

ICICI Bank Limited Hong Kong Branch
Unaudited Disclosure Statement
As at March 31, 2019

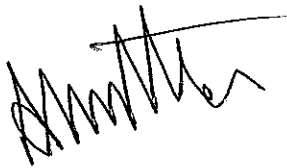
**ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2019**

Statement of Compliance

We have prepared this unaudited Disclosure Statement of ICICI Bank Limited, Hong Kong Branch ("the Branch") as at March 31, 2019. It is compiled according to the Banking (Disclosure) Rules under the Banking Ordinance (Chapter 155M).

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



Anil Muthya
Alternate Chief Executive

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, 2019 HK\$ in million	Year ended March 31, 2018 HK\$ in million
Income		
Interest income	1,119	1,219
Interest expense	<u>(987)</u>	<u>(966)</u>
Net interest income	132	253
Other operating income		
Gains less losses arising from trading in foreign currencies	124	112
Gains less losses on securities held for trading purposes	-	-
Gains less losses from other trading activities	(75)	(68)
Net fees and commission income	197	192
Fees and commission income	197	192
Fees and commission expense	<u>-</u>	<u>-</u>
Other income	32	27
Total operating income	<u>410</u>	<u>516</u>
Expenses		
Operating expenses		
Staff expenses	(69)	(59)
Rental expenses	(13)	(11)
Other expenses	<u>(46)</u>	<u>(40)</u>
Total operating expenses	<u>(128)</u>	<u>(110)</u>
Operating profit before impairment losses	282	406
(Charge for) / release of impairment losses and provisions for impaired loans and receivables		
Collective provision	18	40
Specific provision	<u>(23)</u>	<u>(250)</u>
	(5)	(210)
Gains less losses from the disposal of property, plant and equipment and investment properties	<u>-</u>	<u>-</u>
Profit before taxation	277	196
Tax expense	(41)	(27)
Profit after taxation	<u>236</u>	<u>169</u>

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II. Balance Sheet Information

	At March 31, 2019 HK\$ in million	At September 30, 2018 HK\$ in million
Assets		
Cash and balances with banks	1,131	791
Placement with banks which have a residual contractual maturity of more than one month but not more than twelve months	261	-
Amount due from overseas offices of the institution	12,594	12,814
Trade bills	4,781	7,970
Advances and other accounts		
Loans and advances to customers	4,510	4,308
Loans and advances to banks	-	-
Accrued interest	20	22
Unamortized discount on loans	-	-
Provision for impaired loans and receivables (collective)	(93)	(126)
Provision for impaired loans and receivables (specific)	(31)	(32)
	<u>4,406</u>	<u>4,172</u>
Securities held for trading purposes		
Investment in treasury bills	391	195
Investment securities		
Investment in treasury bills	120	120
Investment in treasury notes	-	196
Investment in certificate of deposit held	-	-
	<u>120</u>	<u>316</u>
Other investments		
Investment in group subsidiaries	1,414	1,425
Investment in credit linked notes	-	-
	<u>1,414</u>	<u>1,425</u>
Property, plant and equipment	3	3
Other assets and receivables	557	816
Total assets	<u>25,658</u>	<u>28,502</u>
Liabilities		
Deposits and balances from banks	7,156	7,708
Deposits from customers		
Demand deposits and current accounts	853	869
Saving deposits	4	-
Time, call and notice deposits	1,700	1,084
	<u>2,557</u>	<u>1,953</u>
Amount due to overseas offices of the institution	2,732	4,697
Issued debt securities	10,976	13,056
Other liabilities	467	456
Retained earnings	1,770	632
Total liabilities	<u>25,658</u>	<u>28,502</u>

Figures have been regrouped where necessary.

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III. Additional Balance Sheet Information

	At March 31, 2019 HK\$ in million		At September 30, 2018 HK\$ in million	
(a) Loans and receivables				
Loan and advances to customers		4,510		4,308
Loan and advances to banks		-		-
Accrued interest		20		22
Unamortized discount on loans		-		-
Provision for impaired loans and advances to customers				
- Collective		(93)		(126)
- Individual		(31)		(32)
		<u>4,406</u>		<u>4,172</u>
(b) Overdue and rescheduled advances				
Overdue advances	Gross amount HK\$ in million	% to total loans and advances to customers	Gross amount HK\$ in million	% to total loans and advances to customers
Advances to customers overdue for				
- Above 1 month but up to 3 months	-	-	17	0.39%
- Above 3 months but up to 6 months	-	-	-	-
- Above 6 months but up to 1 year	10	0.22%	-	-
- Above 1 year	107	2.37%	114	2.65%
Total overdue advances	<u>117</u>	<u>2.59%</u>	<u>131</u>	<u>3.04%</u>
Secured overdue advances	104		127	
Unsecured overdue advances	13		4	
	<u>117</u>		<u>131</u>	

There were HK\$31 million of specific provisions made on overdue advances which were impaired as at March 31, 2019 (September 30, 2018: HK\$32 million).

The impaired loans and advances to customers which are individually determined to be impaired amounted to HK\$117 million (2.59%) as at March 31, 2019 and HK\$123 million (2.86%) as at September 30, 2018. There were no impaired loans and advances to banks as at March 31, 2019 and September 30, 2018.

