

BANK OF INDIA HONG KONG BRANCH

INTERIM FINANCIAL DISCLOSURE STATEMENT

**FOR THE HALF YEAR ENDED
30TH SEPTEMBER 2016**

BANK OF INDIA HONG KONG BRANCH
DISCLOSURE STATEMENT

SECTION A -Branch Information (Hong Kong Offices only)

I. Profit & Loss

	30.09.2016 (HK\$'000)		30.09.2015 (HK\$'000)	
Income				
Interest income	380,632		396,669	
Interest expense	(199,029)		(237,778)	
Net interest income		181,603		158,891
Other operating income				
Gain less losses arising from trading in foreign currencies		4,698		7,671
Gain less losses on securities held for trading purposes	0	0	0	0
Gain less losses from other trading activities	0	0	0	0
Gross fees and commission income	8,909		16,340	
Gross fees and commission expenses	0		0	
Net fees and commission		8,909		16,340
Other income		1,922		969
Total Income		197,132		183,871
Expenses				
Operating expenses				
Salary and rental expenses		(14,734)		(14,214)
Others		(7,647)		(7,712)
Net charge for other provision		1,507		3,052
Impairment losses and provision for impaired loans and receivables		(129,288)		17,754
Gains less losses from the disposal of property, plant and equipment and investment properties		0		0
Total Expenses		(150,162)		(1,120)
Profit before taxation		46,970		182,751
Tax expense or tax income		0		(17,813)
PROFIT AFTER TAXATION		46,970		164,938



BANK OF INDIA HONG KONG BRANCH

SECTION A - Branch information (Hong Kong Offices Only)

II. Balance Sheet

	30.09.2016 (HK\$'000)	31.03.2016 (HK\$'000)
ASSETS		
Cash & Balances with Banks	5,456,945	69,657
Placement with banks maturing between one and twelve months	6,920,030	14,921,273
Amount due from overseas offices of the institution	13,994,271	13,919,041
Trade Bills	1,140,930	1,511,257
Loans and receivables		
Loans and advances to customers	12,668,926	14,665,755
Loans and advances to banks	0	0
Accrued interest and other accounts	196,276	393,585
Provision for impaired loans & receivable (collective)	(94,925)	(93,536)
Provision for impaired loans & receivable (specific)	(486,741)	(421,369)
Provision against value of other claim & investment	(118,693)	(120,212)
Exchange Fund Bills	49,976	49,976
Available for sale securities	273,043	115,914
Property, Plant and Equipment	177,050	177,962
Total Assets	40,177,088	45,189,303
Liabilities		
Deposits and balances from banks	20,713,097	28,457,284
Deposits from customers		
Demand deposits and current accounts	417,039	452,168
Savings deposits	49,697	37,869
Time, call and notice deposits	4,117,215	4,612,884
Amount due to overseas offices of the institution	13,457,434	10,158,588
Other liabilities		
Others	1,406,220	1,470,510
Provision for taxation	16,386	0
Total Liabilities	40,177,088	45,189,303



BANK OF INDIA HONG KONG BRANCH

III. SECTION B - ADDITIONAL INFORMATION

BRANCH INFORMATION (HONG KONG OFFICES ONLY)

1 Impaired Loans and Advances

Impaired Loans and Advances to Customers

(HKD Million)

	Amount	Current market value of collateral	% to total loans and advances	Specific Provision
As on 30.09.2016	977.646	802.011	7.72%	462.418
As on 31.03.2016	953.598	807.518	6.50%	335.187

There is no impaired loans and advances to banks as at 30th September 2016 and 31st March 2016.

2 Derivatives

	30.09.2016	31.03.2016
Notional Amount:	(HK\$'000)	(HK\$'000)
Exchange rate contracts	3,671,225	5,976,027
Interest rate contracts	634,232	747,514
Total	4,305,457	6,723,541

Fair value of derivative contracts (Gross)

	30.09.2016	31.03.2016
	(HK\$'000)	(HK\$'000)
Exchange rate contracts	(4,691)	(4,774)
Interest rate contracts	(14,265)	(22,489)
Total	(18,956)	(27,263)

The fair value of derivative contracts does not take into account the effect of bilateral netting arrangements.

