



ICICI Bank Limited Hong Kong Branch
Unaudited Interim Disclosure Statement
As at September 30, 2019





**ICICI BANK LIMITED HONG KONG BRANCH
UNAUDITED INTERIM FINANCIAL DISCLOSURE AS AT SEPTEMBER 30, 2019**

Statement of Compliance

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

| | Six months ended September 30, 2019 HK\$ in million | Six months ended September 30, 2018 HK\$ in million |
|---|---|---|
| Income | | |
| Interest income | 466 | 529 |
| Interest expense | <u>(434)</u> | <u>(492)</u> |
| Net interest income | 32 | 37 |
| Other operating income | | |
| Gains less losses arising from trading in foreign currencies | 66 | 61 |
| Gains less losses from other trading activities | (38) | (38) |
| Net fees and commission income | 94 | 96 |
| Fees and commission income | 94 | 96 |
| Fees and commission expense | <u>-</u> | <u>-</u> |
| Other income | 3 | 1 |
| Total operating income | <u>157</u> | <u>157</u> |
| Expenses | | |
| Operating expenses | | |
| Staff expenses | (40) | (33) |
| Rental expenses | (7) | (6) |
| Other expenses | <u>(25)</u> | <u>(23)</u> |
| Total operating expenses | <u>(72)</u> | <u>(62)</u> |
| Operating profit before impairment losses | 85 | 95 |
| (Charge for) / release of impairment losses and provisions for impaired loans and receivables | | |
| Collective provision | 13 | (15) |
| Specific provision | <u>(1)</u> | <u>(1,155)</u> |
| | <u>12</u> | <u>(1,170)</u> |
| Profit/(loss) before taxation | 97 | (1,075) |
| Tax (expense)/income | (18) | 177 |
| Profit/(loss) after taxation | <u>79</u> | <u>(898)</u> |

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

II. Balance Sheet Information

| | At September 30, 2019 HK\$ in million | | At March 31, 2019 HK\$ in million | |
|--|--|---------------|--|---------------|
| Assets | | | | |
| Cash and balances with banks | | 690 | | 1,131 |
| 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 | | 12,172 | | 12,594 |
| Trade bills | | 3,526 | | 4,781 |
| Advances and other accounts | | | | |
| Loans and advances to customers | 4,326 | | 4,510 | |
| Loans and advances to banks | 17 | | - | |
| Accrued interest | 19 | | 20 | |
| Provision for impaired loans and receivables (collective) | (80) | | (93) | |
| Provision for impaired loans and receivables (specific) | (35) | 4,247 | (31) | 4,406 |
| Securities held for trading purposes | | | | |
| Investment in treasury bills | | 391 | | 391 |
| Investment securities | | | | |
| Investment in treasury bills | 119 | | 120 | |
| Investment in corporate bonds | 79 | 198 | - | 120 |
| Other investments | | | | |
| Investment in group subsidiaries | | 1,419 | | 1,414 |
| Property, plant and equipment | | 3 | | 3 |
| Other assets and receivables | | 554 | | 557 |
| Total assets | | <u>23,200</u> | | <u>25,658</u> |
| Liabilities | | | | |
| Deposits and balances from banks | | 6,041 | | 7,156 |
| Deposits from customers | | | | |
| Demand deposits and current accounts | 1,052 | | 853 | |
| Saving deposits | 104 | | 4 | |
| Time, call and notice deposits | 933 | 2,089 | 1,700 | 2,557 |
| Amount due to overseas offices of the institution | | 3,519 | | 2,732 |
| Issued debt securities | | 9,226 | | 10,976 |
| Other liabilities | | 478 | | 467 |
| Retained earnings | | 1,847 | | 1,770 |
| Total liabilities | | <u>23,200</u> | | <u>25,658</u> |

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III. Additional Balance Sheet Information

| | At September 30, 2019 HK\$ in million | | At March 31, 2019 HK\$ in million | |
|--|--|--|--------------------------------------|--|
| (a) Loans and receivables | | | | |
| Loan and advances to customers | | 4,326 | | 4,510 |
| Loan and advances to banks | | 17 | | - |
| Accrued interest | | 19 | | 20 |
| Provision for impaired loans and advances to customers | | | | |
| - Collective | | (80) | | (93) |
| - Individual | | (35) | | (31) |
| | | <u>4,247</u> | | <u>4,406</u> |
| (b) Overdue and rescheduled advances | | | | |
| Overdue advances | Gross amount | % to total | Gross amount | % to total |
| | HK\$ in million | loans and advances to customers | HK\$ in million | loans and advances to customers |
| Advances to customers overdue for | | | | |
| - Above 1 month but up to 3 months | - | - | - | - |
| - Above 3 months but up to 6 months | - | - | - | - |
| - Above 6 months but up to 1 year | - | - | 10 | 0.22% |
| - Above 1 year | 90 | 2.08% | 107 | 2.37% |
| Total overdue advances | <u>90</u> | <u>2.08%</u> | <u>117</u> | <u>2.59%</u> |
| Secured overdue advances | 74 | | 104 | |
| Unsecured overdue advances | 16 | | 13 | |
| | <u>90</u> | | <u>117</u> | |

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

The impaired loans and advances to customers which are individually determined to be impaired amounted to HK\$90 million (2.08%) as at September 30, 2019 and HK\$117 million (2.59%) as at March 31, 2019. There were no impaired loans and advances to banks as at September 30, 2019 and March 31, 2019.

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

Collateral held with respect to overdue loans and advances to customers as at September 30, 2019 and March 31, 2019 is mainly comprised of property, inventory, book debt, trade security, plant and machinery. Collateral of HK\$74 million has been taken into account in respect of loans and advances to customers to which individual impairment allowances relate (March 31, 2019: HK\$104 million).