The amount of the specific provisions made on impaired loans and advances to customers amounted to HK\$31 million as at March 31, 2019 (September 30, 2018: HK\$32 million). There were no specific provisions made on impaired loans and advances to banks as at March 31, 2019 and September 30, 2018.

Collateral held with respect to overdue loans and advances to customers as at March 31, 2019 and September 30, 2018 is mainly comprised of property, inventory, book debt, trade security, plant and machinery. Collateral of HK\$104 million has been taken into account in respect of loans and advances to customers to which individual impairment allowances relate (September 30, 2018: HK\$119 million).

Impaired loans and advances to customers did not include any rescheduled loans and advances to customers as at March 31, 2019 and September 30, 2018. There were no rescheduled loans and advances to banks as at March 31, 2019 and September 30, 2018. There were no rescheduled loans and advances to customers which are overdue more than 90 days as at March 31, 2019 and September 30, 2018.

No repossessed asset was held for impaired and overdue advances as at March 31, 2019 and September 30, 2018. Other than the HK\$117 million and HK\$131 million respectively as presented above, there are no other advances to customers overdue for more than 1 month as at March 31, 2019 and September 30, 2018.

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

	At March 31, 2019		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	-	-	-
- Manufacturing	-	-	-
- Financial concerns	-	-	-
- Others	-	-	-
Loans and advances for use outside Hong Kong	4,187	117	1,076
Trade finance	323	-	197
	<u>4,510</u>	<u>117</u>	<u>1,273</u>

	At September 30, 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	78	-	-
- Manufacturing	470	-	-
- Financial concerns	136	-	-
- Others	148	-	70
Loans and advances for use outside Hong Kong	2,835	123	1,877
Trade finance	641	8	619
	<u>4,308</u>	<u>131</u>	<u>2,566</u>

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

At March 31, 2019 HK\$ in million			
	Gross loans and advances	Overdue loans and advances	Impaired loans (individually determined)
- Asia & Pacific (excluding Hong Kong)	3,825	117	117
<i>of which India</i>	2,675	117	117
<i>of which China</i>	823	-	-
- Hong Kong	398	-	-
- Others	287	-	-
	<u>4,510</u>	<u>117</u>	<u>117</u>

At September 30, 2018 HK\$ in million			
	Gross loans and advances	Overdue loans and advances	Impaired loans (individually determined)
- Asia & Pacific (excluding Hong Kong)	3,334	131	123
<i>of which India</i>	2,437	131	123
<i>of which China</i>	889	-	-
- Hong Kong	751	-	-
- Others	223	-	-
	<u>4,308</u>	<u>131</u>	<u>123</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 transfers at either March 31, 2019 or September 30, 2018.

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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, 2019		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)	102	-	102
2. Local governments, local government-owned entities and their subsidiaries and JVs	75	2	77
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	722	459	1,181
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	123	171	294
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1	-	1
Total	1,023	632	1,655
Total assets after provision ¹	25,658		
On-balance sheet exposures as percentage of total assets	3.99%		

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

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(e) Non-bank Mainland exposures (continued)

Types of Counterparties	At September 30, 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)	181	-	181
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	8	8
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	769	-	769
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	92	410	502
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	1,042	418	1,460
Total assets after provision ¹	28,502		
On-balance sheet exposures as percentage of total assets	3.66%		

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

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Section A – Branch information (Hong Kong office only)

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

	HK\$ in million					
			<u>Non-bank private sector</u>			
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	Total
At March 31, 2019						
- Developing Asia-Pacific	2,888	-	102	3,413	-	6,403
<i>of which India</i>	2,003	-	-	2,691	-	4,694
- Developed Countries	857	391	5	-	-	1,253
<i>of which United States</i>	642	391	5	-	-	1,038
- Offshore Centres	131	128	3	923	-	1,185
<i>of which Hong Kong</i>	99	128	-	583	-	810

	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, 2018						
- Developing Asia-Pacific	2,799	-	102	3,242	-	6,143
<i>of which India</i>	1,789	-	-	2,453	-	4,242
- Developed Countries	804	391	-	-	-	1,195
<i>of which United States</i>	462	391	-	-	-	853
- Offshore Centres	53	134	-	1,655	-	1,842
<i>of which Hong Kong</i>	25	134	-	1,380	-	1,539

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, 2019 or September 30, 2018. 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, 2019

	USD	EUR	CAD	HK\$ in million	
				OTHERS	TOTAL
Spot assets	23,816	640	528	325	25,309
Spot liabilities	(25,252)	(108)	-	(186)	(25,546)
Forward purchases	15,058	851	-	1,676	17,585
Forward sales	(13,569)	(1,381)	(532)	(1,813)	(17,295)
Net options position	-	-	-	-	-
Net long / (short) position	<u>53</u>	<u>2</u>	<u>(4)</u>	<u>2</u>	<u>53</u>

At September 30, 2018

	USD	EUR	CAD	HK\$ in million	
				OTHERS	TOTAL
Spot assets	26,226	848	538	319	27,931
Spot liabilities	(27,595)	(129)	-	(281)	(28,005)
Forward purchases	14,320	879	-	1,532	16,731
Forward sales	(12,984)	(1,595)	(542)	(1,570)	(16,691)
Net options position	-	-	-	-	-
Net long / (short) position	<u>(33)</u>	<u>3</u>	<u>(4)</u>	<u>-</u>	<u>(34)</u>

There was no structural position held by the Branch as at March 31, 2019 or September 30, 2018.