3 Off Balance Sheet Exposure other than Derivatives Contracts

	30.09.2016	31.03.2016
	(HK\$'000)	(HK\$'000)
Direct credit substitutes	123,003	156,589
Transaction related contingencies	799	799
Trade-related contingent items	119,824	102,729
Total	243,626	260,117



BANK OF INDIA HONG KONG BRANCH
BRANCH INFORMATION (HONG KONG OFFICES ONLY)

4 INTERNATIONAL CLAIMS

(HKD Million)

As at 30.09.2016	Banks	Official Sector	Non-Bank private Sector		Others	Total
			Non-Bank Financial Institutions	Non-Financial Private Sector		
1 Developed Countries	88	39	0	23	0	150
of which Canada	2	0	0	0	0	2
of which Australia	0	0	0	0	0	0
of which Luxembourg	1	0	0	0	0	1
of which U.S.A.	6	39	0	23	0	68
of which United Kingdom	32	0	0	0	0	32
of which Netherland	44	0	0	0	0	44
of which Germany	2	0	0	0	0	2
of which France	0	0	0	0	0	0
of which Switzerland	1	0	0	0	0	1
2 Offshore Centres	0	0	0	365	0	365
of which Singapore	0	0	0	153	0	153
of which Hong Kong	0	0	0	212	0	212
3 Developing Europe	237	0	0	0	0	237
of which Turkey	237	0	0	0	0	237
4 Developing Latin America & Carribean	0	0	0	0	0	0
5 Developing Africa & Middle East	0	0	0	83	0	83
of which U.A.E.	0	0	0	83	0	83
6 Developing Asia-Pacific	26,380	0	0	11,381	0	37,761
of which China	2,448	0	0	25	0	2,473
of which Sri Lanka	0	0	0	0	0	0
of which India	23,932	0	0	10,847	0	34,779
of which Malaysia	0	0	0	1	0	1
of which Indonesia	0	0	0	457	0	457
of which Bangladesh	0	0	0	39	0	39
of which Vietnam	0	0	0	12	0	12
7 International Organisations	0	0	0	0	0	0
8 Unallocated by Country	0	0	0	0	0	0

(HKD Million)

As at 31.03.2016	Banks	Official Sector	Non-Bank private Sector		Others	Total
			Non-Bank Financial Institutions	Non-Financial Private Sector		
1 Developed Countries	68	0	0	23	0	91
of which Canada	1	0	0	0	0	1
of which Australia	1	0	0	0	0	1
of which Luxembourg	0	0	0	0	0	0
of which U.S.A.	42	0	0	23	0	65
of which United Kingdom	19	0	0	0	0	19
of which Netherland	4	0	0	0	0	4
of which Germany	0	0	0	0	0	0
of which France	0	0	0	0	0	0
of which Switzerland	1	0	0	0	0	1
2 Offshore Centres	0	0	0	423	0	423
of which Singapore	0	0	0	99	0	99
of which Hong Kong	0	0	0	324	0	324
3 Developing Europe	610	0	0	0	0	610
of which Turkey	610	0	0	0	0	610
4 Developing Latin America & Carribean	0	0	0	0	0	0
5 Developing Africa & Middle East	1	0	0	149	0	150
of which U.A.E.	1	0	0	149	0	150
6 Developing Asia-Pacific	29,018	0	0	12,786	0	41,804
of which China	0	0	0	24	0	24
of which Sri Lanka	196	0	0	0	0	196
of which India	28,822	0	0	10,852	0	39,674
of which Malaysia	0	0	0	1	0	1
of which Indonesia	0	0	0	1,857	0	1,857
of which Bangladesh	0	0	0	39	0	39
of which Vietnam	0	0	0	13	0	13
7 International Organisations	0	0	0	0	0	0
8 Unallocated by Country	0	0	0	0	0	0



Remark: Geographical locations are based on the physical location of the borrower. Risk transfer is only made if the claim is guaranteed by a party in a country which is different from the counter party. International claims are derived according to the location of counterparties on which ultimate risk lies after taking into account any transfer of risk.

