondary market) issued to large-scale corporate borrowers of the real economic sector. Among the Bank's borrowers are the largest Russian companies from the following areas of economics: oil and gas, metallurgy, retailing, mineral fertilizers, coal mining, power production..

Below there is information about the volume and structure of loans with a breakdown into the types of business of the borrowers:

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles.
Loans to customers – credit institutions	34 405 218	28 659 566
Loans to customers – legal entities other than credit institutions	7 835 690	3 014 445
Manufacturing	5 406 106	2 539 764
Extraction of minerals	849 814	474 681
Wholesale and retail trading	211 360	-
Other types of activities (activities on management of holding-companies)	1 368 410	-
Loans to customers – legal entities (non-resident) other than credit institutions	173 530	294 687
Other invested assets	5 783	2 219
Acquired rights to claim	3 651 316	4 492 925
Total loan indebtedness	46 071 537	34 463 842
Provision for possible losses on loans	(138 439)	(53 706)
Total net loan indebtedness	45 933 098	34 410 136

As of 01.01.2016, the funds provided to customers which are legal entities (not being credit institutions), including the acquired rights to claim, amounted to 11 666 319 thous. rubles (as of 01.01.2015 – 7 804 276 thous. rubles).

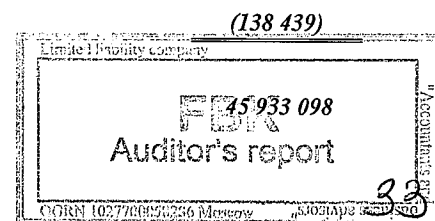
Information about the periods of the loans remaining till full repayment (before deduction of the provision for possible losses on loans) is presented in the table below:

as of 01.01.2016

	Up to 30 days	31-90 days	91-180 days	181-365 days	Over 1 year	Total
Loans	14 768 753	7 984 536	7 395 837	4 794 378	11 128 034	46 071 537

*Provision for possible losses on
loans*

*Loans after deduction of
the provision*



as of 01.01.2015

	Up to 30 days	31-90 days	91-180 days	181-365 days	Over 1 year	Total
Loans	13 395 034	6 650 118	6 497 024	4 597 439	5 264 116	36 463 842
Provision for possible losses on loans						(53 706)
Loans after deduction of the provision						36 410 136

Geographical analysis of loans

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Russia	30 987 742	19 810 085
including:		
Moscow	21 227 538	12 687 441
Moscow region	1 080	-
St. Petersburg	1 668 481	320 000
The Kaluga Region	350 000	350 000
The Perm Territory	1 521 962	463 304
The Novgorod Region	728 827	1 406 460
The Jewish Autonomous Region	532 957	474 681
The Tyumen Region	-	467 635
The Yaroslavl Region	-	370 399
The Krasnoyarsk Territory	1 210 406	1 095 610
The Sverdlovsk Region	911 034	843 876
The Rostov Region	-	459 000
The Amur Region	-	871 679
Belgorod region	1 822 068	-
Lipetsk region	1 000 106	-
Stavropol krai	13 283	-
OECD	1 085 499	1 060 964
Other countries	13 998 296	15 592 793
Total loan indebtedness	46 071 537	36 463 842
Provision for possible losses on loans	(138 439)	(53 706)
Total net loan indebtedness	45 933 098	36 410 136

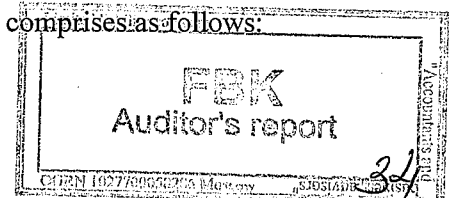
The Bank employs conservative and weighed policy ensuring stability and diversified business, which enables to create assets balanced as to their terms and relevant as to their quality.

When financing the corporate sector of economy, the high liquid collateral provided by borrowers is taken into account, ensuring that the Bank minimizes its risks, and overdue debts does not occur.

The Bank intends to be further in compliance with the credit policy approved and to provide loans to companies operating in different economic segments.

4.4 Net investments in securities held-to-maturity

As of 01.01.2016, the Bank's security portfolio of 2 112 743 thous. rubles comprises as follows:



	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Bonds of the Government of the Russian Federation and municipal bonds:	602 047	30 550
Russian Federation federal loan bonds (FLB)	602 047	30 550
Corporate bonds:	1 510 696	160 116
Bonds of credit institutions	99 531	160 116
Bonds of non-resident banks	1 411 165	-
Total debt securities held-to-maturity	2 112 743	190 666
Provision for possible losses	-	-
	2 112 743	190 666

The Bank considers investments in securities as a tool allowing it to derive interest and investment income and simultaneously flexibly regulate its current and medium-term liquidity. All securities are classified by the Bank as "securities held-to-maturity".

The principal market segments for the Bank to continue its operations in shall be as follows:

- Corporate securities;
- Government bonds;
- Eurobonds.

As of 01.01.2016, the Bank's debt securities portfolio is represented by:

- state securities (FLB) issued by the Ministry of Finance of the Russian Federation maturing from 2014 to 2023 with the coupon yield from 2,5% to 7,5%;
- corporate bonds of credit institutions with the par value in the currency of the Russian Federation maturing from 2014 to 2016 with the coupon yield 8.15%;
- corporate bonds of non-resident banks with the par value in the Chinese Yuan maturing from 2014 to 2016 with the coupon yield from 4,08% to 4,92%.

As of January 1, 2016 there were no debt liabilities with delay in payment on them.

The portfolio comprises liquid securities traded in the open market and have current quotations.

Reliable prime-quality borrowers having sound market positions are seen as issuers of securities by the Bank.

The composition of the securities portfolio is made up with regard to weighted estimate of reliability, liquidity, maturity and profitability of each instrument.

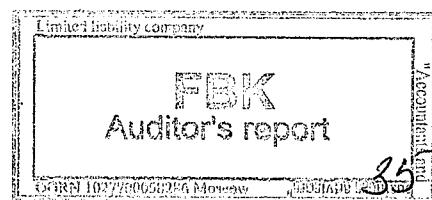
In the near future the Bank will continue to perform operations with securities only for investment purposes, purchasing of state securities of the Russian Federation and highly liquid debentures of the largest Russian issuers will be a preference.

4.5 Current income tax claims

	as of January 01, 2016, thous. rubles	as of January 01, 2013, thous. rubles
Current income tax claims	63 153	1
Total current income tax claims	63 153	1

The current income tax claims occurred as a result of calculation of the income tax base for 2015.

Pursuant to the received copy of the confirmed tax return for 2015, there was reported an income tax over-payment.



4.6 Fixed assets and inventories

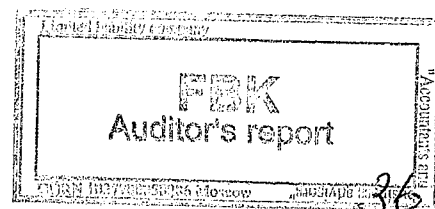
The composition of fixed assets is given in the table below:

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Fixed assets	38 183	32 468
Inventories	0	4
Fixed assets, intangible assets, inventories:	38 183	32 472

Transactions in the fixed assets items are represented below:

for 2015

	Equipment	Transport vehicles	Furniture, etc.	Inventories	Total
Book value					
Balance as of January 01, 2015	29 659	1 109	1 700	4	32 472
Acquisitions	6 173	-	500	12 178	18 851
Disposals	(912)	-	(46)	(12 182)	(13 140)
Revaluation	-	-	-	-	-
Balance as of January 01, 2016	34 920	1 109	2 154	0	38 183
Depreciation and impairment losses					
Balance as of January 01, 2015	13 492	1 109	1 303	-	15 904
Accumulated depreciation for the quarter	9 767	-	21	-	9 788
Impairment losses	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluation	-	-	-	-	-
Balance as of January 01, 2016	23 259	1 109	1 324	-	25 692
Balance value					
As of January 01, 2016	11 661	-	830	0	12 491



for 2014

	Equipment	Transport vehicles	Furniture, etc.	Inventories	Total
Book value					
Balance as of January 01, 2014	21 542	1 109	1 492	15	24 158
Acquisitions	8 463	-	208	7 420	16 091
Disposals	(346)	-	-	(7 431)	(7 777)
Revaluation					
Balance as of January 01, 2015	29 659	1 109	1 700	4	32 472
Depreciation and impairment losses					
Balance as of January 01, 2014	5 877	1 109	1 260	-	8 246
Accumulated depreciation for the quarter	7 961	-	43	-	8 004
Impairment losses					
Disposals	(346)	-	-	-	(346)
Revaluation					
Balance as of January 01, 2015	13 492	1 109	1 303	-	15 904
Balance value					
As of January 01, 2015	16 167	-	397	4	16 568

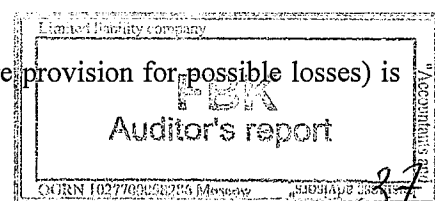
4.7 Other assets

The volume, structure and changing of the value of other assets, including due to their impairment, are represented in the table with a breakdown into the types of assets:

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Financial, total	320 460	133 810
<i>including:</i>		
Claims on interest	319 342	133 676
Commissions on letters of credit	43	98
Claims on loan agreements	921	-
Other commissions	39	34
Other	115	2
Non-financial, total	86 290	34 837
<i>including:</i>		
Settlements with the budget and non-budgetary funds	572	334
Accounts receivable	69 356	10 553
Others	16 362	23 950
Total before deduction of the provision for impairment	406 750	168 647
Provision for impairment of other assets	(10 842)	(1 290)
Total after deduction of the provision for impairment	395 908	167 357

Other assets comprise short-term and long-term receivables.