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VI. Off-balance sheet exposures

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

	At March 31, 2019	At September 30, 2018
	HK\$ in million	HK\$ in million
Contingent liabilities and commitments		
- Direct credit substitutes	105	144
- Transaction-related contingencies	799	1,097
- Trade-related contingencies	1,521	1,572
- Other commitments	2,841	1,873
	<u>5,266</u>	<u>4,686</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.

	At March 31, 2019	At September 30, 2018
	HK\$ in million	HK\$ in million
Derivative transactions		
- Exchange rate related derivative contracts (excluding forward foreign exchange arising from swap deposit arrangements)	4,521	5,420
- Interest rate derivative contracts	12,003	10,634
	<u>16,524</u>	<u>16,054</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, 2019 HK\$ in million	At September 30, 2018 HK\$ in million
Fair value recognized through profit and loss		
- Exchange rate related derivative contracts	<u>8</u>	<u>24</u>
- Interest rate derivative contracts	<u>-</u>	<u>-</u>
Fair value of outstanding derivatives		
- Exchange rate related derivative contracts	<u>106</u>	<u>170</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, 2019	Year ended March 31, 2018
The average liquidity maintenance ratio for the financial period	43.62%	40.00%

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'. Average liquidity maintenance ratio is calculated as the simple average for the twelve months of the financial year computed in accordance with Banking Liquidity Rules.

	Quarter ended March 31, 2019	Quarter ended December 31, 2018
The average liquidity maintenance ratio for the financial period	45.69%	48.13%

Average liquidity maintenance ratio is calculated as the simple average of each month's average liquidity ratio for three months of the quarter computed in accordance with Banking Liquidity Rules.

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VIII. Liquidity Risk Management

The Bank uses various tools for measurement of liquidity risk including the statement of structural liquidity, dynamic liquidity gap statements, liquidity ratios and stress testing. The 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.

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 2019 and 2018 are as follows:

	March 31, 2019		March 31, 2018	
	HK\$ in million		HK\$ in million	
Fixed remuneration				
Cash	<u>8</u>		<u>8</u>	
Variable remuneration				
Cash	<u>2</u>		<u>2</u>	
	Number of units	Weighted average grant price (₹)	Number of units	Weighted average grant price (₹)
Share and share-linked instruments	<u>114,800</u>	<u>282.85</u>	<u>115,445</u>	<u>250.55</u>

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IX. Disclosure on Remuneration

	March 31, 2019		March 31, 2018	
	Number of units	Weighted average grant price (₹)	Number of units	Weighted average grant price (₹)
Deferred remuneration				
Vested	918,040	228.23	362,589	218.69
Unvested	<u>468,540</u>	256.32	<u>380,956</u>	245.89
Total	<u><u>1,386,580</u></u>		<u><u>743,545</u></u>	

The options were exercised regularly throughout the period and the weighted average share price at the date of exercise of option exercised during the year ended March 31, 2019 was ₹306.91, equivalent to HK\$34.82 (March 31, 2018: ₹295.09, equivalent to HK\$35.53). The conversion rate at March 31, 2019 is ₹8.8100 = HK\$1 (March 31, 2018 is ₹8.3050 = HK\$1).

No guaranteed bonuses were awarded during the financial year of 2018 and 2019.

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 2018 and 2019 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, 2019 and March 31, 2018 was awarded in the month of May 2018 and April 2017 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.

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Section B – Bank information (Consolidated basis)

	At March 31, 2019	At September 30, 2018
	HK\$ in million	HK\$ in million
X. Capital and Capital Adequacy		
Risk-based ratios: (Include market-risk equivalent)		
(a) Capital adequacy ratio ¹	16.47%	17.13%
(b) Total capital ¹	142,972	136,467
(c) Total amount of shareholders' funds ^{2,3}	129,680	119,799
XI. Other Financial Information		
(a) Total assets	1,406,123	1,227,468
(b) Total liabilities ⁴	1,276,442	1,107,669
(c) Total loans and advances	734,349	652,823
(d) Total deposits	773,345	636,434
	Year ended March 31, 2019	Year ended March 31, 2018
	HK\$ in million	HK\$ in million
(e) Pre-tax profit (before minority interest)	8,409	13,219

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, 2019 includes retained earnings for the financial year of 2019. (Capital at September 30, 2018 does not include retained earnings for six months ended September 30, 2018).
2. Shareholders' funds are the sum total of share capital & reserves (excluding restricted reserves).
3. Employee stock options outstanding of HK\$5.3 million (₹46.8 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, 2019 is ₹8.8100 = HK\$1. (September 30, 2018 is ₹9.2625 = HK\$1).

