

ICICI Bank Limited Hong Kong Branch
Unaudited Disclosure Statement
As at March 31, 2018

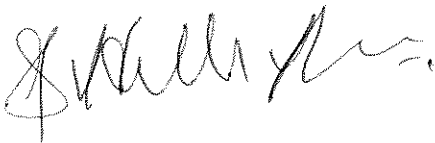
**ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2018**

Statement of Compliance

We have prepared this unaudited Disclosure Statement of ICICI Bank Limited, Hong Kong Branch ("the Branch") as at March 31, 2018. 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 compiled in accordance with the Banking (Disclosure) Rules requirement, which is not false or misleading in any material respect, and consistent with the books and records of the Branch.

ICICI Bank Limited
Hong Kong Branch



Hitesh Sethia
Chief Executive

27 JUN 2018

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

I. Profit and Loss Information

	Year ended March 31, 2018 HK\$ in million	Year ended March 31, 2017 HK\$ in million
Income		
Interest income	1,219	1,415
Interest expense	<u>(966)</u>	<u>(1,008)</u>
Net interest income	253	407
Other operating income		
Gains less losses arising from trading in foreign currencies	112	89
Gains less losses on securities held for trading purposes	-	-
Gains less losses from other trading activities	(68)	(53)
Net fees and commission income	192	170
Fees and commission income	192	170
Fees and commission expense	<u>-</u>	<u>-</u>
Other income	27	17
Total operating income	<u>516</u>	<u>630</u>
Expenses		
Operating expenses		
Staff expenses	(59)	(56)
Rental expenses	(11)	(11)
Other expenses	<u>(40)</u>	<u>(32)</u>
Total operating expenses	<u>(110)</u>	<u>(99)</u>
Operating profit before impairment losses	406	531
(Charge for) / release of impairment losses and provisions for impaired loans and receivables		
Collective provision	40	25
Specific provision	<u>(250)</u>	<u>(166)</u>
	(210)	(141)
Gains less losses from the disposal of property, plant and equipment and investment properties	<u>-</u>	<u>-</u>
Profit before taxation	196	390
Tax expense	(27)	(63)
Profit after taxation	<u>169</u>	<u>327</u>

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II. Balance Sheet Information

	At March 31, 2018 HK\$ in million	At September 30, 2017 HK\$ in million
Assets		
Cash and balances with banks	1,811	1,745
Placement with banks which have a residual contractual maturity of more than one month but not more than twelve months	67	-
Amount due from overseas offices of the institution	13,508	19,622
Trade bills	4,376	1,938
Advances and other accounts		
Advances to customers	6,074	7,077
Advances to banks	1,138	1,243
Accrued interest	33	52
Unamortized discount on loans	(1)	(1)
Provision for impaired loans and receivables (collective)	(111)	(127)
Provision for impaired loans and receivables (specific)	(311)	(107)
	<u>6,822</u>	<u>8,137</u>
Securities held for trading purposes		
Investment in treasury bills	196	-
Investment in treasury notes	-	388
	<u>196</u>	<u>388</u>
Investment securities		
Investment in treasury bills	120	120
Investment in treasury notes	197	-
Investment in corporate bonds	-	206
Investment in certificate of deposit held	-	-
	<u>317</u>	<u>326</u>
Other investments		
Investment in group subsidiaries	1,434	1,568
Investment in credit linked notes	-	-
	<u>1,434</u>	<u>1,568</u>
Property, plant and equipment	3	3
Other assets and receivables	527	896
Total assets	<u>29,061</u>	<u>34,623</u>
Liabilities		
Deposits and balances from banks	10,265	16,576
Deposits from customers		
Demand deposits and current accounts	980	1,286
Time, call and notice deposits	946	1,649
	<u>1,926</u>	<u>2,935</u>
Amount due to overseas offices of the institution	2,102	1,599
Certificate of deposit issued	-	207
Issued debt securities	12,827	11,259
Other liabilities	406	524
Retained earnings	1,535	1,523
Total liabilities	<u>29,061</u>	<u>34,623</u>