Information on maturity terms of other assets as of January 1, 2016 (before provision for possible losses) is given in the table below:



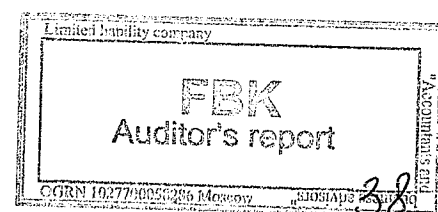
As of 01.01.2016

thous. Rubles

	<i>Up to 30 days</i>	<i>From 31 to 90 days</i>	<i>From 91 to 180 days</i>	<i>From 181 to 1 year</i>	<i>More than 1 year</i>	<i>Total</i>
Financial, total	48 260	82 608	140 960	47 711	921	320 460
<i>including:</i>						
Claims on interest	48 106	82 608	140 924	47 704	-	319 342
Commissions on letters of credit	-	-	36	7	-	43
Claims on loan agreements	-	-	-	-	921	921
Other commissions	39	-	-	-	-	39
Other	115	-	-	-	-	115
Non-financial, total	23 814	27 161	25 818	2 565	6 932	86 290
<i>including:</i>						
Settlements with the budget and non-budgetary funds	572	-	-	-	-	572
Accounts receivable	6 880	27 161	25 818	2 565	6 932	69 356
Others	16 362	-	-	-	-	16 362
Total before deduction of the provision for impairment	72 074	109 769	166 778	50 276	7 853	406 750
Provision for impairment of other assets	159	42	10 321	-	320	10 842
Total after deduction of the provision for impairment	71 915	109 727	156 457	50 276	7 533	395 908

4.8 Funds due to credit institutions

Balances due to credit institutions with a breakdown into separate types of accounts are represented in the table below:



	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
LORO accounts	13 215 145	6 530 200
Interbank credits and deposits	5 718 830	10 289 733
Subordinated loans	3 644 135	4 500 672
	22 578 110	21 320 605

Information about the conditions and periods of subordinated loans is provided below:

Name of the counter-party	Disbursement date	Maturity date	Rate, %	Balance sheet value, thous. rubles	
				as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
ICBC LTD BEIJING	14.07.2010	14.07.2015	0,23	-	1 687 752
ICBC LTD BEIJING	29.10.2013	30.10.2023	1,83	3 644 135	2 812 920

In 2015 Bank ICBC (JSC) kept successfully developing relations with financial institutions in different banking areas. The Bank actively conducted work at the interbank market, in banks servicing, and continued extending the range of counterparties and partners.

In 2015 Bank ICBC (JSC) took a number of measures which enabled to move to a new level of servicing of financial institutions. Commissions on operations in Chinese Yuans were considerably reduced, accrual of interests on balances in Chinese Yuans was implemented for all accounts, considerable efforts were made to promote the Chinese payment system CIPS (implemented in October 2015), signed first agreements on participation in CIPS with Russian banks, etc.

Bank ICBC (JSC) traditionally makes a significant contribution to promotion of settlement in Chinese Yuans. Since the beginning of 2015 the number of payments in Chinese Yuans conducted by other Russian banks through Bank ICBC (JSC) has grown more than twice despite the obvious trend to decline of goods turnover between the two countries in 2015.

High business reputation and extensive experience of the Bank acting as "window to China" enabled Bank ICBC (JSC) to act as a reliable partner for many Russian financial institutions.

In 2015 Bank ICBC (JSC) opened regular accounts in the name of well-known Russian banks such as Gazprombank (JSC), PJSC "Binbank", PJSC "Bank Saint-Petersburg", JSCB "Absolute bank" (PJSC), JSC "GLOBEXBANK" and others.

In total in 2015 Bank ICBC (JSC) opened in the name of 10 new respondents 21 accounts in different currencies including 9 accounts in Chinese Yuans.

The Bank's key correspondents and counterparties at the moment are sound and reliable financial institutions.

4.9 Funds due to the customers other than credit institutions

Balances on settlement and deposit accounts of customers – legal entities by separate types of accounts are given in the table below:



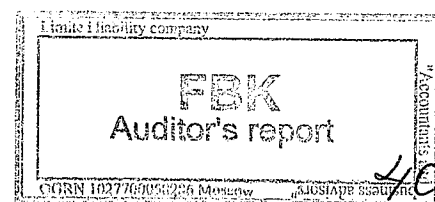
	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Legal entities:	42 711 700	35 099 123
- Uncompleted transfers of customers	60 008	-
- Current/settlement accounts	14 668 436	5 565 580
- Funds in settlements	10 206	-
- Term deposits	27 508 061	27 930 502
- Other attracted funds	464 989	1 603 041
Individuals:	4	3
- Funds in settlements	4	3
	42 711 704	35 099 126

For the purpose of sustaining of the Bank's image and strengthening of its status as a reliable institution, as well as for expansion of the customer base, the Bank constantly performs work aimed at development and introduction of individual conditions of provision of services to large-scale customers.

In 2015, the Bank actively attracted new customers represented by large Russian companies. Cooperation with them made it possible for the Bank to continue expansion of its presence at the enterprise lending market.

Below is the breakdown of funds of the customers by economy sectors:

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Funds of legal entities, total	42 651 692	35 099 123
including:		
agriculture	196	-
extraction of minerals	756 664	2 441 785
financial activity	6 527 582	729 653
construction	17 862 530	13 996 064
wholesale and retail trading; repair of motor vehicles, bicycles and household goods	3 323 220	6 244 789
operations with immovable property, leasing and provision of services and social security	2 736 405	5 011 408
production and distribution of electricity, gas and water	5 270 521	2 747 018
manufacturing	1 796 502	2 742 276
transport and communication	4 004 204	67 048
hotels and restaurants	2 314	-
healthcare and social services	25	-
other communal, social and personal services	5 472	-
other types of activities	366 057	1 119 082
Uncompleted transfers of customers	60 008	-
Funds of physical persons, total	4	3
Funds due to the customers, total	42 711 704	35 099 126



4.10 Tax liabilities

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Current income tax liabilities	862	32
Deferred tax liabilities	119	88

The current income tax liability occurred as a result of a calculation of the income tax base for the 4th quarter of 2015.

The deferred tax liability is fully reported in respect of all the taxable temporary differences.

4.11 Other liabilities

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Interest payment liabilities	262 752	111 199
Other accounts payable	12 403	66 745
Unearned revenues	4 090	-
Other	26	112
Total other financial liabilities	279 271	178 056
Accounts payable including debt on other taxes	36 980	11 235
Total other non-financial liabilities	36 980	11 235
	316 251	189 291

Information on other liabilities with a breakdown of the time limits is represented in the following table:

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Up to a year	213 128	167 619
Over 1 year	103 123	21 672
Total other liabilities	316 251	189 291

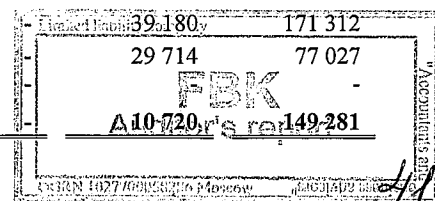
4.12 Share capital of the Bank

As of January 01, 2016, the Bank's registered share capital amounts to 2,309,500 thous. rubles and consists of 92,380 ordinary registered non-certificated shares with the par value of 25 thous. rubles each.

5 Accompanying information to the statement of financial results.**5.1. Losses and provisions for losses**

Information about losses and impairment reversal amounts in respect of each type of assets for the years 2014 - 2015 is represented below:

thous. rubles	Loan and equivalent loan debts and interests	Funds on correspondent accounts	Securities held-to- maturity	Other assets	Total
as of 01.01.2014	14 595	-	-	85	14 680
Creation	96 939	9 084	-	5 649	111 672
Reversal	57 792	9 084	-	4 480	71 356
Write-offs	-	-	-	-	-
As of 01.01.2015	53 742	-	-	1 254	54 996
Creation	131 242	890	-	39 180	171 312
Reversal	46 423	890	-	29 714	77 027
Write-offs	-	-	-	-	-
As of 01.01.2016	138 561	-	-	149 281	287 842



5.2 Information about the amount of foreign exchange differences recognized as profits or losses

The net income/(loss) from foreign currency operations are represented in the table as follows:

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Income from foreign currency operations	5 694 231	2 382 021
Costs from foreign currency operations	(4 767 560)	(2 280 004)
Net income from foreign currency operations	926 671	102 017
Income from foreign currency revaluation	146 278 908	87 517 600
Costs from foreign currency revaluation	(146 097 179)	(87 447 165)
Net income from foreign currency revaluation	181 729	70 435
Total income/(loss) from foreign currency operations	1 108 400	172 452

5.3 Information about the main components of income tax expenses (refund)

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Property tax	14	27
VAT paid for goods and services	17 789	11 571
VAT paid for non-deductible goods and services	827	1 734
Transport tax	10	-
Paid state duty	155	51
Tax on income from state securities	4 209	246
Tax withheld by the tax agent	10 045	8 751
20% profit tax	323 519	114 406
Increase of the income tax by deferred income tax	32	88
Income tax expense	356 600	136 874

During 2014 and 2015, no new taxes were imposed. No tax rates were changed.