5 LOANS AND ADVANCES TO CUSTOMERS

By Geographical Areas

(HK\$'000)

	30.09.2016			31.03.2016		
	Loans	of which Overdue Loans	of which Impaired Loans	Loans	of which Overdue Loans	of which Impaired Loans
Hong Kong	2,465,798	534,137	223,271	2,958,790	451,248	210,992
China	11,203	0	0	13,204	0	0
Bangladesh	38,678	0	0	38,637	0	0
Malaysia	825	0	0	809	0	0
U.A.E.	23,026	0	0	23,132	0	0
India	9,671,806	742,966	742,524	9,690,645	2,028,677	742,606
Singapore	11,851	11,851	11,851	98,860	0	0
Indonesia	445,739	0	0	1,841,678	22,041	0
Netherland	0	0	0	0	0	0
U.S.A.	0	0	0	0	0	0
Total	12,668,926	1,288,954	977,646	14,665,755	2,501,966	953,598

Remark: Geographical locations are based on the physical location of the borrower.

6 Loan and Advances to customer

(HK\$' 000)

SECTOR INFORMATION		30.09.2016		31.03.2016	
		Amount	Collateral and Security	Amount	Collateral and Security
Loans and advances for use in Hong Kong					
(i) Industrial, commercial and financial:					
(A)	Property development	0	0	0	0
(B)	Property investment	0	0	0	0
(C)	Financial concerns	0	0	0	0
(D)	Stockbrokers	0	0	0	0
(E)	Wholesale and retail trade	30,077	20,327	29,316	19,566
(F)	Manufacturing	0	0	0	0
(G)	Transport and transport equipment	50,851	50,851	50,856	50,856
(H)	Recreational activities	0	0	0	0
(I)	Information Technology	0	0	0	0
(J)	Others	25,278	25,278	562,089	562,089
(ii) Individuals					
Loan for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes		0	0	0	0
(A)	Loan for the purchase of other residential properties	0	0	0	0
(B)	Credit card advances	0	0	0	0
(C)	others	29,848	29,848	28,535	28,535
(b) Trade finance		2,428,793	701,236	2,395,977	643,398
(c) Loan and advances for use outside Hong Kong		10,104,079	10,089,293	11,598,982	11,598,687
Total		12,668,926	10,916,833	14,665,755	12,903,131



7 Overdue and Rescheduled Assets

Overdue Loans and Advances to customers		30.09.2016			(HK\$'000)	
	Amount	(% to total loans and advances)	Current market value of collateral	Covered portion	Uncovered portion	Specific Provision
more than 3 months but less than 6 months	577,006	4.55%	525,478	525,478	51,528	125,719
more than 6 months but less than one year	220,231	1.74%	56,580	56,580	163,651	24,489
more than one year	369,272	2.92%	231,338	231,338	137,934	310,316
Total	1,166,509	9.21%	813,396	813,396	353,113	460,524

There was no rescheduled loans and advances to customers which has been overdue for more than 3 months.

Overdue Loans and Advances to customers		31.03.2016			(HK\$'000)	
	Amount	(% to total loans and advances)	Current market value of collateral	Covered portion	Uncovered portion	Specific Provision
more than 3 months but less than 6 months	573,076	3.91%	568,979	568,979	4,097	140,394
more than 6 months but less than one year	101,666	0.69%	73,775	73,775	27,891	19,901
more than one year	276,023	1.88%	164,764	164,764	111,259	63,633
Total	950,765	6.48%	807,518	807,518	143,247	223,928

There was no rescheduled loans and advances to customers which has been overdue for more than 3 months.

	30.09.2016 (HK\$'000)	31.03.2016 (HK\$'000)
Current market value of collateral held against the covered portion of impaired loans and advances	802,011	807,518
Covered portion of impaired loans and advances	802,011	807,518
Uncovered portion of impaired loans and advances	175,635	146,080

There is no overdue loans and advances to banks at the end of September 2016 and March 2016.

