

ICICI Bank Limited Hong Kong Branch
Unaudited Interim Disclosure Statement
As at September 30, 2020



**ICICI BANK LIMITED HONG KONG BRANCH
UNAUDITED INTERIM FINANCIAL DISCLOSURE AS AT SEPTEMBER 30, 2020**

Statement of Compliance

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

I. Profit and Loss Information

	Six months ended September 30, 2020 HK\$ in million	Six months ended September 30, 2019 HK\$ in million
Income		
Interest income	304	466
Interest expense	<u>(278)</u>	<u>(434)</u>
Net interest income	26	32
Other operating income		
Gains less losses arising from trading in foreign currencies	16	66
Gains less losses on securities held for trading purposes	25	-
Gains less losses from other trading activities	(7)	(38)
Fees and commission income	62	94
Fees and commission expenses	<u>-</u>	<u>-</u>
Net fees and commission income	62	94
Other income	30	3
Total operating income	<u>152</u>	<u>157</u>
Expenses		
Operating expenses		
Staff expenses	(35)	(40)
Rental expenses	(6)	(7)
Other expenses	<u>(25)</u>	<u>(25)</u>
Total operating expenses	<u>(66)</u>	<u>(72)</u>
Operating profit before impairment losses	86	85
(Charge for) / release of impairment losses and provisions for impaired loans and receivables		
Collective provisions	20	13
Specific provisions	<u>(76)</u>	<u>(1)</u>
	(56)	12
Gains less losses from the disposal of property, plant and equipment and investment properties	<u>(1)</u>	<u>-</u>
Profit before taxation	29	97
Tax (expense)	(4)	(18)
Profit after taxation	<u>25</u>	<u>79</u>

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II. Balance Sheet Information

	At September 30, 2020 HK\$ in million		At March 31, 2020 HK\$ in million	
Assets				
Cash and balances with banks (except those included in amount due from overseas offices of the institution)		887		768
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		8,305		9,059
Trade bills		2,852		3,590
Certificates of deposit held		-		-
Securities held for trading purposes				
Investment in treasury bills	504		504	
Investment in corporate bonds	-	504	310	814
Advances and other accounts				
Loans and advances to customers	2,228		3,638	
Loans and advances to banks	92		83	
Accrued interest	9		12	
Provisions for impaired loans and receivables (collective)	(58)		(78)	
Provisions for impaired loans and receivables (specific)	-	2,271	(140)	3,515
Investment securities				
Investment in treasury bills	80		120	
Investment in corporate bonds	567	647	227	347
Other investments				
Investment in group subsidiaries		1,396		1,368
Property, plant and equipment		3		3
Other assets and receivables		695		809
Total assets		17,560		20,273
Liabilities				
Deposits and balances from banks		913		3,172
Deposits from customers				
Demand deposits and current accounts	1,101		1,091	
Saving deposits	98		57	
Time, call and notice deposits	577	1,776	837	1,985
Amount due to overseas offices of the institution		4,311		2,944
Issued debt securities		8,019		9,635
Other liabilities		780		806
Retained earnings		1,755		1,731
Provisions for trade bills		6		-
Total liabilities		17,560		20,273

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III. Additional Balance Sheet Information

	At September 30, 2020 HK\$ in million		At March 31, 2020 HK\$ in million	
(a) Loans and receivables				
Loans and advances to customers		2,228		3,638
Loans and advances to banks		92		83
Accrued interest		9		12
Provisions for impaired loans and advances to customers				
- Collective		(58)		(78)
- Individual		-		(140)
		<u>2,271</u>		<u>3,515</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	-	-	210	5.77%
- Above 6 months but up to 1 year	-	-	-	-
- Above 1 year	-	-	-	-
Total overdue advances	<u>-</u>	<u>-</u>	<u>210</u>	<u>5.77%</u>
Secured overdue advances	-	-	-	-
Unsecured overdue advances	<u>-</u>	<u>-</u>	<u>210</u>	<u>5.77%</u>
	<u>-</u>	<u>-</u>	<u>210</u>	<u>5.77%</u>

There were no specific provisions made on overdue advances which were impaired as at September 30, 2020 (March 31, 2020: HK\$140 million).

There were no impaired loans and advances to customers as at September 30, 2020. 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. There were no impaired loans and advances to banks as at September 30, 2020 and March 31, 2020.

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

There were no collateral held with respect to overdue loans and advances to customers as at September 30, 2020 and March 31, 2020. No collateral has been taken into account in respect of loans and advances to customers to which individual impairment allowances relate as at September 30, 2020 and March 31, 2020.

