

ICICI Bank Limited Hong Kong Branch
Unaudited Interim Disclosure Statement
As at September 30, 2017

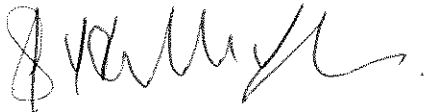
**ICICI BANK LIMITED (HONG KONG BRANCH)
UNAUDITED INTERIM FINANCIAL DISCLOSURE AS AT SEPTEMBER 30, 2017**

Statement of Compliance

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

15 DEC 2017

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

I. Profit and Loss Information

	Six months ended September 30, 2017 HK\$ in million	Six months ended September 30, 2016 HK\$ in million
Income		
Interest income	658	721
Interest expense	<u>(503)</u>	<u>(502)</u>
Net interest income	155	219
Other operating income		
Gains less losses arising from trading in foreign currencies	57	31
Gains less losses on securities held for trading purposes	1	-
Gains less losses from other trading activities	(34)	(14)
Net fees and commission income	94	70
Fees and commission income	94	70
Fees and commission expense	<u>-</u>	<u>-</u>
Other income	1	6
Total operating income	<u>274</u>	<u>312</u>
Expenses		
Operating expenses		
Staff expenses	(31)	(23)
Rental expenses	(5)	(6)
Other expenses	<u>(18)</u>	<u>(14)</u>
Total operating expenses	<u>(54)</u>	<u>(43)</u>
Operating profit before impairment losses	220	269
(Charge for) / release of impairment losses and provisions for impaired loans and receivables		
Collective provision	23	(2)
Specific provision	<u>(46)</u>	<u>(142)</u>
	(23)	(144)
Gains less losses from the disposal of property, plant and equipment and investment properties	<u>-</u>	<u>-</u>
Profit before taxation	197	125
Tax expense	(33)	(20)
Profit after taxation	<u>164</u>	<u>105</u>

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II. Balance Sheet Information

	September 30, 2017		March 31, 2017	
	HK\$ in million		HK\$ in million	
Assets				
Cash and balances with banks		1,745		606
Placement with banks which have a residual contractual maturity of more than one month but not more than twelve months		-		1
Amount due from overseas offices of the institution		19,622		20,873
Trade bills		1,938		2,390
Advances and other accounts				
Advances to customers	7,077		8,842	
Advances to banks	1,243		967	
Accrued interest	52		61	
Unamortized discount on loans	(1)		(1)	
Provision for impaired loans and receivables (collective)	(127)		(150)	
Provision for impaired loans and receivables (specific)	(107)	8,137	(175)	9,544
Securities held for trading purposes				
Investment in treasury bills	-		-	
Investment in treasury notes	388	388	775	775
Investment securities				
Investment in treasury bills	120		120	
Investment in corporate bonds	206		206	
Investment in certificate of deposit held	-	326	-	326
Other investments				
Investment in group subsidiaries	1,568		1,513	
Investment in credit linked notes	-	1,568	-	1,513
Property, plant and equipment		3		4
Other assets and receivables		896		736
Total assets		<u>34,623</u>		<u>36,768</u>
Liabilities				
Deposits and balances from banks		16,576		19,184
Deposits from customers				
Demand deposits and current accounts	1,286		1,042	
Time, call and notice deposits	1,649	2,935	2,502	3,544
Amount due to overseas offices of the institution		1,599		750
Certificate of deposit issued		207		238
Issued debt securities		11,259		11,246
Other liabilities		524		454
Retained earnings		1,523		1,352
Total liabilities		<u>34,623</u>		<u>36,768</u>

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III. Additional Balance Sheet Information

	September 30, 2017		March 31, 2017	
	HK\$ in million		HK\$ in million	
(a) Loans and receivables				
Loan and advances to customers		7,077		8,842
Loan and advances to banks		1,243		967
Accrued interest		52		61
Unamortized discount on loans		(1)		(1)
Provision for impaired loans and advances to customers				
- Collective		(127)		(150)
- Individual		(107)		(175)
		<u>8,137</u>		<u>9,544</u>
(b) Overdue and rescheduled advances				
Overdue advances				
	Gross	% of total	Gross	% of total
	amount HK\$	loan and	amount HK\$	loan and
	in million	advances to	in million	advances to
		customers		customers
Advances to customers overdue for				
- Above 1 month but up to 3 months	101	1.43%	831	9.40%
- Above 3 months but up to 6 months	48	0.68%	60	0.68%
- Above 6 months but up to 1 year	122	1.72%	135	1.53%
- Above 1 year	131	1.85%	110	1.24%
Total overdue advances	<u>402</u>	<u>5.68%</u>	<u>1,136</u>	<u>12.85%</u>
Secured overdue advances	364		1,016	
Unsecured overdue advances	38		120	
	<u>402</u>		<u>1,136</u>	

There were HK\$107 million of specific provisions made on overdue advances which were impaired as at September 30, 2017 (March 31, 2017: HK\$175 million).