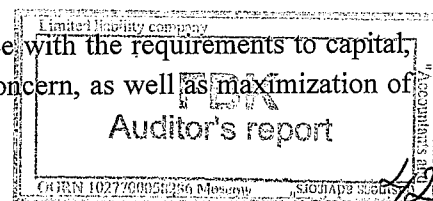
5.4 Information about emoluments of employees

Personnel expenses and other employee emolument amounts include the following items:

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Salary of employees	348 735	165 738
Taxes and payroll contributions	28 658	17 618
Other personnel maintenance expenses	1 464	918
Personnel expenses	378 857	184 274

6. Accompanying information to the report on capital adequacy

Management of the Bank's capital has the following purposes: compliance with the requirements to capital, as stipulated by the Bank of Russia, enabling the Bank to function as a going concern, as well as maximization of profit due to optimization of the debt to equity ratio.



The policy and principles of the Bank's equity management are a combination of actions aimed at:

- reaching the balance between riskiness and yield of operations that is regulated by selection of more beneficial placement of its equity and accurate meeting all the mandatory ratios;
- complying of the Bank's development strategy with the scope of its activities;
- restricting volumes of banking operations by the size of the equity.

The Bank's capital management is based on correlation of risks assumed by the Bank and scope of its activities (taking into account its development according to the strategy approved by the Board of Directors) and the current level of capital adequacy ratio. For the purpose of maintaining the proper level of capital adequacy ratio when extending its activities the Bank can address an issue to the shareholder on increase of the share capital and/or on attraction of subordinated loan.

The Bank annually calculates the indicators of the capital adequacy value and assessment in accordance with the Regulations of the Bank of Russia dated 28.12.2012 No. 395-II "On the Methods of Assessment of Equity Funds (Capital) of Institutional Lenders (Basel III)" and the Instruction of the Bank of Russia dated 03.12.2012 No. 139-II "On Statutory Requirements of Banks".

Current planning of the Bank's operations is performed with due consideration of the assessment of their influence on the capital value, weighted with allowance for risks, and, whenever required, transactions shall be restructured for the purposes of their bringing to the required level.

The Bank constantly monitors the regulatory requirements imposed on credit institutions with regard to the calculation of the capital value and adequacy. The Bank maintains the capital adequacy ratio on the level which meets the nature and scope of operations conducted by the Bank. In calculation of ratios the Bank was guided by the letter of the Bank of Russia № 211-T of 18 December 2014 and also additional information in respect of decrease in regulatory risks due to volatility of the currency exchange rate published by the Bank of Russia.

Throughout 2015 the ratio of adequacy of equity funds (capital) of the Bank corresponded to the statutorily prescribed level.

General policy of the Bank in 2015 in the sphere of risks associated with capital management was not changed.

6.1 Information about the time limits, conditions and main characteristics of capital instruments of the credit institution and approaches to capital adequacy assessment for support of the current and future activity

Main capital instruments

Share capital

The declared, issued and fully paid share capital includes the following components:

	as of January 01, 2016, thous. rubles		as of January 01, 2015, thous. rubles	
	Number of shares	Nominal value	Number of shares	Nominal value
Common shares	92 380	2 309 500	92 380	2 309 500
Share capital	92 380	2 309 500	92 380	2 309 500

The Bank's share capital fully belongs to Industrial and Commercial Bank of China Limited Joint-Stock Company.

Share premium

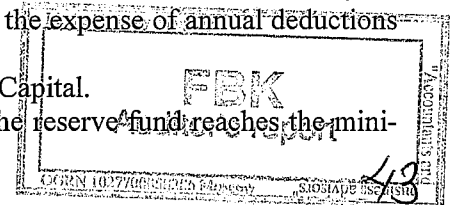
The Bank has no share premium.

Reserve fund

According to the Federal Law No. 208-FZ "On Joint-Stock Companies" and the Articles of Association, the Bank shall form a reserve fund for coverage of possible losses on its operations at the expense of annual deductions from net profit.

The amount of the reserve fund is 10% of the Bank's registered Authorized Capital.

The annual deductions to the reserve fund shall be made till the moment the reserve fund reaches the mini-



minimum size established by the Articles of Association of the Bank and shall amount to 5% from net profit.

The reserve fund amounts to:

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Reserve fund	42 806	22 016

Additional capital instruments

Subordinated loans

As of January 01, 2016, the Bank had 1 subordinated loan for a total amount of 3 644 135 thous. rubles, with the maturity on October 30, 2023. During 2015, the Bank repaid one subordinated loan due to the contract expiration, and no new contracts for raising of a subordinated loan were concluded by the Bank in the reporting period.

When the Bank plans its future activity, capital adequacy is assessed by controlling of sufficiency of the target indicators of the N1 ratio to the N1 normative values calculated with account for the Bank's business scaling and for the level of risks in respect of the planned active operations in accordance with the Basel III requirements.

The table below represents the regulatory capital on the Basis of the Bank's reports prepared in accordance with the Requirements of the Russian legislation, with the data for the previous reporting period being calculated in accordance with the procedure of preparation of reporting according to the form 0409123 "Calculation of Equity Funds (Capital) (Basel III)":

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Core capital	3 165 625	2 749 819
Additional capital	4 951 019	3 407 307
Regulatory capital	8 116 644	6 157 126

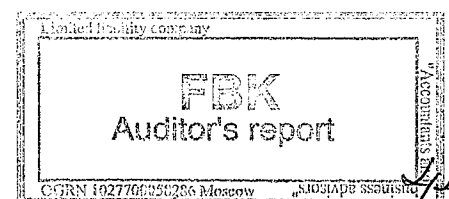
In accordance with the requirements of the Regulations of the Bank of Russia dated 28.12.2012 No. 395-II "On the Methods of Assessment of Equity Funds (Capital) of Institutional Lenders (Basel III), the capital adequacy ratios are the following:

	minimum allowable value, %	as of January 01, 2016, %
Total own capital adequacy ratio N 1.0 (%)	10.0	17.1
Core capital adequacy ratio N 1.1 (%)	5.0	6.7
Main capital adequacy ratio N 1.2 (%)	6.0	6.7

In the reporting period, the Bank observed the minimum permissible value of the capital adequacy ratio.

6.2 Dividends

No dividends were paid in the reporting period of 2015 and for 2014.



7. Accompanying information to data of mandatory ratios and financial leverage indicator

7.1 Data of mandatory ratios

Due to the application of the letter of the Bank of Russia № 211-T "On aspects of application of regulations of the Bank of Russia" of 18 December 2014 in the Bank part of assets denominated in foreign currencies was included in calculation of the capital adequacy ratio (H1.1, H1.2, H1.0) and the ratio of the maximum risk size for one borrower or a group of related borrowers (H6) at the exchange rate of foreign currencies set by the Bank of Russia in the additional letter "On anti-crisis measures in banking regulation" of 21 September 2015.

Information of values of these ratios calculated as of 1 January 1, 2016 is given in the table below:

	Calculation of ratio values at current exchange rate (as of January 1, 2016), %	Calculation of ratio values with regard to the letter № 211-II, %
Core capital adequacy ratio (H1.1)	6.6	6.7
Main capital adequacy ratio (H1.2)	6.6	6.7
Equity (capital) adequacy ratio (H1.0)	16.8	17.1
Ratio of maximum risk for one borrower or group of related borrowers (H6)	22.9	22.5

Application of this letter enabled the Bank to prevent violations of the mandatory ratios during the reporting year except for two cases of one-day violation of H6 "Ratio of maximum risk for one borrower or a group of related borrowers" on the dates 2 July 2015 and 10 November 2015.

However in both cases the violation was for technical reasons.

There were no significant changes in methodologies of calculation of other ratios in 2015.

7.2 Data of financial leverage indicator

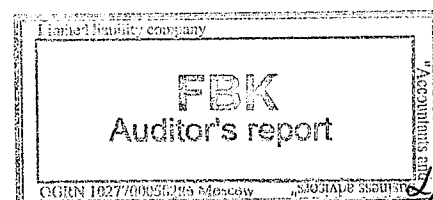
As of January 1, 2016 the Bank calculated the financial leverage indicator. The financial leverage indicator is calculated as relation of the Bank's capital value to the aggregate value of:

- cost of assets accounted for in the accounting records with regard to revaluation;
- credit-related contingent liabilities;
- credit risk on term transactions and derivative financial instruments less provision for possible losses on loans and equated to it debt or provision for possible losses.

Information of the value of the financial leverage indicator is given in the table below:

	As of January 1, 2016
Main capital, thous. rubles	3 165 625
Value of balance sheet assets and off-balance sheet claims at risk for calculation of value of financial leverage, thous.rubles	73 893 987
Value of financial leverage under Basel III, %	4,3

The Bank had no considerable divergence between the size of assets calculated according to the balance sheet (taking into account adjustments) and balance sheet assets used for calculation of the value of the financial leverage as of January 1, 2016.



