

ICICI Bank Limited Hong Kong Branch
Unaudited Disclosure Statement
As at March 31, 2017



**ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2017**

Statement of Compliance

We have prepared this unaudited Disclosure Statement of ICICI Bank Limited, Hong Kong Branch ("the Branch") as at March 31, 2017. It is compiled according to the Banking (Disclosure) Rules under the Banking Ordinance (Chapter 155M) effective from January 1, 2007.

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

ICICI Bank Limited
Hong Kong Branch



Hitesh Sethia
Chief Executive

28 JUN 2017

ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2017

Section A – Branch information (Hong Kong office only)

I. Profit and Loss Information

	Year ended March 31, 2017 HK\$ in million	Year ended March 31, 2016 HK\$ in million
Income		
Interest income	1,415	1,670
Interest expense	<u>(1,008)</u>	<u>(1,213)</u>
Net interest income	407	457
Other operating income		
Gains less losses arising from trading in foreign currencies	89	101
Gains less losses on securities held for trading purposes	-	-
Gains less losses from other trading activities	(53)	(74)
Net fees and commission income	170	173
Fees and commission income	170	173
Fees and commission expense	<u>-</u>	<u>-</u>
Other income	17	32
Total operating income	<u>630</u>	<u>689</u>
Expenses		
Operating expenses		
Staff expenses	(56)	(47)
Rental expenses	(11)	(11)
Other expenses	<u>(32)</u>	<u>(32)</u>
Total operating expenses	<u>(99)</u>	<u>(90)</u>
Operating profit before impairment losses	531	599
(Charge for) / release of impairment losses and provisions for impaired loans and receivables		
Collective provision	25	13
Specific provision	<u>(166)</u>	<u>1</u>
	(141)	14
Gains less losses from the disposal of property, plant and equipment and investment properties	<u>-</u>	<u>-</u>
Profit before taxation	390	613
Tax expense	(63)	(98)
Profit after taxation	<u>327</u>	<u>515</u>

ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2017

Section A – Branch information (Hong Kong office only)

II. Balance Sheet Information

	March 31, 2017		September 30, 2016	
	HK\$ in million		HK\$ in million	
Assets				
Cash and balances with banks		606		308
Placement with banks which have a residual contractual maturity of more than one month but not more than twelve months		1		218
Amount due from overseas offices of the institution		20,873		20,581
Trade bills		2,390		1,773
Advances and other accounts				
Advances to customers	8,842		10,739	
Advances to banks	967		1,279	
Accrued interest	61		72	
Unamortized discount on loans	(1)		(1)	
Provision for impaired loans and receivables (collective)	(150)		(178)	
Provision for impaired loans and receivables (specific)	(175)	9,544	(152)	11,759
Securities held for trading purposes				
Investment in treasury bills	-		382	
Investment in treasury notes	775	775	-	382
Investment securities				
Investment in treasury bills	120		120	
Investment in corporate bonds	206		208	
Investment in certificate of deposit held	-	326	-	328
Other investments				
Investment in group subsidiaries	1,513		1,700	
Investment in credit linked notes	-	1,513	-	1,700
Property, plant and equipment		4		4
Other assets and receivables		736		723
Total assets		36,768		37,776
Liabilities				
Deposits and balances from banks		19,184		21,338
Deposits from customers				
Demand deposits and current accounts	1,042		518	
Time, call and notice deposits	2,502	3,544	3,329	3,847
Amount due to overseas offices of the institution		750		73
Certificate of deposit issued		238		548
Issued debt securities		11,246		10,327
Other liabilities		454		515
Retained earnings		1,352		1,128
Total liabilities		36,768		37,776

ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2017

Section A – Branch information (Hong Kong office only)

