

ICICI Bank Limited Hong Kong Branch
Unaudited Disclosure Statement
As at March 31, 2020



**ICICI BANK LIMITED HONG KONG BRANCH
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2020**

Statement of Compliance

We have prepared this unaudited Disclosure Statement of ICICI Bank Limited Hong Kong Branch ("the Branch") as at March 31, 2020. It is compiled according to the Banking (Disclosure) Rules under the Banking Ordinance (Chapter 155M).

The information is available at the registered offices of ICICI BANK LIMITED Hong Kong Branch and the Public Registry of HKMA. The statement can also be found on ICICI Bank's website at https://www.icicibank.hk/about_us.page.

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
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2020**

Section A – Branch information (Hong Kong office only)

I. Profit and Loss Information

	Year ended March 31, 2020 HK\$ in million	Year ended March 31, 2019 HK\$ in million
Income		
Interest income	856	1,119
Interest expense	<u>(792)</u>	<u>(987)</u>
Net interest income	64	132
Other operating income		
Gains less losses arising from trading in foreign currencies	121	124
Gains less losses on securities held for trading purposes	(44)	-
Gains less losses from other trading activities	(93)	(75)
Fees and commission income	178	197
Fees and commission expense	<u>-</u>	<u>-</u>
Net fees and commission income	178	197
Other income	<u>32</u>	<u>32</u>
Total operating income	258	410
Expenses		
Operating expenses		
Staff expenses	(80)	(69)
Rental expenses	(13)	(13)
Other expenses	<u>(51)</u>	<u>(46)</u>
Total operating expenses	<u>(144)</u>	<u>(128)</u>
Operating profit before impairment losses	114	282
(Charge for) / release of impairment losses and provisions for impaired loans and receivables		
Collective provision	14	18
Specific provision	<u>(151)</u>	<u>(23)</u>
	(137)	(5)
Gains less losses from the disposal of property, plant and equipment and investment properties	<u>-</u>	<u>-</u>
Profit/(loss) before taxation	(23)	277
Tax (expense)/income	6	(41)
Profit/(loss) after taxation	<u>(17)</u>	<u>236</u>

**ICICI BANK LIMITED HONG KONG BRANCH
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2020**

Section A – Branch information (Hong Kong office only)

II. Balance Sheet Information

	At March 31, 2020 HK\$ in million		At September 30, 2019 HK\$ in million	
Assets				
Cash and balances with banks (except those included in amount due from overseas offices of the institution)		768		690
Placements with banks which have a residual contractual maturity of more than one month but not more than 12 months (except those included in amount due from overseas offices of the institution)		-		-
Amount due from overseas offices of the institution		9,059		12,172
Trade bills		3,590		3,526
Certificates of deposit held		-		-
Securities held for trading purposes				
Investment in treasury bills	504		391	
Investment in corporate bonds	<u>310</u>	814	<u>-</u>	391
Advances and other accounts				
Loans and advances to customers	3,638		4,326	
Loans and advances to banks	83		17	
Accrued interest	12		19	
Provision for impaired loans and receivables (collective)	(78)		(80)	
Provision for impaired loans and receivables (specific)	<u>(140)</u>	3,515	<u>(35)</u>	4,247
Investment securities				
Investment in treasury bills	120		119	
Investment in corporate bonds	<u>227</u>	347	<u>79</u>	198
Other investments				
Investment in group subsidiaries		1,368		1,419
Property, plant and equipment		3		3
Other assets and receivables		809		554
Total assets		<u><u>20,273</u></u>		<u><u>23,200</u></u>
Liabilities				
Deposits and balances from banks		3,172		6,041
Deposits from customers				
Demand deposits and current accounts	1,091		1,052	
Saving deposits	57		104	
Time, call and notice deposits	<u>837</u>	1,985	<u>933</u>	2,089
Amount due to overseas offices of the institution		2,944		3,519
Issued debt securities		9,635		9,226
Other liabilities		806		478
Retained earnings		1,731		1,847
Total liabilities		<u><u>20,273</u></u>		<u><u>23,200</u></u>

**ICICI BANK LIMITED HONG KONG BRANCH
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2020**

Section A – Branch information (Hong Kong office only)

III. Additional Balance Sheet Information

	At March 31, 2020		At September 30, 2019	
	HK\$ in million		HK\$ in million	
(a) Loans and receivables				
Loan and advances to customers		3,638		4,326
Loan and advances to banks		83		17
Accrued interest		12		19
Provision for impaired loans and advances to customers				
- Collective		(78)		(80)
- Individual		(140)		(35)
		<u>3,515</u>		<u>4,247</u>
(b) Overdue and rescheduled advances				
Overdue advances	Gross amount	% to total loans and advances to customers	Gross amount	% to total loans and advances to customers
	HK\$ in million		HK\$ in million	
Advances to customers overdue for				
- Above 1 month but up to 3 months	-	-	-	-
- Above 3 months but up to 6 months	210	5.77%	-	-
- Above 6 months but up to 1 year	-	-	-	-
- Above 1 year	-	-	90	2.08%
Total overdue advances	<u>210</u>	<u>5.77%</u>	<u>90</u>	<u>2.08%</u>
Secured overdue advances	-		74	
Unsecured overdue advances	<u>210</u>		<u>16</u>	
	<u>210</u>		<u>90</u>	

There were HK\$140 million of specific provisions made on overdue advances which were impaired as at March 31, 2020 (September 30, 2019: HK\$35 million).