8. Accompanying information to the statement of cash flow

8.1. *Information on material balances of cash and cash equivalents possessed by the Bank, but unavailable for use.*

The amount of material balances not available for use as of January 1, 2016 was 450 639 thous. rubles where: funds deposited in the Bank of Russia (Mandatory Reserve Fund) 390 558 thous. rubles, security deposit of an operator of the payment system 60 081 thous. rubles.

8.2. *Information on material investment and financial operations not requiring use of cash.*

In the reporting period, there were no material investment and financial operations not requiring use of cash.

8.3. *Information on unutilized credit facilities with indication of the existing restrictions of their use.*

In 2015, there were no unutilized credit facilities with existing restrictions of their use.

8.4. *Information on the cash flows:*

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Cash and cash equivalents		
Cash	47 125	61 916
Balances of accounts with the Bank of Russia (except for the required reserves and a security deposit of an operator of the payment system)	1 573 626	1 301 216
Funds with credit institutions which are residents	7 559	5 599
Funds with credit institutions which are non-residents	19 495 485	21 107 856
Total cash and cash equivalents	21 123 795	22 476 587

The information on cash flows with a breakdown into geographical areas is represented below:

as of 01.01.2016

thous. rubles

	Russian Federation	OECD	Southeast Asia	Total
Cash	47 125	-	-	47 125
Balances of accounts with the Bank of Russia (except for the required reserves and a security deposit of an operator of the payment system)	1 573 626	-	-	1 573 626
Funds with credit institutions which are residents	7 559	-	-	7 559
Funds with credit institutions which are non-residents	-	8 475 020	11 020 465	19 495 485
Total cash and cash equivalents	1 628 310	8 475 020	11 020 465	21 123 795

as of 01.01.2015

thous. rubles

	Russian Federation	OECD	Southeast Asia	Total
Cash	61 916	-	-	61 916
Balances of accounts with the Bank of Russia (except for the required reserves and a security deposit of an operator of the payment system)	1 301 216	-	-	1 301 216
Funds with credit institutions which are residents	5 599	-	-	5 599
Funds with credit institutions which are non-residents	-	13 353 582	7 754 274	21 107 856
Total cash and cash equivalents	1 368 731	13 353 582	7 754 274	22 476 587

According to the statements, form 0409814 "Statement of cash flows" as of January 1, 2016 the value of line 5 "Increase/use of cash and cash equivalents" was (1 352 792) thous. rubles.

Cash outflow for 2016 is based on impact of the following factors: increase in the volume of the loan portfolio as to interbank transactions and syndicated loans; increase in the volume of outgoing payments from customer accounts of both credit institutions, and legal entities, repayment of part of deposits of customers-legal entities, and also repayment of one of the attracted subordinated loans.

The significant indicators affected cash outflow:



- 9. Information on the risks assumed by the credit institution and the procedures of their assessment, measurement, monitoring and control**

ment of this goal, the Bank has
measures and events aimed at
as a result of the effect of banking
Auditor's report

Securing the maximum soundness of the Bank's assets and capital based on mitigation of exposure to risk which may result in any unexpected loss shall be the Bank's priority.

Risk management is also performed by the Bank for the purposes of:

- identification, measurement and assessment of the acceptable level of the aggregate banking risk;
- protection of interests of the Bank and of the Bank's customers;
- constant monitoring of the aggregate banking risk;
- adoption of measures aimed at maintenance of the aggregate banking risk at the level not threatening to the Bank's financial stability and interests of its creditors and depositors;
- observance by all the Bank's employees of laws and regulations and of the internal banking rules and procedures.

The purpose of management of the Bank's aggregate banking risk is achieved due to the systematic and complex approach involving solution of the following tasks:

- obtaining of timely and objective data on the condition and volume of all the Bank's risks affecting the level of the aggregate banking risk;
- qualitative and quantitative assessment (measurement) of the aggregate banking risk;
- estimation of relationships between separate types of risks for the purpose of assessment of the effect of the measures intended to be taken in order to limit any specific risk on the increase or decrease of other risk levels;
- creation of a system of management of the risks assumed by the Bank, as well as by the aggregate banking risk at the stage of occurrence of a negative trend, as well as creation of a fast and adequate reacting system aimed at prevention of achievement by risks of the values critical for the Bank (risk minimization).

The main purpose of financial protection from banking risks shall be establishment of provisions for coverage of financial losses, if they occur. For protection of the Bank from financial losses, a range of financial instruments and resources available for the Bank shall be used. The Bank's losses may be covered at the expense of two sources: the reserves and the Bank's equity capital. The Bank's risk management system uses an approach covering at the expense of reserves the expected losses (for example, loan portfolio losses). Unexpected losses shall be covered at the expense of the Bank's equity capital. Accordingly, the amount of the Bank's reserves and capital affects the value of the risks assumed by the Bank.

For the purpose of limiting the maximum value of risks assumed by the Bank the Board of Directors set their caps in the amount of Tier-1 capital (main capital), the said limit is revised by the Board of Directors on a yearly basis. Also the Board of Directors set sub-limits for principle types of banking risks inside the comprehensive limit of the bank.

Also for the purpose of planning the banking business and maintaining the Bank's capital on the level proportionate to the scope of its economic activities, the Management Board of the Bank approved internal limits (threshold values) on capital adequacy indicators, reaching of which means increase in the Bank's risk level. The following limits were set and were effective at the reporting date:

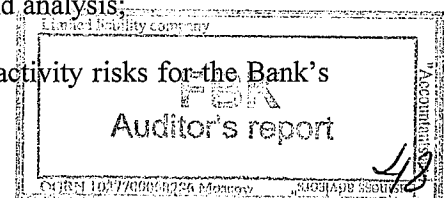
1. Internal ratio H1: medium risk level – 12% (violation of this level evidences of significant increase in the risk assumed by the Bank, when this threshold value is reached all the Bank's subdivisions should be extremely attentive to conducted operations and agree conducted transactions with all interested subdivisions), high risk level – 11% (violation of this level is not permitted).

2. Internal ratio H1.1 – 6,5% (violation of this level is not permitted).

The Bank predicts the capital value based on the Development strategy (the Development strategy of ZAO Bank ICBC (JSC) for 2015-2017 was approved by the Board of Directors on 8 December 2014). Pursuant to this document, the Bank considered three options of macroeconomic situation development at the markets with the Bank's presence, possibilities for business development, possible legal restrictions and their effect on the Bank's activities, etc, also the Bank determined options of the balance sheet structure, the level of possible risks and the size of capital appropriate to cover them.

For the purposes of identification and monitoring of risks and development of the risk minimization procedures, the Bank has an operating independent structural subdivision (Risk Management Service) reporting directly to the Bank's President. The main tasks of work of the Risk Management Service shall be:

- assessment, current control and minimization of risks of activity of Bank ICBC (joint stock company) according to the strategy determined by the Bank's management bodies;
- introduction and support of a complex system of banking risks management measures;
- identification of the sources and objects of risks and their classification and analysis;
- forecast of losses from risks in future reporting periods;
- development of recommendations aimed at minimization of the Bank's activity risks for the Bank's management bodies.



For the purposes of risks management and control, the Bank has the operating Loan Committee, Asset and Liability Committee and Working Group on Risks under the Bank's Management Board.

The Loan Committee has been established as a body responsible for the following:

- analysis of credit risks;
- adoption of decisions regarding the issues of conduction of credit operations with legal entities and physical persons;
- establishment of limits for assuming of credit risks on operations with legal entities, physical persons and counterparty banks.

The main functions of the Asset and Liability Committee include the following:

- development and implementation of the tariff policy for the Bank's services and determination of the material terms of provision of such services;
- approval of the conditions of provisions of new types of banking services;
- adoption of decisions regarding the expediency and sources of financing of proposed projects and financial programs;
- regulation of the asset and liability structure on the basis of the cost-benefit and risks analysis.

The main functions of the Working Group on Risks under the Bank's Management Board include the following:

- consideration of the Bank's risk management strategy;
- analysis of the structure of the Bank's resource base with regard to the volumes and time limits for raising and placement of funds from the point of view of their influence on the liquidity situation;
- consideration of issues related to the level of the credit, legal, operating, market, country and strategic risks, as well as the liquidity and reputation risks;
- consideration of proposals on setting of values of the aggregate limit for operations with financial instruments, including "stop-loss" limits, setting of limits for currency positions and currency net position and acceptable risk amounts common to the Bank and provision to the Bank's executive body of recommendations on their implementation with due consideration of new risks in the area of compliance during introduction of new types of operations;
- whenever required, but not less than once per a quarter, analysis of reports on the main Bank's risks before their presentation for consideration to the Management Board.

The duties of the Board of Directors comprise selecting the structure of risks management, approving approaches and methodologies of key banking risks, and also maximum aggregate risks level which can be covered by the Bank's capital and its sub-limits inside separate risk types. Control over the value of the key banking risks and the value of the aggregate banking risk and its sub-limits is exercised by the Risk-management service of the Bank.

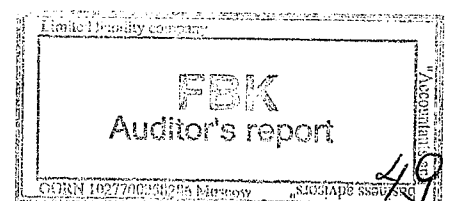
9.3 Information on the types and degree of concentration of risks associated with various banking operations with a breakdown into geographical areas of types of currencies, borrowers and types of their business, markets, as well as a description of the risk concentration assessment methods

The Bank's policy and procedures include special principles aimed at maintenance of a diversified portfolio and management of the concentration risk.