III. Additional Balance Sheet Information

	March 31, 2017		September 30, 2016	
	HK\$ in million		HK\$ in million	
(a) Loans and receivables				
Loan and advances to customers		8,842		10,739
Loan and advances to banks		967		1,279
Accrued interest		61		72
Unamortized discount on loans		(1)		(1)
Provision for impaired loans and advances to customers				
- Collective		(150)		(178)
- Individual		(175)		(152)
		<u>9,544</u>		<u>11,759</u>
(b) Overdue and rescheduled advances				
Overdue advances	Gross amount	% to total	Gross amount	% to total
	HK\$ in million	loans and receivables	HK\$ in million	loans and receivables
Advances to customers overdue for				
- Above 1 month but up to 3 months	831	8.71%	1,276	10.85%
- Above 3 months but up to 6 months	60	0.63%	11	0.09%
- Above 6 months but up to 1 year	135	1.41%	94	0.80%
- Above 1 year	110	1.15%	20	0.17%
Total overdue advances	<u>1,136</u>	<u>11.90%</u>	<u>1,401</u>	<u>11.91%</u>
Secured overdue advances	1,016		895	
Unsecured overdue advances	<u>120</u>		<u>506</u>	
	<u>1,136</u>		<u>1,401</u>	

There were HK\$175 million specific provisions made on overdue advances which were impaired as at March 31, 2017 (September 30, 2016: HK\$132 million).

The impaired loans and advances to customers which are individually determined to be impaired amounted to HK\$305 million (3.14%) as at March 31, 2017 and HK\$248 million (2.11%) as at September 30, 2016. There were no impaired loans and advances to banks as at March 31, 2017 and September 30, 2016.

The amount of specific provisions made on impaired loans and advances to customers amounted to HK\$ 175 million as at March 31, 2017 (September 30, 2016: HK\$152 million). There were no specific provisions made on impaired loans and advances to banks as at March 31, 2017 and September 30, 2016.

Collateral held with respect to overdue loans and advances to customers as at March 31, 2017 and September 30, 2016 is mainly property, inventories, plant and machinery. Collateral of a total of HK\$185 million has been taken into account in respect of loans and advances to customers to which individual impairment allowances relate (September 30, 2016: HK\$108 million).

Impaired loans and advances to customers did not include any rescheduled loans and advances to customers as at March 31, 2017 and September 30, 2016. There were no rescheduled loans and advances to banks as at March 31, 2017 and September 30, 2016. There were no rescheduled loans and advances to customers which are overdue more than 90 days as at March 31, 2017 and September 30, 2016.

No repossessed asset was held for impaired and overdue advance as at March 31, 2017 and September 30, 2016. Other than the HK\$1,136 million and HK\$1,401 million respectively as presented above, there are no other advances to customers overdue for more than 1 month as at March 31, 2017 and September 30, 2016.

ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2017

Section A – Branch information (Hong Kong office only)

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

	March 31, 2017		HK\$ in million	
	Gross loans and advances	Overdue loans and advances	Collateral or other security	
Loans and advances for use in Hong Kong Industrial, commercial and financial				
- Wholesale and retail trade	194	-	-	
- Manufacturing	208	-	-	
- Others	-	-	-	
Loans and advances for use outside Hong Kong	8,095	1,021	6,618	
Trade finance	345	115	244	
	<u>8,842</u>	<u>1,136</u>	<u>6,862</u>	

	September 30, 2016		HK\$ in million	
	Gross loans and advances	Overdue loans and advances	Collateral or other security	
Loans and advances for use in Hong Kong Industrial, commercial and financial				
- Wholesale and retail trade	116	-	-	
- Manufacturing	87	-	-	
- Others	78	-	78	
Loans and advances for use outside Hong Kong	10,108	1,267	7,948	
Trade finance	350	134	206	
	<u>10,739</u>	<u>1,401</u>	<u>8,232</u>	

ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2017

Section A – Branch information (Hong Kong office only)

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

March 31, 2017 HK\$ in million

	Gross loans and advances	Overdue loans and advances	Impaired loans (individually determined)
- Asia & Pacific (excluding Hong Kong)	6,131	1,136	305
<i>of which India</i>	5,789	1,136	305
- Africa	1,087	-	-
<i>of which Mauritius</i>	1,087	-	-
- Western Europe	868	-	-
<i>of which United Kingdom</i>	532	-	-
- Others	756	-	-
	<u>8,842</u>	<u>1,136</u>	<u>305</u>

September 30, 2016 HK\$ in million

	Gross loans and advances	Overdue loans and advances	Impaired loans (individually determined)
- Asia & Pacific (excluding Hong Kong)	7,034	1,134	248
<i>of which India</i>	6,739	1,134	248
- Africa	1,323	-	-
<i>of which Mauritius</i>	1,323	-	-
- Western Europe	1,628	267	-
<i>of which United Kingdom</i>	1,244	267	-
- Others	754	-	-
	<u>10,739</u>	<u>1,401</u>	<u>248</u>

Note: Gross amount of loans and advances to customers by geographical areas are derived according to the location of the counterparties and constitutes not less than 10% of the total amount of loans and advances to customers after taking into account any recognised risk transfer at either March 31, 2017 or September 30, 2016.

ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2017

Section A – Branch information (Hong Kong office only)

(e) Non-bank mainland exposures

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

	March 31, 2017		HK\$ in million
Types of Counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	125	-	125
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	97	-	97
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	57	94	151
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	156	-	156
Total	<u>435</u>	<u>94</u>	<u>529</u>
 Total assets after provision ¹	 <u>36,811</u>		
 On-balance sheet exposures as percentage of total assets	 <u>1.18%</u>		

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

ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2017

Section A – Branch information (Hong Kong office only)

(e) Non-bank mainland exposures (continued)

Types of Counterparties	September 30, 2016		HK\$ in million
	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	117	-	117
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	348	21	369
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	465	21	486
Total assets after provision¹	37,820		
On-balance sheet exposures as percentage of total assets	1.23%		

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

ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2017

Section A – Branch information (Hong Kong office only)

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

	HK\$ in million					
			<u>Non-bank private sector</u>			
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	Total
At March 31, 2017						
- Developing Asia-Pacific	2,682	-	215	6,206	-	9,103
<i>of which India</i>	1,592	-	215	5,895	-	7,702
- Developed Countries	681	776	22	850	-	2,329
- Offshore Centers	50	125	177	2,142	-	2,494

	HK\$ in million					
			<u>Non-bank private sector</u>			
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	Total
At September 30, 2016						
- Developing Asia-Pacific	1,955	-	212	7,067	-	9,234
<i>of which India</i>	879	-	212	6,857	-	7,948
- Developed Countries	463	382	28	1,610	-	2,483
- Offshore Centers	118	122	218	2,300	-	2,758

Note: International claims by geographical area are derived according to the location of the counterparties, which are prepared in accordance with HKMA Return of International Banking Statistics (Form MA(BS)(21)) completion instructions. A major country or geographical segment is disclosed if international claims attributable to the country or segment (including Hong Kong) constitute not less than 10% of total international claims after taking into account any recognized risk transfer at either March 31, 2017 or September 30, 2016. Claims arising between branches and subsidiaries are excluded.

ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2017

Section A – Branch information (Hong Kong office only)

V. Currency risk

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

At March 31, 2017

	USD	OTHERS	HK\$ in million TOTAL
Spot assets	32,540	3,929	36,469
Spot liabilities	(32,234)	(2,869)	(35,103)
Forward purchases	13,966	2,185	16,151
Forwards sales	(14,046)	(3,241)	(17,287)
Net options position	-	-	-
Net long position	<u>226</u>	<u>4</u>	<u>230</u>

At September 30, 2016

	USD	OTHERS	HK\$ in million TOTAL
Spot assets	33,472	4,077	37,549
Spot liabilities	(32,560)	(3,958)	(36,518)
Forward purchases	14,111	3,053	17,164
Forwards sales	(14,526)	(3,170)	(17,696)
Net options position	-	-	-
Net long position	<u>497</u>	<u>2</u>	<u>499</u>

There was no structural position held by the branch as at March 31, 2017 or September 30, 2016.

ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2017

Section A – Branch information (Hong Kong office only)

VI. Off-balance sheet exposures

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

	March 31, 2017	September 30, 2016
	HK\$ in million	HK\$ in million
Contingent liabilities and commitments		
- Direct credit substitutes	823	955
- Transaction-related contingencies	1,432	1,101
- Trade-related contingencies	650	379
- Other commitments	1,424	2,122
	<u>4,329</u>	<u>4,557</u>

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

	March 31, 2017	September 30, 2016
	HK\$ in million	HK\$ in million
Derivative transactions		
- Exchange rate related derivative contracts (excluding forward foreign exchange arising from swap deposit arrangements)	6,539	7,066
- Interest rate derivative contracts	9,505	9,515
	<u>16,044</u>	<u>16,581</u>

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

ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2017

Section A – Branch information (Hong Kong office only)

VI. Off-balance sheet exposures

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

	March 31, 2017 HK\$ in million	September 30, 2016 HK\$ in million
Fair value recognized through profit and loss		
- Exchange rate related derivative contracts	<u>(36)</u>	<u>22</u>
- Interest rate derivative contracts	<u>-</u>	<u>-</u>
Fair value of outstanding derivatives		
- Exchange rate related derivative contracts	<u>264</u>	<u>329</u>
- Interest rate derivative contracts	<u>-</u>	<u>-</u>

There are no bilateral netting arrangements for above derivative transactions.