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III. Additional Balance Sheet Information

	At March 31, 2018 HK\$ in million		At September 30, 2017 HK\$ in million	
(a) Loans and receivables				
Loan and advances to customers		6,074		7,077
Loan and advances to banks		1,138		1,243
Accrued interest		33		52
Unamortized discount on loans		(1)		(1)
Provision for impaired loans and advances to customers				
- Collective		(111)		(127)
- Individual		(311)		(107)
		<u>6,822</u>		<u>8,137</u>
(b) Overdue and rescheduled advances				
Overdue advances				
	Gross amount	% to total	Gross amount	% to total
	HK\$ in	loans and	HK\$ in	loans and
	million	advances to	million	advances to
		customers		customers
Advances to customers overdue for				
- Above 1 month but up to 3 months	42	0.69%	101	1.43%
- Above 3 months but up to 6 months	-	-	48	0.68%
- Above 6 months but up to 1 year	49	0.81%	122	1.72%
- Above 1 year	241	3.97%	131	1.85%
Total overdue advances	<u>332</u>	<u>5.47%</u>	<u>402</u>	<u>5.68%</u>
Secured overdue advances	297		364	
Unsecured overdue advances	<u>35</u>		<u>38</u>	
	<u>332</u>		<u>402</u>	

There were HK\$96 million of specific provisions made on overdue advances which were impaired as at March 31, 2018 (September 30, 2017: HK\$107 million).

The impaired loans and advances to customers which are individually determined to be impaired amounted to HK\$1,640 million (27.00%) as at March 31, 2018 and HK\$301 million (4.25%) as at September 30, 2017. There were no impaired loans and advances to banks as at March 31, 2018 and September 30, 2017.

The amount of the specific provisions made on impaired loans and advances to customers amounted to HK\$311 million as at March 31, 2018 (September 30, 2017: HK\$107 million). There were no specific provisions made on impaired loans and advances to banks as at March 31, 2018 and September 30, 2017.

Collateral held with respect to overdue loans and advances to customers as at March 31, 2018 and September 30, 2017 is mainly comprised of property, inventory, book debt, trade security, plant and machinery. Collateral of HK\$1,605 million has been taken into account in respect of loans and advances to customers to which individual impairment allowances relate (September 30, 2017: HK\$263 million).

Impaired loans and advances to customers did not include any rescheduled loans and advances to customers as at March 31, 2018 and September 30, 2017. There were no rescheduled loans and advances to banks as at March 31, 2018 and September 30, 2017. There were no rescheduled loans and advances to customers which are overdue more than 90 days as at March 31, 2018 and September 30, 2017.

No repossessed asset was held for impaired and overdue advance as at March 31, 2018 and September 30, 2017. Other than the HK\$332 million and HK\$402 million respectively as presented above, there are no other advances to customers overdue for more than 1 month as at March 31, 2018 and September 30, 2017.

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

	At March 31, 2018		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	90	-	12
- Manufacturing	409	-	7
- Financial concerns	145	-	-
- Others	157	-	63
Loans and advances for use outside Hong Kong	4,722	289	4,195
Trade finance	551	43	534
	<u>6,074</u>	<u>332</u>	<u>4,811</u>

	At September 30, 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	335	-	57
- Manufacturing	334	-	1
- Financial concerns	-	-	-
- Others	153	-	63
Loans and advances for use outside Hong Kong	5,714	301	4,654
Trade finance	541	101	486
	<u>7,077</u>	<u>402</u>	<u>5,261</u>

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

At March 31, 2018 HK\$ in million

	Gross loans and advances	Overdue loans and advances	Impaired loans (individually determined)
- Asia & Pacific (excluding Hong Kong)	3,900	332	290
<i>of which India</i>	3,135	332	-
<i>of which China</i>	747	-	-
- Africa	1,032	-	1,030
<i>of which Mauritius</i>	1,032	-	1,030
- Hong Kong	562	-	-
- Others	580	-	320
	<u>6,074</u>	<u>332</u>	<u>1,640</u>

At September 30, 2017 HK\$ in million

	Gross loans and advances	Overdue loans and advances	Impaired loans (individually determined)
- Asia & Pacific (excluding Hong Kong)	4,349	402	301
<i>of which India</i>	3,641	402	301
<i>of which China</i>	682	-	-
- Africa	1,028	-	-
<i>of which Mauritius</i>	1,028	-	-
- Hong Kong	712	-	-
- Others	988	-	-
	<u>7,077</u>	<u>402</u>	<u>301</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, 2018 or September 30, 2017.