The impaired loans and advances to customers which are individually determined to be impaired amounted to HK\$210 million (5.77%) as at March 31, 2020 and HK\$90 million (2.08%) as at September 30, 2019. There were no impaired loans and advances to banks as at March 31, 2020 and September 30, 2019.

The amount of the specific provisions made on impaired loans and advances to customers amounted to HK\$140 million as at March 31, 2020 (September 30, 2019: HK\$35 million). There were no collective and specific provisions made on impaired loans and advances to banks as at March 31, 2020 and September 30, 2019.

Collateral held with respect to overdue loans and advances to customers as at March 31, 2020 and September 30, 2019 is mainly comprised of property, inventory, book debt, trade security, plant and machinery. No collateral has been taken into account in respect of loans and advances to customers to which individual impairment allowances relate (September 30, 2019: HK\$74 million).

Impaired loans and advances to customers did not include any rescheduled loans and advances to customers as at March 31, 2020 and September 30, 2019. There were no rescheduled loans and advances to banks as at March 31, 2020 and September 30, 2019. There were no rescheduled loans and advances to customers which are overdue more than 90 days as at March 31, 2020 and September 30, 2019.

No repossessed asset was held for impaired and overdue advance as at March 31, 2020 and September 30, 2019. Other than the HK\$210 million and HK\$90 million respectively as presented above, there are no other advances to customers overdue for more than 1 month as at March 31, 2020 and September 30, 2019.

**ICICI BANK LIMITED HONG KONG BRANCH
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2020**

Section A – Branch information (Hong Kong office only)

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

	At March 31, 2020		HK\$ in million
	Gross loans and advances	Overdue loans and advances	Collateral or other security
Loans and advances for use in Hong Kong	-	-	-
Loans and advances for use outside Hong Kong	3,318	210	790
Trade finance	320	-	209
	<u>3,638</u>	<u>210</u>	<u>999</u>

	At September 30, 2019		HK\$ in million
	Gross loans and advances	Overdue loans and advances	Collateral or other security
Loans and advances for use in Hong Kong	-	-	-
Loans and advances for use outside Hong Kong	3,966	90	824
Trade finance	360	-	-
	<u>4,326</u>	<u>90</u>	<u>824</u>

**ICICI BANK LIMITED HONG KONG BRANCH
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2020**

Section A – Branch information (Hong Kong office only)

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

At March 31, 2020 HK\$ in million

	Gross loans and advances	Overdue loans and advances	Impaired loans (individually determined)
- Asia & Pacific (excluding Hong Kong)	2,937	210	210
<i>of which India</i>	2,405	-	-
<i>of which China</i>	210	210	210
- Middle East	365	-	-
- Others	336	-	-
	<u>3,638</u>	<u>210</u>	<u>210</u>

At September 30, 2019 HK\$ in million

	Gross loans and advances	Overdue loans and advances	Impaired loans (individually determined)
- Asia & Pacific (excluding Hong Kong)	3,589	90	90
<i>of which India</i>	2,538	90	90
<i>of which China</i>	723	-	-
- Middle East	435	-	-
- Others	302	-	-
	<u>4,326</u>	<u>90</u>	<u>90</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, 2020 or September 30, 2019.

**ICICI BANK LIMITED HONG KONG BRANCH
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2020**

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.

Types of Counterparties	At March 31, 2020		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	70	1	71
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	302	184	486
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	27	179	206
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	399	364	763
Total assets after provision¹	20,273		
On-balance sheet exposures as percentage of total assets	1.97%		

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, 2020**

Section A – Branch information (Hong Kong office only)

(e) Non-bank Mainland exposures (continued)

Types of Counterparties	At September 30, 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	71	2	73
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	607	261	868
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	117	90	207
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1	-	1
Total	898	353	1,251
Total assets after provision ¹	23,200		
On-balance sheet exposures as percentage of total assets	3.87%		

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, 2020**

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, 2020						
- Developing Asia-Pacific	2,089	-	260	2,754	-	5,103
<i>of which India</i>	1,270	-	260	2,544	-	4,074
<i>of which Bangladesh</i>	564	-	-	-	-	564
<i>of which China</i>	60	-	-	210	-	270
- Developed Countries	1,066	504	43	3	-	1,616
<i>of which United States</i>	734	504	-	-	-	1,238
- Offshore Centres	173	133	73	991	-	1,370

	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, 2019						
- Developing Asia-Pacific	2,430	-	102	3,175	-	5,707
<i>of which India</i>	1,033	-	-	2,552	-	3,585
<i>of which Bangladesh</i>	956	-	-	-	-	956
<i>of which China</i>	165	-	102	623	-	890
- Developed Countries	961	391	4	-	-	1,356
<i>of which United States</i>	606	391	4	-	-	1,001
- Offshore Centres	92	132	3	832	-	1,059

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, 2020 or September 30, 2019. Claims arising between branches and subsidiaries are excluded.