Excessive concentration risk management is based on the requirements of the Bank of Russia (including daily monitoring of mandatory standards associated with concentration restrictions).

During the reporting period 2015 the Bank used the following methods of excessive business concentration risk management:

- daily monitoring and control of conduction of operations subject to observance of the mandatory standards established by the Bank of Russia and aimed at restriction of the excessive concentration risk (H6, H7, H25, etc.);
- monitoring of macroeconomic indicators of the economic development of the country (including industry-specific and regional indicators);
- analysis of segmentation of the Bank's assets and liabilities in accordance with the established segmentation criteria.



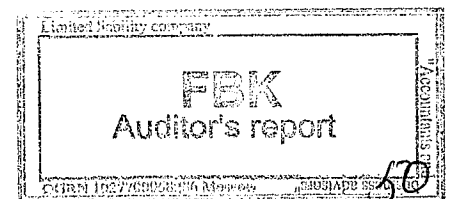
Concentration of risks with a breakdown into geographical areas

The concentration risk by the regions of the Bank's presence shall be understood to mean a possibility (probability) of losses occurring as a result of unfavorable economic changes in the region at the territory of which the Bank or the Bank's counterparty performs its business.

In the reporting period regional concentration risk management included identification and analysis of the research and analytical information related to the risks of the regions where the Bank's large counterparties and debt securities issuers are present.

The table below represents information about the degree of concentration of the Bank's assets and liabilities by geographical areas according to the data of the items included in the Balance Sheet Statement (Form No.0409806) (a disclosure form). The information is given separately for the Russian Federation, for the countries which are members of the OECD, for the CIS and other countries, as well as separately for the People's Republic of China, where assets and (or) liabilities concentration is over 40% of the overall assets and (or) liabilities of the Bank, respectively.

Types of assets and liabilities	Volume of assets and liabilities as of 01.01.2016, thous. rubles				Volume of assets and liabilities as of 01.01.2015, thous. rubles			
	Russia	OECD	CIS and other countries	China	Russia	OECD	CIS and other countries	China
Cash	47 125	-	-	-	61 916	-	-	-
Cash of credit institutions with the Central Bank of Russia, total	2 024 265	-	-	-	1 814 669	-	-	-
<i>including: required reserves</i>	390 558	-	-	-	513 453	-	-	-
Funds with credit institutions	7 559	8 475 020	72 541	10 947 924	5 599	13 353 582	1 279	7 752 995
Net lending receivables	30 851 038	1 085 499	734 761	13 261 800	19 759 326	1 058 017	852 718	14 740 075
Net investments in securities held to maturity	701 578	-	-	1 411 165	190 666	-	-	-
Current income tax claims	63 153	-	-	-	1	-	-	-
Fixed assets, intangible assets and inventories	12 491	-	-	-	16 568	-	-	-
Other assets	183 173	3 058	3 892	205 785	96 206	2 573	2 776	65 802
Total assets	33 890 382	9 563 577	811 194	25 826 674	21 944 951	14 414 172	856 773	22 558 872
Funds due to credit institutions	2 118 975	42 409	6 421 917	13 994 809	4 806 295	5 303 017	55 740	11 155 553
Funds due to customers other than credit institutions	35 377 354	-	6 612 208	722 142	34 103 595	-	430 989	564 542
<i>including deposits (funds) of individuals and sole proprietors</i>	170	-	-	-	2	-	-	-
Current income tax liabilities	862	-	-	-	32	-	-	-
Deferred tax liabilities	119	-	-	-	88	-	-	-
Other liabilities	57 103	12 397	230 695	16 056	76 606	66 742	22 026	23 917
Total liabilities	37 554 413	54 806	13 264 820	14 733 007	38 986 616	5 369 759	508 755	11 744 012



Concentration of risks by types of currencies

In 2015, concentration of risk by types of currencies was managed on the basis of diversification of the Bank's portfolios by distribution of items for various currencies and reduction of risks due to maintenance of minimum values of uncovered currency positions.

Credit risk

Credit risk shall mean a risk of losses which may be incurred by the Bank due to a failure to perform or any delay in performance or improper performance by the debtor of its financial liabilities to the Bank as provided for by terms and conditions of any relevant agreement. The Bank's risk management system provides for the following:

- diversification of the Bank's advances and investment portfolio;
- preliminary assessment of the borrower's status (i.e., the Bank validates the borrower's credit history and examines reputation thereof. Besides, the customer's business is analyzed and the borrower's ability to repay the debt is assessed, including analysis of the loan security and other related factors) and classification of loans and any similar indebtedness as provided for by the regulatory documents of the Bank of Russia;
- determination of the scope of authorities of the Bank's joint bodies and officers;
- specification of the maximum permissible level of credit risks;
- control over loans issued previously;
- determination of investment limits and making of impairment provisions to the extent at least equal to eventual losses which may be incurred as a result of any respective transaction.

For the purpose of measurement of the Bank's credit risks, measurement of financial condition of borrowers and calculation of the maximum value of possible credit risks assumed for each borrower (a group of borrowers) a separate structural subdivision Department of analysis of credit limits and operations was established in the Bank.

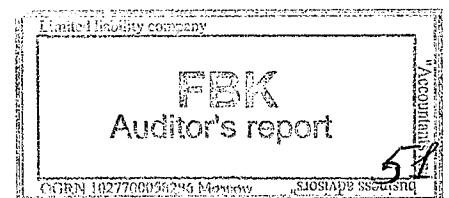
The Bank has established the Loan Committee for credit risk management purposes, which is responsible for considering and approval of lending ceilings for the borrowers and the level of the assumed credit risk. The Loan Committee meetings are held on a regular basis.

The methodological and practical approaches employed in the process of credit risk assessment are described in more detail in the internal Bank's documents governing active banking operations carried out by the Bank. Credit risks are measured by the Bank on all loans and equated to them debt simultaneously with carrying out operations, and then on a regular basis.

The credit risks are mitigated by employing of a strictly regulated approach when making lending transactions. The credit risk management procedure shall provide for the following:

- applying of lending standards and formalized procedures when resolving whether any relevant loan shall be issued or not (i.e., assessment of security liquidity, evaluation of financial standing of the borrowers and counter-parties, as well as the degree of risk), executing of respective documents and issuing of the loans;
- continuous monitoring of the loan indebtedness;
- making of loan loss provisions as provided for by the regulations of the Bank of Russia;
- complying with applicable operating standards approved by the Bank of Russia: required maximum risk exposure per borrower or a group of related borrowers ratio (N6); required large credit exposure ratio (N7); maximum value of loans, guarantees or sureties issued by the bank to its shareholders ratio (N9.1); insider risk ratio (N10.1); ratio of bank's equity capital used for acquiring shares of other legal entities (N12), and also control over the ratio of the maximum risk size for persons related to the Bank (H25).

The system providing for loan and other similar indebtedness monitoring allows it to promptly identify distressed assets and immediately take all the necessary measures aimed at mitigating of credit risks.



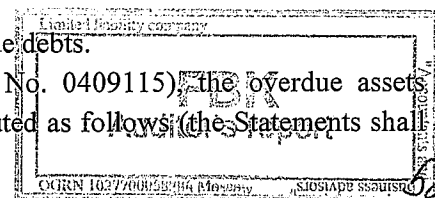
Classification of assets by groups of risk according to the clause 2.3 of the Instruction of the Bank of Russia dated December 03, 2012 No. 139-II "On Statutory Requirements of Banks"

	As of 01.01.2016	As of 01.01.2015
Assets exposed to risk and reported in the balance sheet accounts, total, including:	43 500 017	33 792 272
of which:		
Assets of the 1 st risk group (with 0% risk ratio)	2 758 490	1 944 400
Provisions for assets of the 1 st risk group	-	-
Credit risk for assets of the 1st risk group	-	-
Assets of the 2 nd risk group (with 20% risk ratio)	13 291 510	3 300 225
Provisions for assets of the 2 nd risk group	-	-
Credit risk for assets of the 2nd risk group	2 658 302	660 045
Assets of the 3 rd risk group (with 50% risk ratio)	15 600 516	14 809 506
Provisions for assets of the 3 rd risk group	-	-
Credit risk for assets of the 3rd risk group	7 800 258	7 404 753
Assets of the 4 th risk group (with 100% risk ratio)	11 849 501	13 738 141
Provisions for assets of the 4 th risk group	(16 502)	(54 014)
Credit risk for assets of the 4th risk group	11 832 999	13 684 127
Total credit risk for the assets reported in the balance sheet accounts	22 291 559	21 748 925
Credit risk on assets with decreased risk coefficient (claims of clearing participants)	71 957	12 793
Assets with increased risk ratios (110%, 150%, 250%, 1000%)	24 385 029	25 949 574
Provisions for assets with increased risk ratios (110%, 150%, 250%, 1000%)	(132 778)	(51 523)
Credit risk for assets with increased risk ratios	19 518 059	19 977 759
Total credit risk for the assets reported in the balance sheet accounts (including assets with increased risk ratios)	41 881 575	41 726 684
Contingent loan liabilities, total, of which:	5 382 490	2 679 533
Contingent loan liabilities without risk	98 500	-
Contingent loan liabilities with low risk	-	-
Contingent loan liabilities with middle risk	453 658	280 000
Contingent loan liabilities with high risk	4 830 332	2 399 533
Provisions for contingent loan liabilities	-	-
Credit risk for contingent loan liabilities	4 422 777	2 709 315
Term transactions and derivative financial instruments	-	-
Provisions for term transactions and derivative financial instruments	-	-
Credit risk on term transactions and derivative financial instruments	-	-

On the volumes and time limits of overdue and restructured debts

One of the indicators of exposure of assets to risk is the amount of overdue debts.