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(e) Non-bank Mainland exposures

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

Types of Counterparties	At March 31, 2018		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)	79	-	79
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	591	-	591
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	200	102	302
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	79	-	79
Total	949	102	1,051
Total assets after provision ¹	29,116		
On-balance sheet exposures as percentage of total assets	3.26%		

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

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Section A – Branch information (Hong Kong office only)

(e) Non-bank Mainland exposures (continued)

Types of Counterparties	At September 30, 2017		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)	78	-	78
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	380	294	674
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	207	551	758
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	78	-	78
Total	743	845	1,588
Total assets after provision ¹	34,670		
On-balance sheet exposures as percentage of total assets	2.14%		

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

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

	HK\$ in million					
	Banks	Official sector	<u>Non-bank private sector</u>		Others	Total
			Non-bank financial institutions	Non-financial private sector		
At March 31, 2018						
- Developing Asia-Pacific	3,801	-	33	3,951	-	7,785
<i>of which India</i>	3,007	-	33	3,199	-	6,239
- Developed Countries	691	394	13	94	-	1,192
- Offshore Centres	71	137	100	2,290	-	2,598
<i>of which Hong Kong</i>	15	137	-	976	-	1,128

	HK\$ in million					
	Banks	Official sector	<u>Non-bank private sector</u>		Others	Total
			Non-bank financial institutions	Non-financial private sector		
At September 30, 2017						
- Developing Asia-Pacific	3,629	-	237	4,402	-	8,268
<i>of which India</i>	2,929	-	237	3,715	-	6,881
- Developed Countries	531	388	13	501	-	1,433
- Offshore Centres	256	131	100	2,523	-	3,010
<i>of which Hong Kong</i>	49	131	-	1,193	-	1,373

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, 2018 or September 30, 2017. Claims arising between branches and subsidiaries are excluded.

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V. Currency risk

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

At March 31, 2018

	HK\$ in million				
	USD	EUR	CAD	OTHERS	TOTAL
Spot assets	26,933	918	549	420	28,820
Spot liabilities	(27,860)	(238)	-	(566)	(28,664)
Forward purchases	14,864	1,020	19	1,914	17,817
Forward sales	(13,919)	(1,696)	(572)	(1,767)	(17,954)
Net options position	-	-	-	-	-
Net long / (short) position	18	4	(4)	1	19

At September 30, 2017

	HK\$ in million				
	USD	EUR	CAD	OTHERS	TOTAL
Spot assets	31,509	1,365	683	511	34,068
Spot liabilities	(31,495)	(265)	(19)	(1,593)	(33,372)
Forward purchases	12,824	921	14	2,745	16,504
Forward sales	(12,616)	(2,015)	(682)	(1,667)	(16,980)
Net options position	-	-	-	-	-
Net long / (short) position	222	6	(4)	(4)	220

There was no structural position held by the Branch as at March 31, 2018 or September 30, 2017.

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Section A – Branch information (Hong Kong office only)

VI. Off-balance sheet exposures

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

	At March 31, 2018 HK\$ in million	At September 30, 2017 HK\$ in million
Contingent liabilities and commitments		
- Direct credit substitutes	149	983
- Transaction-related contingencies	1,185	1,216
- Trade-related contingencies	602	904
- Other commitments	2,291	1,560
	<u>4,227</u>	<u>4,663</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.

The comparative information is not directly comparable due to the revision of the completion instruction of HKMA Return of Assets & Liabilities (Form MA(BS)1) since January 1, 2018.