Rescheduled Assets

There was no other rescheduled loans and advances to customers excluding those have been overdue for more than 3 months and disclosed as above at the end of September 2016 and March 2016.

There was no rescheduled loans and advances to banks at the end of September 2016 and March 2016.

Other overdue Assets

	30.09.2016		31.03.2016	
	Amount	Specific Provision	Amount	Specific Provision
Other Trade Bills				
Overdue 3 to 6 months	175	35	0	0
Overdue 6 months to one year	1,889	378	0	0
Overdue one year and above	23,776	23,776	86,182	86,182

There was no repossessed assets held at the end of September 2016 and March 2016.

Overdue Assets to Banks and other Financial Institutions

Impaired investment

	30.09.2016		31.03.2016	
	Amount	Specific Provision	Amount	Specific Provision
Overdue 1 to 3 months	0	0	0	0
Overdue 3 to 6 months	0	0	0	0
Overdue 6 months to one year	0	0	0	0
Overdue one year and above	118,587	118,587	120,212	120,212

There are no rescheduled assets to Banks and Financial Institutions as on 30th September 2016 and 31st March 2016.



Types of Counterparties	[A]		[B]		[A] + [B]	
	On-balance sheet exposure		Off-balance sheet exposure		Total	
	HK\$ million		HK\$ million		HK\$ million	
	30.09.2016	31.03.2016	30.09.2016	31.03.2016	30.09.2016	31.03.2016
1 Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	0	0	0	0	0	0
2 Local governments, local government-owned entities and their subsidiaries and JVs	0	0	0	0	0	0
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	0	0	0	0	0	0
4 Other entities of central government not reported in item 1 above	0	0	0	0	0	0
5 Other entities of local governments not reported in item 2 above	0	0	0	0	0	0
6 PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	0	0	0	0	0	0
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	11.203	13.204	0	0	11.203	13.204
Total	11.203	13.204	0	0	11.203	13.204
Total assets after provision	40177.088	45189.303				
On-balance sheet exposures as percentage of total assets	0.03%	0.03%				



BANK OF INDIA HONG KONG BRANCH

BRANCH INFORMATION (HONG KONG OFFICES ONLY)

9 Foreign Currency Exposure

	(equivalent in HK\$ million)				
	30.09.2016	30.09.2016	30.09.2016	30.09.2016	30.09.2016
	US\$	GBP	JPY	EUR	TOTAL
Spot assets	39,681	6	17	450	40,154
Spot liabilities	(39,079)	(94)	(26)	(37)	(39,236)
Forward Purchase	1,252	196	27	47	1,522
Forward Sales	(1,851)	(106)	(17)	(461)	(2,435)
Net long/short position	3	2	1	(1)	5

	(equivalent in HK\$ million)				
	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016
	US\$	GBP	JPY	EUR	TOTAL
Spot assets	45,019	5	14	44	45,082
Spot liabilities	(42,657)	(124)	(94)	(57)	(42,932)
Forward Purchase	1,017	146	115	186	1,464
Forward Sales	(3,371)	(28)	(36)	(173)	(3,608)
Net long/short position	8	(1)	(1)	0	6

There is no net structural position which constitutes 10% or more of the total net structural position in all foreign currencies at the end of September 2016 and March 2016.

10 Liquidity

	30.09.2016	30.09.2015
Average liquidity maintenance ratio (LMR)	(6 Months)	(6 Months)
(April to September)	203.60%	84.09%

Average Liquidity Maintenance Ratio is calculated as the simple average of each month's average liquidity maintenance ratio for the six months of the financial year computed in accordance with Banking Liquidity Rules.