As of January 01, 2016, according to the data of accounting (form No. 0409115), the overdue assets amounted to 10 384 thous. rubles (2014: 1 189 thous. rubles) and was distributed as follows: (the Statements shall



specify the total volume of assets with indication of the maximum period of delay in payments overdue as of the moment of preparation of the Statements):

	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Other overdue debt liabilities:		
up to 30 days	350	-
31 - 90 days	9 813	850
91 - 180 days	1	269
over 180 days	220	70
Overdue debts	10 384	1 189

As of 01.01.2016 and 01.01.2015, the Bank's balance sheet contains no overdue loans.

	as of January 01, 2016	as of January 01, 2015
Restructured debts (according to the data of accounting (form No. 0409115))	8 437 905	3 965 707
Percentage in the total volume of the assets evaluated for creation of a provision (according to the data of accounting (form No. 0409115))	12.41%	6.85%

As of 01.01.2016, the percentage of restructured debts amounted to 12,41% in the total volume of assets and to them 18,36% in the volume of loan debts and debts equaling to them.

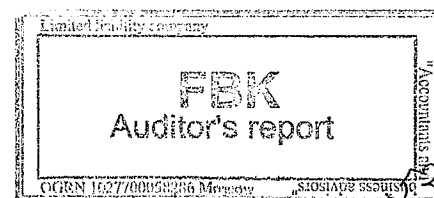
On the results of classification of assets by quality categories and on amounts of the target and actually formed provisions for possible losses

Classification of assets by quality categories (according to the data of accounting (form No. 0409115)):

	Balance as of 01.01.2016	Target provi- sion	Formed provision	Balance as of 01.01.2015	Target provi- sion	Formed provision
1 category	63 993 612	-	-	54 678 091	-	-
2 category	3 446 727	159 656	132 778	2 402 611	56 966	51 523
3 category	1 436	301	301	819 134	408 852	34
4 category	350 000	241 500	-	-	-	-
5 category	227 565	227 565	16 205	3 441	3 441	3 441
Total	68 019 340	629 022	149 284	57 903 277	469 259	54 998

On the nature and value of received security

The type and value of the security, provision of which is required by the Bank, depends on evaluation of the counterparty's credit risk. The Bank has established the principles of determination of acceptability of security types and the parameters of the evaluation.



Below is given the list of the security received by the Bank:

		as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
Surety		8 156 566	4 594 176
including:			
	<i>accepted for reduction of the target provision</i>	-	927 771
Guarantee		4 451 797	2 436 575
including:			
	<i>accepted for reduction of the target provision</i>	1 558 353	1 970 512
Security deposit		464 990	1 603 041
including:			
	<i>accepted for reduction of the target provision</i>	261 453	40 626

Market risk

Market risk management is aimed at maintaining the assumed risk level defined by the Bank according to the strategic tasks. The priority is to retain to the maximum assets and capital based on decrease (exclusion) of possible losses.

For market risk control and management purposes, the Bank has approved the Regulations for Market Risk Management and other rules and internal documents regulating the procedure of performance of transactions exposed to the market risk (equity, interest rate or foreign exchange risk). Besides, limit values for the risk degree indicators, as well as limitations for the aggregate degree of the market risk have been assigned.

Identification and assessment of the degree of the market risk is performed by the Bank on a regular basis using mathematical models (VaR). For the interest rate risk assessment purposes, the Bank also uses a GAP-analysis method, and interest rate risk stress test is performed annually in accordance with the scenario recommended by the Basel Committee on Banking Supervision. The Bank has introduced a system of limit values. Any exceeding thereof shall mean the higher impact of the risks on the Bank as a whole and proximity to the critical values thereof.

As part of monitoring of the market risk, the Bank exercises control over the following types of risks on a permanent basis:

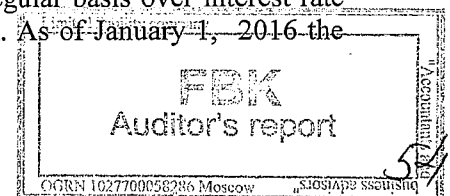
Equity Risk. The risk of loss which may arise due to unfavorable market price behavior with respect to equities (i.e., securities, including but not limited to, securities certifying any share in the authorized capital) being part of the trading portfolio, as well as derivative financial instruments as influenced by the factors related both to the issuer of equities and derivatives and general market price behavior. For the equity risk mitigation purposes, the Bank shall monitor liquidity, specify and exercise control over compliance with the limit values applicable to securities trading.

Throughout 2015 the Bank had no securities trading portfolios at the balance thereof, by virtue whereof the Bank was not exposed to equity risk.

The **Foreign Exchange Risk** arises due to unfavorable fluctuations in foreign currency rates with respect to uncovered positions of the Bank when making transactions by specifying of buying and selling rates for the benefit of the Bank's customers and receiving uncovered positions in relation to specific foreign currencies. The foreign exchange risk management system ensures control both over the bank currency positions opened within any respective banking day and compliance with regulations of the Bank of Russia in terms of adherence to limits applicable to net foreign exchange positions as of the end of any relevant business day. During the whole 2015, the Bank maintained a low level of the foreign exchange risk, not threatening to its financial position. The Bank monitored on a daily basis and exercised control over open currency positions for separate foreign currencies and aggregate open currency position. The system of management of open currency position in the Bank enables to minimize currency risks assumed by the Bank and to control limits set by the Board of Directors.

Interest Rate Risk. This is a risk of unfavorable changes in the Bank's financial standing due to interest rate fluctuations having impact both on the Bank's income and value of assets and liabilities thereof.

Throughout 2015 the Risk-management service exercised control on a regular basis over interest rate risk and estimated balance of interest assets and interest liabilities of the Bank. As of January 1, 2016 the value of gap of interest assets and liabilities was as follows:



Financial instruments	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 3 years	More than 3 years
Assets						
Due from financial institutions	29 013 333 376	6 991 039 270	6 996 419 812	3 996 761 376	1 475 096 014	134 552 678
Loans outstanding and equated to them customers' debt	17 353 024	933 546 217	399 345 794	797 484 261	5 862 499 694	3 650 306 716
Investment securities available for resale	0	0	0	0	0	0
Investment securities held to maturity	0	0	0	0	0	2 112 491 439
Total assets	29 030 686 400	7 924 585 488	7 395 765 607	4 794 245 637	7 337 595 709	5 897 350 833
Total assets on an accrual basis	29 030 686 400	36 955 271 888	44 351 037 495	49 145 283 132	56 482 878 841	62 380 229 673
Liabilities						
Due to credit institutions	1 428 413 825	0	3 930 430	3 368 940 000	0	5 890 095 000
Customer accounts	27 960 535 253	3 520 922 194	3 890 111 147	301 457 777	72 882 700	0
Debt liabilities issued	0	0	0	0	0	0
Other borrowed funds	0	0	0	0	0	0
Total liabilities	29 388 949 078	3 520 922 194	3 894 041 577	3 670 397 777	72 882 700	5 890 095 000
Total liabilities on an accrual basis	29 388 949 078	32 909 871 272	36 803 912 849	40 474 310 626	40 547 193 326	46 437 288 326
Gap	- 358 262 678	4 403 663 294	3 501 724 030	1 123 847 860	7 264 713 009	7 255 833
Gap on an accrual basis	- 358 262 678	4 045 400 616	7 547 124 646	8 670 972 506	15 935 685 515	15 942 941 347
Lag coefficient	0,99	1,12	1,21	1,21	1,39	1,34

Besides, the performed interest rate risk stress test (the main (basic) scenario applied by the Bank when evaluating the interest rate level implies changing of the interest rates curve by 400 basis points) confirms the adequate level of the Bank's exposure to this type of risk (the value of interest rate risk was 231,84 million rubles): (the amount of interest rate risk was 231,84 million rubles):

	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Total for the year
Time coefficient	0,95833	0,83333	0,62500	0,25000	
Range of interest rate change	-14,33	176,15	140,07	44,95	231,84
Change of net present value, (mln rubles)	-13,73	146,79	87,54	11,24	

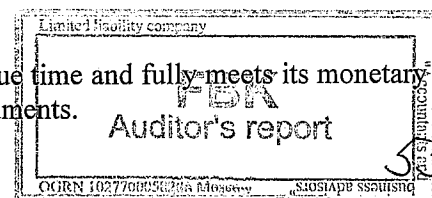
The Bank has established limits in respect of the interest rate risks - interest rate risks are acceptable for the Bank if the calculated value of changing of the current balance sheet value upon determination of the indicators of changing of the interest rate risks is lower than the established limit.