	At March 31, 2018 HK\$ in million	At September 30, 2017 HK\$ in million
Derivative transactions		
- Exchange rate related derivative contracts (excluding forward foreign exchange arising from swap deposit arrangements)	5,710	7,491
- Interest rate derivative contracts	11,072	8,526
	<u>16,782</u>	<u>16,017</u>

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

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VI. Off-balance sheet exposures

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

	At March 31, 2018 HK\$ in million	At September 30, 2017 HK\$ in million
Fair value recognized through profit and loss		
- Exchange rate related derivative contracts	<u>8</u>	<u>(18)</u>
- Interest rate derivative contracts	<u>-</u>	<u>-</u>
Fair value of outstanding derivatives		
- Exchange rate related derivative contracts	<u>172</u>	<u>198</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, 2018	Year ended March 31, 2017
The average liquidity maintenance ratio for the financial period	40.00%	44.23%

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 Branch 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)
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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 2018 and 2017 are as follows:

	March 31, 2018	March 31, 2017
	HK\$ in million	HK\$ in million
Fixed remuneration		
Cash	<u>8</u>	<u>6</u>
Variable remuneration	HK\$ in million	HK\$ in million
Cash	<u>2</u>	<u>1</u>
	Weighted average grant price (₹)	Weighted average grant price (₹)
	Number of units	Number of units
Share and share-linked instruments	<u>115,445</u>	<u>94,050</u>
	<u>250.55</u>	<u>244.60</u>

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IX. Disclosure on Remuneration

	March 31, 2018		March 31, 2017	
	Number of units	Weighted average grant price (₹)	Number of units	Weighted average grant price (₹)
Deferred remuneration				
Vested	362,589	218.69	223,750	227.05
Unvested	<u>380,956</u>	245.89	<u>568,550</u>	251.78
Total	<u><u>743,545</u></u>		<u><u>792,300</u></u>	

The options were exercised during the period and weighted average share price as per National Stock Exchange of India (NSE) price volume data adjusted for bonus issue during the year ended March 31, 2018 was ₹295.09, equivalent to HK\$35.53 (the financial year of 2017: Nil). The conversion rate at March 31, 2018 is ₹8.3050 = HK\$1 (March 31, 2017 is ₹8.345 = HK\$1).

No guaranteed bonuses were awarded during the financial year of 2017 and 2018.

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 2017 and 2018 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, 2018 and March 31, 2017 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.

The Bank had awarded bonus shares in the ratio of one equity share for every 10 equity shares as on June 20, 2017. ESOS figures for the financial year of 2018 have been appropriately adjusted to take into account the bonus share issuance.

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)
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Section B – Bank information (Consolidated basis)

		At March 31, 2018	At September 30, 2017
		HK\$ in million	HK\$ in million
X.	Capital and Capital Adequacy		
	Risk-based ratios: (Include market-risk equivalent)		
(a)	Capital adequacy ratio ¹	17.90%	17.14%
(b)	Total capital ¹	151,976	142,739
(c)	Total amount of shareholders' funds ^{2,3}	133,194	129,338
XI.	Other Financial Information		
(a)	Total assets	1,353,740	1,224,655
(b)	Total liabilities ⁴	1,220,546	1,095,317
(c)	Total loans and advances	682,546	643,978
(d)	Total deposits	705,354	624,326
		Year ended March 31, 2018	Year ended March 31, 2017
		HK\$ in million	HK\$ in million
(e)	Pre-tax profit (before minority interest)	13,219	16,548

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, 2018 includes retained earnings for the financial year of 2018. (Capital at September 30, 2017 does not include retained earnings for six months ended September 30, 2017).
2. Shareholders' funds are the sum total of share capital & reserves (excluding restricted reserves and debenture redemption reserve).
3. Employee stock options outstanding of HK\$6.7 million (₹55.7 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, 2018 is ₹8.3050 = HK\$1. (September 30, 2017 is ₹8.3575 = HK\$1).