11 LIQUIDITY RISK MANAGEMENT

Bank has established in all material respects, the Internal Control system and Procedures in accordance with the requirements set-out in the "Supervisory Policy Manual (LM2- Sound Systems and Controls for Liquidity Risk Management) issued by HKMA. Risk Management Committee, under supervision of ALCO is responsible for implementing the Liquidity Risk Management Strategy. Guidelines are issued by this Committee periodically for funding and contingency Planning. The bank uses the Cash Flow projections / Liquidity Planning schedules, prepared on a daily basis for Liquidity Management. The risk is tracked through maturity and cash flow mis-matches. Surplus or deficit at selected maturity dates, know as "Time buckets" is adopted as the standard tool for measuring Liquidity Risk. Limits on tolerance level of mis-matches have been set by the Bank and monitored regularly. Wholesale deposits and borrowings are also monitored on a daily basis. Stress Tests of the cash flows are done on quarterly basis under the different scenarios of adverse conditions viz. Conditions particular to the Bank, general market conditions and the combined effects of both. The Bank also calculates periodically various ratios with reference to the borrowings, wholesale deposits, commitments and derivative positions and these ratios are also used for monitoring the liquidity management. In addition, the Bank has committed lines of credit available to it, which can be utilised at any time, without any notice. Overall, the Bank has established sound Liquidity Policies and Procedures for Liquidity Management and they are being adhered to strictly.



BANK OF INDIA HONG KONG BRANCH

12 Remuneration System

The Senior Management and the key personnel of the Branch are Bank's officers from India (India Based Officers). The remuneration package offered to them is on the lines decided by the Working Group of the Standing Committee by the Government of India, Ministry of Finance (Banking Division). The Standing Committee has been mandated to standardize the remuneration package to be paid to all India based officers of Indian public sector banks operating in various overseas centers including Hong Kong. The Committee meets at periodic intervals to review/revise the remuneration package taking into account cost of living, market situation, etc.

Remuneration of Senior Management and Key Personnel

Information on the remuneration for the Bank's senior management and key personnel is set out below:

(i) Amount of remuneration

	Six months ended 30.09.2016	
	(HK\$' 000)	Beneficiaries
Fixed remuneration	2,094	14
Variable remuneration	85	3
Total	2,179	

	Year ended 31.03.2016	
	(HK\$' 000)	Beneficiaries
Fixed remuneration	3,879	16
Variable remuneration	28	2
Total	3,907	

(ii) No senior management or key personnel has been awarded with deferred remuneration during the six months ended September 2016 and March 2016.

(iii) No senior management or key personnel has been awarded with new sign-on or severance payment during the six months ended September 2016 and March 2016.



13 Bank Information (Consolidated Basis)

(Available in Bank's web site)

Capital and capital adequacy	31.03.2016 (HK\$' 000)	31.03.2015* (HK\$' 000)
Shareholders' funds (Capital)	956,895	824,969
Shareholders' funds (Reserve)	36,558,341	39,482,152
Capital adequacy ratio (Basel-III)	12.38%	11.22%

Remarks The capital adequacy ratios are calculated in accordance with the relevant requirements of the Reserve Bank of India.

Other financial information	31.03.2016 (HK\$' 000)	31.03.2015* (HK\$' 000)
Total assets	721,958,161	774,945,349
Total liabilities	684,442,925	734,638,228
Total advances	423,017,326	501,179,106
Total deposits	603,815,121	662,409,528
	31.03.2016 (HK\$' 000)	31.03.2015* (HK\$' 000)
Pre-tax profit (loss)	(9,409,364)	2,622,870

INR converted to HKD i.e. @ HKD 1 = 8.541066 (31.03.2016)

* INR converted to HKD i.e. @ HKD 1 = 8.0687592 (31.03.2015)



BANK OF INDIA HONG KONG BRANCH

DECLARATION OF CHIEF EXECUTIVE

We have prepared the disclosure statement of Bank of India Hong Kong Branches for the half year ended 30th September 2016. The information disclosed complies fully with the Banking (Disclosure) Rules made by Hong Kong Monetary Authority under section 60A of the Banking Ordinance (Chapter 155). To the best of my knowledge, the Disclosure Statement is not false or misleading.

Bank of India
Hong Kong Branch

A handwritten signature in black ink, consisting of a stylized 'C' followed by a series of loops and a long horizontal stroke extending to the right.

Chief Executive