The Bank employs the following principal methods in order to manage the interest rate risk:

- assets and liabilities matching in terms of maturity;
 - interest rate monitoring, thus allowing the Bank to promptly adjust interest rates applicable to the raised / allocated funds;
 - establishment of the limits in respect of this risk and their daily control;
- daily assessment of the interest rate risk by the Risk Management Service.

Liquidity risk

The purpose of liquidity risk management is to ensure that the Bank in due time and fully meets its monetary and other liabilities outflowing from transactions with the use of financial instruments.



Liquidity risk management comprises a set of measures on control over the Bank's compliance with the mandatory ratios H2, H3, H4, analysis of dynamics of the said values, observation of structural fluctuations of assets and liabilities, definition of gaps in maturities of claims and liabilities with calculation of the respective indicators of liquidity condition (GAP analysis); and measures on prediction of the Bank's cash flows (preparation of the payment calendar on a daily basis). Also the Bank conducts stress-tests of liquidity loss risk on a regular basis.

Liquidity is an essential factor of solvency. Liquidity risk is monitored on a daily basis by preparation of current and forward reports on gaps of assets and liabilities by their maturities.

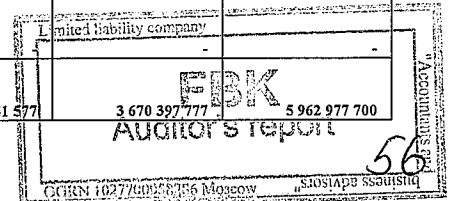
For an unexpected scenario, i.e. in case liquidity crisis occurs, the plan of actions has been designed in the Bank aimed at liquidity restoring. The primary measures in the plan in liquidity crisis occurrence comprise events which can serve the reason of the Bank's loss of liquidity, collegial bodies of the Bank are defined – the Management Board and/or the Asset and Liability Management Committee ensuring taking measures and implementing measures on liquidity crisis elimination. The plan also prescribes measures on management of assets and liabilities which enable to remove liquidity crisis and this serves the basis for defining duties and actions of the respective employees and subdivisions of the Bank.

The plan also comprises the description of external and internal factors of liquidity crisis occurrence, the system of events occurrence of which characterizes liquidity crisis occurrence and determination of methods for liquidity crisis recovery with the set of measures of the responsible subdivisions and the coordinator for each of them from the Management Board of the Bank.

The caps (limits) for separate liquidity gap terms were set by the Bank on liquidity loss risk.

As of the last day of 2015 the Bank had a considerable stock of liquid assets. The Bank's asset and liability distribution structure as well as net liquid position of the Bank were kept on a high level throughout 2015, violation of the liquidity deficit limits set by the Management Board of the Bank was not recorded throughout 2015.

	Net liquidity gap in the interval "on demand and for 1 day"	Net liquidity gap in the interval "from on demand to 7 days"	Net liquidity gap in the interval "from on demand to 30 days"	Net liquidity gap in the interval "from on demand to 90 days"	Net liquidity gap in the interval "from on demand to 180 days"	Net liquidity gap in the interval "from on demand to 1 year"	Net liquidity gap in the interval "from on demand to more than 1 year"
Cash	47 124 645	-	-	-	-	-	-
Correspondent accounts	21 134 199 996	-	-	-	-	-	-
Balances at the stock exchange	839 246 519	-	-	-	-	-	-
Interbank loans	-	364 433 480	13 392 839 123	6 991 039 270	6 996 419 812	3 996 761 376	1 609 648 692
Loans	-	-	17 353 024	933 546 217	399 345 794	797 484 261	9 512 806 410
Securities	-	-	-	-	-	-	2 112 491 439
Accounts receivable	-	-	-	-	-	-	76 898 820
TOTAL ASSETS	22 020 571 160	364 433 480	13 410 192 147	7 924 585 488	7 395 765 607	4 794 245 637	13 311 845 361
ASSETS ON AN ACCRUAL BASIS	22 020 571 160	22 385 004 640	35 795 196 787	43 719 782 275	51 115 547 882	55 909 793 519	69 221 638 880
LORO-accounts	13 215 170 313	-	-	-	-	-	-
Liabilities at the stock market	-	-	-	-	-	-	-
Interbank loans	-	-	100 000 000	-	3 930 430	3 368 940 000	5 890 095 000
Settlement accounts	14 678 646 138	-	-	-	-	-	-
Deposits	464 989 773	-	19 722 686 940	3 520 922 194	3 890 111 147	301 457 777	72 882 700
Accounts payable	110 251 676	-	-	-	-	-	-
TOTAL LIABILITIES	28 469 057 900	-	19 822 686 940	3 520 922 194	3 894 041 577	3 670 397 777	5 962 977 700



LIABILITIES ON AN AC- CRUAL BA- SIS	28 469 057 900	28 469 057 900	48 291 744 840	51 812 667 034	55 706 708 611	59 377 106 388	65 340 084 088
Lag	- 6 448 486 740	364 433 480	- 6 412 494 793	4 403 663 294	3 501 724 030	1 123 847 860	7 348 867 661
Net lag	- 6 448 486 740	- 6 084 053 260	- 12 496 548 053	- 8 092 884 759	- 4 591 160 729	- 3 467 312 869	3 881 554 792
Lag coeffi- cient	-23%	-21%	-26%	-16%	-8%	-6%	6%

The cumulative structure of the Bank's balance sheet by currencies according to the maturities at the end of 2015 is characterized by the equation of currency assets and currency liabilities, along with it the maximum cumulative liquidity surplus is seen in Roubles and is formed by the Bank's capital. On all the foreign currencies with which the Bank conducts transactions the cumulative liquidity gap is approximated to zero values.

	On de- mand and for 1 day	From 2 to 7 days	From 8 to 30 days	From 31 to 90 days	From 91 to 180 days	From 181 to 385 days	365+
RUR (810)	- 9 169,4	- 9 169,4	- 1 298,8	3 051,2	3 051,2	3 051,2	3 828,7
USD (840)	- 5 398,3	- 5 047,0	- 8 708,4	- 8 437,2	- 9 725,2	- 7 512,2	- 105,8
EURO (978)	- 399,7	- 399,7	- 399,7	- 399,7	- 1,3	- 1,3	- 1,3
CNY (156)	- 2 544,8	- 2 531,6	- 2 205,5	- 2 423,0	1 968,3	879,1	44,0
HKD (344)	11 063,7	11 063,7	115,9	115,9	115,9	115,9	115,9
SGD (702)	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Total GAP	- 6 448,5	- 6 084,1	- 12 496,5	- 8 092,9	- 4 591,2	- 3 467,3	3 881,6

Operating risk

Operating risk shall mean a risk of losses which may arise due to incompliance with the nature and scope of business of the credit institution and (or) requirements of the applicable law, internal rules and procedures regulating bank operations and other transactions, violation thereof by personnel of the credit institution and (or) by any other persons whatsoever (as a result of either intentional or unintentional acts or omission), inadequacy (or insufficiency) of functional capabilities (or characteristics) of the information, engineering of any other systems employed by the credit institution and (or) any failure (or malfunction) thereof or any other external event whatsoever.

Information on the operating risk amount as of January 01, 2016 is represented below:

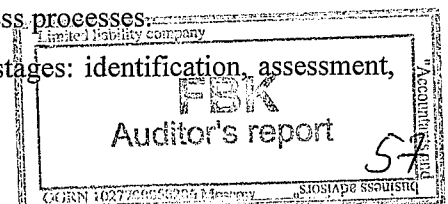
	2012	2013	2014
Net interest income	254 089	371 966	635 986
Net non-interest income	78 334	106 988	235 879
Income	332 423	478 954	871 865
Operating risk	84 162		

Information on the operating risk amount as of January 01, 2015 is represented below:

	2011	2012	2013
Net interest income	152 328	254 089	371 966
Net non-interest income	33 450	78 334	106 988
Income	185 778	332 423	478 954
Operating risk	49 858		

The Bank exercises control over operating risks using its operating risk accounting system. The operating risk control is ensured by establishing of an optimal structure of the Bank's business processes.

The Bank's operating risk management process comprises the following stages: identification, assessment, monitoring, control and/or mitigation of the operating risk.



For the operating risk mitigation purposes, the Bank performs regular audits in terms of compliance with information security requirements. Besides, the Bank's by-laws regulating bank operations are continuously adjusted, and work on optimization of information flows and internal document management system is performed.

The Bank seeks to identify the operating risk on a regular basis. A dedicated analytic database is kept for this purpose specifying data on the types and scope of losses by the Bank's business areas, as well as events occurring along with the same. The Bank also maintains an external operating risk data base specifying consummated operating risk circumstances in the Bank's external environment.

For the purpose of operating risk measurement the Bank also applies the basic method for calculation of operating risk recommended by the Bank of Russia. Operating risk management presupposes calculation of the value of possible losses in case operating risk is realized.

Legal risk

Legal risk occurrence can be based on both internal (non-compliance with the legislation by the Bank, non-compliance of the Bank's internal documents with the legislation of the Russian Federation, inefficient organization of legal work, violation of the contractual terms by the Bank) and external factors (imperfection of the legal system, violation of the contractual terms by customers and counterparties of the Bank).

The level of the legal risk is identified and measured by the Bank on a regular basis.

In order to measure the level of legal risk the Bank uses such parameters as the number of complaints and claims to the Bank, the number of cases of violation of the legislation of the Russian Federation, the number and size of cash paid by the Bank on the basis of court rulings (decisions), decisions of the empowered bodies, enforcement actions taken against the Bank.