**ICICI BANK LIMITED HONG KONG BRANCH
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2020**

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, 2020

	USD	OTHERS	HK\$ in million TOTAL
Spot assets	19,132	796	19,928
Spot liabilities	(19,875)	(147)	(20,022)
Forward purchases	16,712	23,002	39,714
Forward sales	(15,888)	(23,650)	(39,538)
Net options position	-	-	-
Net long / (short) position	<u>81</u>	<u>1</u>	<u>82</u>

At September 30, 2019

	USD	OTHERS	HK\$ in million TOTAL
Spot assets	21,594	1,318	22,912
Spot liabilities	(22,824)	(229)	(23,053)
Forward purchases	15,832	4,639	20,471
Forward sales	(14,516)	(5,727)	(20,243)
Net options position	-	-	-
Net long / (short) position	<u>86</u>	<u>1</u>	<u>87</u>

There was no structural position held by the Branch as at March 31, 2020 or September 30, 2019.

**ICICI BANK LIMITED HONG KONG BRANCH
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2020**

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, 2020	At September 30, 2019
	HK\$ in million	HK\$ in million
Contingent liabilities and commitments		
- Direct credit substitutes	67	44
- Transaction-related contingencies	1,011	1,157
- Trade-related contingencies	3,004	4,878
- Other commitments	3,131	3,268
	<u>7,213</u>	<u>9,347</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, 2020	At September 30, 2019
	HK\$ in million	HK\$ in million
Derivative transactions		
- Exchange rate-related derivative contracts (excluding forward foreign exchange arising from swap deposit arrangements)	4,347	4,774
- Interest rate derivative contracts	33,757	14,813
	<u>38,104</u>	<u>19,587</u>

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, 2020**

Section A – Branch information (Hong Kong office only)

VI. Off-balance sheet exposures

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

	At March 31, 2020 HK\$ in million	At September 30, 2019 HK\$ in million
Fair value recognized through profit and loss		
- Exchange rate related derivative contracts	<u>5</u>	<u>13</u>
- Interest rate derivative contracts	<u>(17)</u>	<u>-</u>
Fair value of outstanding derivatives		
- Exchange rate related derivative contracts	<u>20</u>	<u>72</u>
- Interest rate derivative contracts	<u>(17)</u>	<u>-</u>

There are no bilateral netting arrangements for above derivative transactions.

VII. Liquidity

	Quarter ended March 31, 2020	Quarter ended March 31, 2019
The average liquidity maintenance ratio for the financial period	40.87%	45.69%

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 of each month's average liquidity ratio for three months of the quarter computed in accordance with Banking Liquidity Rules.

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
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2020**

Section A – Branch information (Hong Kong office only)

IX. Disclosure on Remuneration

Pursuant to section 3 of Supervisory Policy Manual (CG-5) Guideline on a sound remuneration system issued by the Hong Kong Monetary Authority, ICICI Bank Hong Kong Branch complies with the requirements and has adopted the remuneration systems of ICICI Bank Head Office.

**ICICI BANK LIMITED HONG KONG BRANCH
UNAUDITED FINANCIAL DISCLOSURE AS AT MARCH 31, 2020**

Section B – Bank information (Consolidated basis)

		At March 31, 2020 HK\$ in million	At September 30, 2019 HK\$ in million
X.	Capital and Capital Adequacy		
	Risk-based ratios: (Include market-risk equivalent)		
(a)	Capital adequacy ratio ¹	15.81%	15.81%
(b)	Total capital ¹	136,190	141,314
(c)	Total amount of shareholders' funds ^{2,3}	125,980	129,726
XI.	Other Financial Information		
(a)	Total assets	1,411,160	1,424,989
(b)	Total liabilities ⁴	1,285,180	1,295,262
(c)	Total loans and advances	723,613	747,182
(d)	Total deposits	820,476	802,636
		Year ended March 31, 2020 HK\$ in million	Year ended March 31, 2019 HK\$ in million
(e)	Pre-tax profit (before minority interest)	19,046	8,409

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, 2020 includes retained earnings for the financial year of 2020. (Capital at September 30, 2019 does not include retained earnings for six months ended September 30, 2019).
2. Shareholders' funds are the sum total of share capital & reserves (excluding restricted reserves).
3. Employee stock options outstanding of HK\$3.6 million (₹34.9 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, 2020 is ₹9.7600 = HK\$1. (September 30, 2019 is ₹9.0400 = HK\$1).