VII. Liquidity

	Year ended March 31, 2017	Year ended March 31, 2016
The average liquidity maintenance ratio for the financial period	44.23%	47.04%

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

VIII. Liquidity Risk Management

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

**ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2017**

Section A – Branch information (Hong Kong office only)

IX. Disclosure on Remuneration

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

Aggregate quantitative information on remuneration for senior management and key personnel for the year ended 31 March 2017 and 2016 are as follows:

	March 31, 2017	March 31, 2016		
	HK\$ in million	HK\$ in million		
Fixed remuneration				
Cash	<u>6</u>	<u>6</u>		
Variable remuneration				
Cash	<u>1</u>	<u>1</u>		
	Number	Weighted	Number	Weighted
	of units	average	of units	average
		exercise		exercise
		price (₹)		price (₹)
Share and share-linked instruments	<u>94,500</u>	<u>275.60</u>	<u>94,050</u>	<u>244.60</u>

ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2017

Section A – Branch information (Hong Kong office only)

IX. Disclosure on Remuneration

	March 31, 2017		March 31, 2016	
	Number of units	Weighted average exercise price (₹)	Number of units	Weighted average exercise price (₹)
Deferred remuneration				
Vested	223,750	227.05	478,550	202.11
Unvested	<u>568,550</u>	251.78	<u>319,000</u>	268.87
Total	<u><u>792,300</u></u>		<u><u>797,550</u></u>	

The options were exercised regularly throughout the period and weighted average share price as per National Stock Exchange of India (NSE) price volume data during the year ended March 31, 2017 was ₹257.82, equivalent to HK\$ 30.90 (the financial year of 2016: ₹ 273.37, equivalent to HK\$ 31.97). The conversion rate at March 31, 2017 is ₹8.345 = HK\$1 (March 31, 2016 is ₹8.55 = HK\$1).

No guaranteed bonuses were awarded during the financial year of 2016 and 2017.

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

Remuneration excludes stock options exercised during the financial year of 2016 and 2017 as it does not constitute remuneration paid to the key management personnel and senior management personnel for each fiscal year.

Variable pay for the year ended March 31, 2017 and March 31, 2016 was awarded in the month of May 2017 and April 2016 respectively.

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

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

Deferred remuneration vested and unvested denotes units of ESOS.

Deferred remuneration vested includes vested but not exercised.

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

**ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2017**

Section B – Bank information (Consolidated basis)

	March 31, 2017	September 30, 2016
	HK\$ in million	HK\$ in million
X. Capital and Capital Adequacy		
Risk-based ratios: (Include market-risk equivalent)		
(a) Capital adequacy ratio ¹	17.26%	16.22%
(b) Total capital ¹	141,297	129,581
(c) Total amount of shareholders' funds ^{2,3}	125,375	115,877
XI. Other Financial Information		
(a) Total assets	1,181,597	1,122,510
(b) Total liabilities ⁴	1,056,222	1,006,633
(c) Total loans and advance	617,516	591,854
(d) Total deposits	614,245	552,222
(e) Pre-tax profit (before minority interest)	16,548	8,686

1. As per Basel III guidelines, all group entities have been consolidated, except Group companies which are engaged in insurance business and businesses not pertaining to financial services. Capital at March 31, 2017 includes retained earnings for the financial year of 2017.
2. Shareholders' funds are the sum total of share capital & reserves (net of restricted reserves).
3. Employee stock options outstanding of HK\$7.5 million (Rs.62.6 million), which are transitional in nature and will ultimately be transferred to equity/reserve, are not considered in shareholders' funds.
4. Total liabilities are equal to total assets minus shareholders' funds.
5. The conversion rate at March 31, 2017 is ₹8.345 = HK\$1. (September 30, 2016 is ₹8.59 = HK\$1).