Legal risk is minimized by monitoring, analyzing and predicting all changes (including possible ones) of factors of external and internal legal environment, and also by constant improving the internal methodological base of the Bank. The Bank approved the system of borderline values (limits) on this risk. The subdivision of the Bank in charge exercises the current control on a regular basis over changes in the Russian and international legislations and timely change of internal regulatory documents of the Bank that enables to decrease the said type of risk.

Strategic risk

The purpose of strategic risk management is non-admission of occurrence of losses as a result of errors made in taking decisions determining the strategy of activities and development of the Bank.

Strategic risk management includes identification, measurement, monitoring, control and minimization of risk.

In order to identify and measure the level of strategic risk the Bank uses the parameters including the number of identified cases of errors in decision making, facts of absence of the respective management decisions, the number of incorrect determination of prospective business areas, the number of identified cases of absence of adequate financial resources.

Identification and measurement of strategic risk level is carried out on a regular basis.

For each set of indicators applied by the Bank to measure strategic risk level the system of borderline values is determined (the limit is set), overcoming of them means increase of effect of the said risk type on the Bank on the whole and approximation of its critical condition and size for the current conditions.

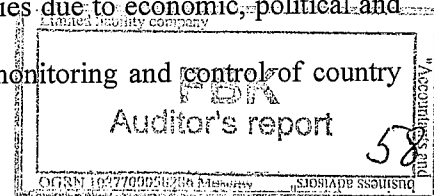
The Reputation Risk shall mean a risk of decrease of the number of the Bank's customers due to a negative view of the public as to the Bank's soundness, the quality of services rendered by the Bank and the nature of its business, pursuit by the Bank of a risky credit, investment or market policy, or a conflict of interest with the Bank's founders, customers, counterparties and other interested persons. For the purpose of preventing of the reputation risk, the Bank shall use the following basic methods:

- compliance with the applicable legislation and regulations of the Bank of Russia;
- timely settlement of accounts by orders of the Bank's customers and counterparties, as well as return of deposits, payment of interest and making of other payments related to other operations;
- analysis of modifications in the financial market conditions and business environment;
- engagement of qualified personnel;
- delimitation of responsibilities of the Bank's personnel.

Country risk

The purpose of country risk management is non-admission of occurrence of losses as a result of non-compliance by foreign counterparties (legal entities and individuals) with liabilities due to economic, political and legal changes of terms of their activities.

Country risk management consists of identification, risk measurement, monitoring and control of country risk.



The purpose of country risk management in the Bank is reached on the basis of systematic comprehensive approach which presupposes tackling the following tasks: obtaining of quick and adequate information of the condition and size of country risk; identifying and analyzing of country risk occurring in the Bank in the course of its activities; qualitative and quantitative evaluation (measurement) of country risk.

For the purpose of identification and measurement of signs of country risk occurrence the Bank applies index Moody's (the rating agency "Moody's Investors Service"), the change of condition and size of which in each separate case means change in country risk level.

The primary purpose of application of index Moody's (the rating agency "Moody's Investors Service") is to ensure that an appropriate management decision is taken in respect of the certain counterparty of the Bank on decrease of country level in the Bank.

According to the indicators applied in the Bank for country risk level measurement the system of borderline values is determined (limit is set), overcoming of them means increase in effect of country risk on the Bank on the whole.

4.1 For the purpose of mitigating of the sovereign risk, the Bank shall act as follows:

- normalize principal banking operations and transactions;
- approve by-laws regulating amendments to internal documents and procedures associated with the foreign counterparties;
- analyze the impact which the sovereign risk factors have on the Bank's performance in general;
- monitor amendments made in the applicable law of the Russian Federation and existing regulations for the purpose of identifying and preventing of the sovereign risk;
- ensure the ongoing training of the Bank's personnel in order to identify and prevent the sovereign risk;
- provide for continuous access of the maximum allowable number of the Bank's officers to the current information related to applicable law and internal documents of the Bank.

10. Information on operations with the Bank's related parties

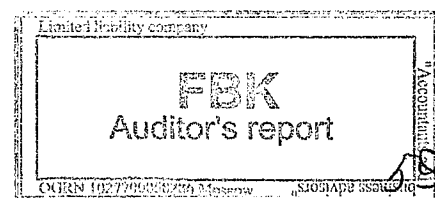
Pursuant to the requirements of the Instruction of the Bank of Russia dated December 03, 2012 No. 139-И "On Statutory Requirements of Banks", any individual or legal entity which may have any impact on the decision-making process having regard to any transaction carried out by the Bank and being subject to credit risk (i.e., issue of loans, guarantees, etc.), including, but not limited to, material terms and conditions thereof, or any person which may be influenced by the Bank when making any relevant decision shall be considered a related party.

Related Party Transactions

In the process of its usual activities, the Bank performs operations with its principal shareholder. Such operations include making of settlements, granting of loans, raising of deposits, provision of guarantees, financing of trading operations and operations with foreign currencies. In general, all operations of the Bank with the related parties are performed under the same terms and conditions which are applicable to operations with independent parties and do not affect financial stability of the Bank.

In the reporting period, the Bank cooperated extensively with its parent company – ICBC Ltd., including its branches and subsidiaries (hereinafter - the "related parties") at the interbank lending and trade financing market.

The balances of operations with related parties as of the end of the reporting period are represented below:



	as of January 01, 2016, thous. rubles	as of January 01, 2015, thous. rubles
--	--	--

ASSET

Cash with credit institutions (NOSTRO) as of the beginning of the reporting period	21 107 240	5 163 067
Loans issued to related parties as of the beginning of the reporting year	362 590	183 578
Loans issued during the year	305 712	6 438 138
Loans repaid during the year	668 302	6 259 126
Loans issued to related parties as of the end of the reporting year	-	362 590
Cash with credit institutions (NOSTRO) as of the end of the reporting period	19 494 676	21 107 240

LIABILITY

Cash due to credit institutions (LORO) as of the beginning of the reporting period	1 872 910	2 154 909
Funds raised as of the beginning of the reporting year, total:	14 570 866	6 993 477
including, subordinated loans	4 500 672	3 272 920
Funds raised during the year	34 184 706	38 512 708
Funds repaid during the year	39 496 537	30 935 319
Funds raised as of the end of the reporting year	9 259 035	14 570 866
including, subordinated loans	3 644 135	4 500 672
Cash due to credit institutions (LORO) as of the end of the reporting period	10 350 667	1 872 910

OFF-BALANCE SHEET LIABILITIES AND COMMITMENTS

Guarantees received	2 398 742	1 915 731
Guarantees issued	840 388	565 941

The table below represents the income and expenses in respect of interested party transactions:

	2015	2014
Interest income	28 723	12 032
Interest expense	241 220	123 752
Net interest income (expense)	(212 497)	(111 720)
Net income from foreign exchange operations	901 128	(62 154)
Fees and commissions income	294	756
Fees and commissions expenses	599	816
Net income (expense) from related party operations	688 326	(173 934)

11. Information on the total amount of salaries (emoluments) of the Bank's key management Personnel and their share in the total volume of emoluments and in respect of each type of payments

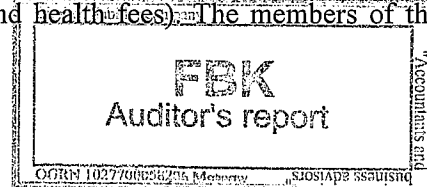
For 2015 the number of the Bank's employees increased insignificantly (17% increase from the beginning of the year.)

The Bank's key management personnel include Members of the Board of Directors and Management Board, as well as the Bank's President

The Bank's Headcount

Line No.	Description	Data as of 01.01.2016	Data as of 01.01.2015
1.	Headcount	117	100
2.	Key management personnel	8	8

Expenses for payment of salaries and emoluments shall be considered short-term compensations (i.e., remunerations for the reporting period, including bonuses, annual paid leaves and health fees). The members of the Bank's Board of Directors acted without compensation.



Salaries and Emoluments of the Bank's Key Management Personnel

thous. rubles

Line No.	Description	Data as of 01.01.2016	Data as of 01.01.2015
1.	Salaries and emoluments paid, total, including:	67 039	22 854
1.1	short-term compensations:	67 039	22 854
1.1.1	remuneration	67 031	22 582
1.1.2	health fees	8	272
1.2.	long-term compensations	-	-

The management personnel on payroll for 2015 was 5 people. In 2015, payments to the key management personnel amounted to 67 039 thous. rubles, which equals to 19% in the total volume of emoluments paid to the Bank's employees.

The payments – short-term compensations – include a salary, an annual paid leave, bonuses and also allowances in non-monetary form as health care. No pension or other retirement payments, long service bonuses, long-term disability payments or other long-term payments were paid.

Acting President

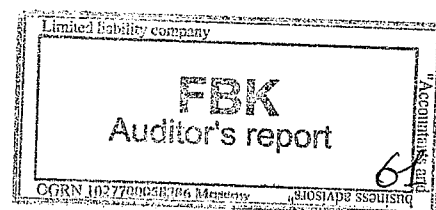
Chief accountant

31 March 2016



Lang Weijie

Kuzmina N.V.



Limited liability company

FBK

Auditor's report

OGRN 102720055266 Moscow, SubSaps ssb

"Accountants and auditors"