



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>

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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)	(31)
	<u>4,247</u>	<u>4,406</u>
Securities held for trading purposes		
Investment in treasury bills	391	391
Investment securities		
Investment in treasury bills	119	120
Investment in corporate bonds	79	-
	<u>198</u>	<u>120</u>
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	1,700
	<u>2,089</u>	<u>2,557</u>
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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(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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(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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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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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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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
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Section B – Bank Information (Consolidated basis)

		At September 30, 2019	At March 31, 2019
		HK\$ in million	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	Six months ended
		September 30, 2019	September 30, 2018
		HK\$ in million	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).