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

No repossessed asset was held for impaired and overdue advance as at September 30, 2019 and March 31, 2019. Other than the HK\$90 million and HK\$117 million respectively as presented above, there are no other advances to customers overdue for more than 1 month as at September 30, 2019 and March 31, 2019.

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

| | 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> |

| | 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 | - | - | - |
| 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> |

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

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> |

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 | - | - |
| - Middle East | 275 | - | - |
| - Others | 410 | - | - |
| | <u>4,510</u> | <u>117</u> | <u>117</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 September 30, 2019 or March 31, 2019.

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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 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 | <u>23,200</u> | | |
| On-balance sheet exposures as percentage of total assets | <u>3.87%</u> | | |

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 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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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

| | Banks | Official sector | Non-bank private sector | | Others | Total |
|-------------------------------|-------|-----------------|---------------------------------|------------------------------|--------|-------|
| | | | Non-bank financial institutions | Non-financial private sector | | |
| 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 Centers | 92 | 132 | 3 | 832 | - | 1,059 |

HK\$ in million

| | Banks | Official sector | Non-bank private sector | | Others | Total |
|-------------------------------|-------|-----------------|---------------------------------|------------------------------|--------|-------|
| | | | Non-bank financial institutions | Non-financial private sector | | |
| 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 |
| <i>of which Bangladesh</i> | 550 | - | - | - | - | 550 |
| <i>of which China</i> | 83 | - | 102 | 722 | - | 907 |
| - 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 |

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, 2019 or March 31, 2019. Claims arising between branches and subsidiaries are excluded.

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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 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 |
| Forwards sales | (14,516) | (5,727) | (20,243) |
| Net options position | - | - | - |
| Net long / (short) position | <u>86</u> | <u>1</u> | <u>87</u> |

At March 31, 2019

| | USD | OTHERS | HK\$ in million TOTAL |
|-----------------------------|------------|---------------|----------------------------------|
| Spot assets | 23,816 | 1,493 | 25,309 |
| Spot liabilities | (25,252) | (294) | (25,546) |
| Forward purchases | 15,058 | 2,527 | 17,585 |
| Forwards sales | (13,569) | (3,726) | (17,295) |
| Net options position | - | - | - |
| Net long / (short) position | <u>53</u> | <u>-</u> | <u>53</u> |

There was no structural position held by the branch as at September 30, 2019 and March 31, 2019.

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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 September 30, 2019 HK\$ in million | At March 31, 2019 HK\$ in million |
|--|--|--|
| Contingent liabilities and commitments | | |
| - Direct credit substitutes | 44 | 105 |
| - Transaction-related contingencies | 1,157 | 799 |
| - Trade-related contingencies | 4,878 | 1,521 |
| - Other commitments | 3,268 | 2,841 |
| | <u>9,347</u> | <u>5,266</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 September 30, 2019 HK\$ in million | At March 31, 2019 HK\$ in million |
|--|--|--|
| Derivative transactions | | |
| - Exchange rate-related derivative contracts (excluding forward foreign exchange arising from swap deposit arrangements) | 4,774 | 4,521 |
| - Interest rate derivative contracts | 14,813 | 12,003 |
| | <u>19,587</u> | <u>16,524</u> |

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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Section A – Branch information (Hong Kong office only)

VI. Off-balance sheet exposures

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

| | At September 30, 2019 HK\$ in million | At March 31, 2019 HK\$ in million |
|--|---|---|
| Fair value recognized through profit and loss | | |
| - Exchange rate related derivative contracts | <u>13</u> | <u>8</u> |
| - Interest rate derivative contracts | <u>-</u> | <u>-</u> |
| Fair value of outstanding derivatives | | |
| - Exchange rate related derivative contracts | <u>72</u> | <u>106</u> |
| - Interest rate derivative contracts | <u>-</u> | <u>-</u> |

There are no bilateral netting arrangements for above derivative transactions.

VII. Liquidity

| | Quarter ended September 30, 2019 | Quarter ended September 30, 2018 |
|---|--|--|
| The average liquidity maintenance ratio | 39.64% | 41.01% |

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 INTERIM FINANCIAL DISCLOSURE AS AT SEPTEMBER 30, 2019**

Section B – Bank Information (Consolidated basis)

| | At September 30, 2019 HK\$ in million | At March 31, 2019 HK\$ in million |
|--|--|--|
| IX. Capital and Capital Adequacy | | |
| Risk-based ratios: (Include market-risk equivalent) | | |
| (a) Capital adequacy ratio ¹ | 15.81% | 16.47% |
| (b) Total capital ¹ | 141,314 | 142,972 |
| (c) Total amount of shareholders' funds ^{2,3} | 129,726 | 129,680 |
| X. Other Financial Information | | |
| (a) Total assets | 1,424,989 | 1,406,123 |
| (b) Total liabilities ⁴ | 1,295,262 | 1,276,442 |
| (c) Total loans and advance | 747,182 | 734,349 |
| (d) Total deposits | 802,636 | 773,345 |
| | Six months ended September 30, 2019 HK\$ in million | Six months ended September 30, 2018 HK\$ in million |
| (e) Pre-tax profit (before minority interest) | 10,891 | 3,075 |

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, 2019 does not include retained earnings for six months ended September 30, 2019. (Capital at March 31, 2019 includes retained earnings for the financial year of 2019).
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\$4.5 million (₹40.6 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, 2019 is ₹9.0400 = HK\$1. (March 31, 2019 is ₹8.8100 = HK\$1).