The impaired loans and advances to customers which are individually determined to be impaired amounted to HK\$301 million (4.25%) as at September 30, 2017 and HK\$305 million (3.45%) as at March 31, 2017. There were no impaired loans and advances to banks as at September 30, 2017 and March 31, 2017.

The amount of the specific provisions made on impaired loans and advances to customers amounted to HK\$107 million as at September 30, 2017 (March 31, 2017: HK\$175 million). There were no specific provisions made on impaired loans and advances to banks as at September 30, 2017 and March 31, 2017.

Collateral held with respect to overdue loans and advances to customers as at September 30, 2017 and March 31, 2017 is mainly comprised of property, inventory, plant and machinery. Collateral of HK\$263 million has been taken into account in respect of loans and advances to customers to which individual impairment allowances relate (March 31, 2017: HK\$185 million).

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

No repossessed asset was held for impaired and overdue advances as at September 30, 2017 and March 31, 2017. Other than the HK\$402 million and HK\$1,136 million respectively as presented above, there are no other advances to customers overdue for more than 1 month as at September 30, 2017 and March 31, 2017.

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

	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
- 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>

	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>

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

	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
- Africa	1,028	-	-
<i>of which Mauritius</i>	1,028	-	-
- Hong Kong	712	-	-
- Others	988	-	-
	7,077	402	301

	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	-	-
- Hong Kong	463	-	-
- Others	1,161	-	-
	8,842	1,136	305

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 September 30, 2017 or March 31, 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	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 provision¹	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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Section A – Branch information (Hong Kong office only)

(e) Non-bank Mainland exposures (continued)

Types of Counterparties	March 31, 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)	-	-	-
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	435	94	529
Total assets after provision ¹	36,811		
On-balance sheet exposures as percentage of total assets	1.18%		

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 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 Centers	256	131	100	2,523	-	3,010
<i>of which Hong Kong</i>	49	131	-	1,193	-	1,373

	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
<i>of which Hong Kong</i>	43	125	-	1,015	-	1,183

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 September 30, 2017 or March 31, 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 September 30, 2017

	USD	OTHERS	HK\$ in million TOTAL
Spot assets	31,509	2,559	34,068
Spot liabilities	(31,495)	(1,877)	(33,372)
Forward purchases	12,824	3,680	16,504
Forwards sales	(12,616)	(4,364)	(16,980)
Net options position	-	-	-
Net long / (short) position	<u>222</u>	<u>(2)</u>	<u>220</u>

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>

There was no structural position held by the branch as at September 30, 2017 and March 31, 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:

	September 30, 2017	March 31, 2017
	HK\$ in million	HK\$ in million
Contingent liabilities and commitments		
- Direct credit substitutes	983	823
- Transaction-related contingencies	1,216	1,432
- Trade-related contingencies	904	650
- Other commitments	1,560	1,424
	<u>4,663</u>	<u>4,329</u>

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

	September 30, 2017	March 31, 2017
	HK\$ in million	HK\$ in million
Derivative transactions		
- Exchange rate related derivative contracts (excluding forward foreign exchange arising from swap deposit arrangements)	7,491	6,539
- Interest rate derivative contracts	8,526	9,505
	<u>16,017</u>	<u>16,044</u>

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

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VI. Off-balance sheet exposures

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

	September 30, 2017 HK\$ in million	March 31, 2017 HK\$ in million
Fair value recognized through profit and loss		
- Exchange rate related derivative contracts	<u>(18)</u>	<u>(36)</u>
- Interest rate derivative contracts	<u>-</u>	<u>-</u>
Fair value of outstanding derivatives		
- Exchange rate related derivative contracts	<u>198</u>	<u>264</u>
- Interest rate derivative contracts	<u>-</u>	<u>-</u>

There are no bilateral netting arrangements for above derivative transactions.

VII. Liquidity

	September 30, 2017	September 30, 2016
The average liquidity maintenance ratio for the financial period	38.11%	45.17%

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.

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Section B – Bank information (Consolidated basis)

	September 30, 2017	March 31, 2017
	HK\$ in million	HK\$ in million
IX. Capital and Capital Adequacy		
Risk-based ratios: (Include market-risk equivalent)		
(a) Capital adequacy ratio ¹	17.14%	17.26%
(b) Total capital ¹	142,739	141,297
(c) Total amount of shareholders' funds ^{2,3}	129,338	125,375
X. Other Financial Information		
(a) Total assets	1,224,655	1,181,597
(b) Total liabilities ⁴	1,095,317	1,056,222
(c) Total loans and advance	643,978	617,516
(d) Total deposits	624,326	614,245
	Six months ended	Six months ended
	September 30, 2017	September 30, 2016
	HK\$ in million	HK\$ in million
(e) Pre-tax profit (before minority interest)	8,310	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 September 30, 2017 does not include retained earnings for six months ended September 30, 2017. (Capital at March 31, 2017 includes retained earnings for the financial year 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\$7.4 million (₹61.6 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 September 30, 2017 is ₹8.3575 = HK\$1. (March 31, 2017 is ₹8.345 = HK\$1).