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

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

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

	At September 30, 2020		HK\$ in million
	Gross loans and advances	Overdue loans and advances	Collateral or other security
Loans and advances for use in Hong Kong	105	-	105
- Wholesale and retail trade	105	-	105
Loans and advances for use outside Hong Kong	2,016	-	419
Trade finance	107	-	92
	<u>2,228</u>	<u>-</u>	<u>616</u>

	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	-	-	-
- Wholesale and retail trade	-	-	-
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>

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

At September 30, 2020 HK\$ in million

	Gross loans and advances	Overdue loans and advances	Impaired loans (individually determined)
- Asia & Pacific (excluding Hong Kong)	1,808	-	-
<i>of which India</i>	1,808	-	-
- Middle East	216	-	-
- Others	204	-	-
	<u>2,228</u>	<u>-</u>	<u>-</u>

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	-	-
- Middle East	365	-	-
- Others	336	-	-
	<u>3,638</u>	<u>210</u>	<u>210</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, 2020 or March 31, 2020.

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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 September 30, 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	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1	21	22
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	-	267	267
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	1	288	289
Total assets after provision¹	17,554		
On-balance sheet exposures as percentage of total assets	0%		

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, 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)).

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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					
			<u>Non-bank private sector</u>			
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	Total
At September 30, 2020						
- Developing Asia-Pacific	1,850	-	41	1,884	-	3,775
<i>of which India</i>	1,623	-	41	1,884	-	3,548
- Developed Countries	1,051	504	7	-	-	1,562
<i>of which United States</i>	850	504	-	-	-	1,354
- Offshore Centres	206	-	110	368	-	684

	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
- 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

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, 2020 or March 31, 2020. 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, 2020

	USD	JPY	INR	OTHERS	HK\$ in million TOTAL
Spot assets	16,410	54	2	680	17,146
Spot liabilities	(17,037)	-	-	(144)	(17,181)
Forward purchases	17,846	53	22,307	1,943	42,149
Forwards sales	(17,193)	(104)	(22,307)	(2,476)	(42,080)
Net options position	-	-	-	-	-
Net long / (short) position	<u>26</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>34</u>

At March 31, 2020

	USD	JPY	INR	OTHERS	HK\$ in million TOTAL
Spot assets	19,132	80	-	716	19,928
Spot liabilities	(19,875)	-	-	(147)	(20,022)
Forward purchases	16,712	87	20,651	2,264	39,714
Forwards sales	(15,888)	(164)	(20,651)	(2,835)	(39,538)
Net options position	-	-	-	-	-
Net long / (short) position	<u>81</u>	<u>3</u>	<u>-</u>	<u>(2)</u>	<u>82</u>

There was no structural position held by the branch as at September 30, 2020 and March 31, 2020.

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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, 2020 HK\$ in million	At March 31, 2020 HK\$ in million
Contingent liabilities and commitments		
- Direct credit substitutes	27	67
- Transaction-related contingencies	994	1,011
- Trade-related contingencies	1,772	3,004
- Other commitments	2,504	3,131
	<u>5,297</u>	<u>7,213</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 defaults. As the facilities may expire without being drawn upon, the contractual amounts do not represent expected future cash flows.

	At September 30, 2020 HK\$ in million	At March 31, 2020 HK\$ in million
Derivative transactions		
- Exchange rate-related derivative contracts (excluding forward foreign exchange arising from swap deposit arrangements)	7,739	4,347
- Interest rate derivative contracts	33,139	33,757
	<u>40,878</u>	<u>38,104</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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VI. Off-balance sheet exposures

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

	At September 30, 2020 HK\$ in million	At March 31, 2020 HK\$ in million
Fair value recognized through profit and loss		
- Exchange rate related derivative contracts	<u>5</u>	<u>5</u>
- Interest rate derivative contracts	<u>(2)</u>	<u>(17)</u>
Fair value of outstanding derivatives		
- Exchange rate related derivative contracts	<u>13</u>	<u>20</u>
- Interest rate derivative contracts	<u>(19)</u>	<u>(17)</u>

There are no bilateral netting arrangements for above derivative transactions.

VII. Liquidity

	Quarter ended September 30, 2020	Quarter ended September 30, 2019
The average liquidity maintenance ratio	38.12%	39.64%

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.

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Section B – Bank information (Consolidated basis)

	At September 30, 2020	At March 31, 2020
	HK\$ in million	HK\$ in million
IX. Capital and Capital Adequacy		
Risk-based ratios: (Include market-risk equivalent)		
(a) Capital adequacy ratio ¹	17.95%	15.81%
(b) Total capital ¹	155,040	136,190
(c) Total amount of shareholders' funds ^{2,3}	153,425	125,980
X. Other Financial Information		
(a) Total assets	1,550,842	1,411,160
(b) Total liabilities ⁴	1,397,417	1,285,180
(c) Total loans and advance	749,524	723,613
(d) Total deposits	906,897	820,476
	Six months ended	Six months ended
	September 30, 2020	September 30, 2019
	HK\$ in million	HK\$ in million
(e) Pre-tax profit (before minority interest)	12,041	10,891

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, 2020 does not include retained earnings for six months ended September 30, 2020. (Capital at March 31, 2020 includes retained earnings for the financial year of 2020).
2. Shareholders' funds are the sum total of share capital & reserves (excluding restricted reserves).
3. Employee stock options outstanding of HK\$3.6 million (₹34.5 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, 2020 is ₹9.5175 = HK\$1. (March 31, 2020 is ₹9.7600 = HK\$1).