

**BANK OF INDIA HONG KONG BRANCH**

**INTERIM FINANCIAL DISCLOSURE STATEMENT**

**FOR THE HALF YEAR ENDED  
30TH SEPTEMBER 2017**

**BANK OF INDIA HONG KONG BRANCH**  
**INTERIM FINANCIAL DISCLOSURE STATEMENT**

**SECTION A -Branch Information (Hong Kong Offices only)**

**I. Profit & Loss**

	30.09.2017 (HK\$'000)		30.09.2016 (HK\$'000)	
<b>Income</b>				
Interest income	283,842		380,632	
Interest expense	(196,395)		(199,029)	
Net interest income		87,447		181,603
Other operating income				
Gain less losses arising from trading in foreign currencies		2,458		4,698
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	9,890		8,909	
Gross fees and commission expenses	0		0	
Net fees and commission		9,890		8,909
Other income		1,779		1,922
<b>Total Income</b>		101,574		197,132
<b>Expenses</b>				
Operating expenses				
Salary and rental expenses*		1,537		(14,734)
Others		(4,846)		(7,647)
Net charge for other provision		4,364		1,507
Impairment losses and provision for impaired loans and receivables		(315,622)		(129,288)
Gains less losses from the disposal of property, plant and equipment and investment properties		0		0
<b>Total Expenses</b>		(314,567)		(150,162)
<b>Profit before taxation</b>		(212,993)		46,970
<b>Tax expense or tax income</b>		(12,000)		0
<b>PROFIT AFTER TAXATION</b>		(224,993)		46,970

\* After adjusting reversal of HKD 17,701 being the depreciation on banks properties on account of change in the method of calculating the depreciation



## BANK OF INDIA HONG KONG BRANCH

### SECTION A - Branch information (Hong Kong Offices Only)

#### II. Balance Sheet

	30.09.2017 (HK\$'000)	31.03.2017 (HK\$'000)
<b>ASSETS</b>		
Cash & Balances with Banks	2,983,010	2,501,840
Placement with banks maturing between one and twelve months	2,655,332	3,653,512
Amount due from overseas offices of the institution	2,813,918	3,825,737
Trade Bills	1,088,008	1,003,373
Loans and receivables		
Loans and advances to customers	7,351,220	8,543,695
Loans and advances to banks	5,441,348	2,221,755
Accrued interest and other accounts	217,525	147,962
Provision for impaired loans & receivable (collective)	(97,703)	(95,509)
Provision for impaired loans & receivable (specific)	(984,049)	(666,523)
Provision against value of other claim & investment	(121,978)	(125,680)
Exchange Fund Bills	198,367	397,687
Available for sale securities	579,971	537,772
Property, Plant and Equipment	181,254	169,351
<b>Total Assets</b>	<b>22,306,223</b>	<b>22,114,972</b>
<b>Liabilities</b>		
Deposits and balances from banks	13,388,991	10,358,240
Deposits from customers		
Demand deposits and current accounts	476,583	498,829
Savings deposits	40,776	43,651
Time, call and notice deposits	3,015,414	3,509,633
Amount due to overseas offices of the institution	4,936,314	7,063,935
Other liabilities		
Others	436,145	640,684
Provision for taxation	12,000	0
<b>Total Liabilities</b>	<b>22,306,223</b>	<b>22,114,972</b>



# 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 30.09.2017	1668.408	1109.387	22.70%	887.025
As on 31.03.2017	1479.976	1109.194	17.32%	627.813

There is no impaired loans and advances to banks as at 30th September 2017 and 31st March 2017.

#### 2 Derivatives

	30.09.2017	31.03.2017
<b>Notional Amount:</b>	(HK\$'000)	(HK\$'000)
Exchange rate contracts	6,800,230	2,044,555
Interest rate contracts	467,026	548,484
<b>Total</b>	<u>7,267,256</u>	<u>2,593,039</u>

#### Fair value of derivative contracts (Gross)

	30.09.2017	31.03.2017
	(HK\$'000)	(HK\$'000)
Exchange rate contracts	(6,006)	(5,808)
Interest rate contracts	(7,839)	(10,006)
<b>Total</b>	<u>(13,845)</u>	<u>(15,814)</u>

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

	30.09.2017	31.03.2017
	(HK\$'000)	(HK\$'000)
Direct credit substitutes	279,240	277,158
Transaction related contingencies	805	800
Trade-related contingent items	102,433	218,808
<b>Total</b>	<u>382,478</u>	<u>496,766</u>



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

**4 INTERNATIONAL CLAIMS**

(HKD Million)

As at 30.09.2017	Banks	Official Sector	Non-Bank private Sector		Unallocated by sector	Total
			Non-Bank Financial Institutions	Non-Financial Private Sector		
<b>1 Developed Countries</b>	<b>156</b>	<b>347</b>	<b>0</b>	<b>22</b>	<b>0</b>	<b>525</b>
of which Canada	2	0	0	0	0	2
of which Australia	5	0	0	0	0	5
of which Luxembourg	2	0	0	0	0	2
of which U.S.A.	19	347	0	22	0	388
of which United Kingdom	78	0	0	0	0	78
of which Netherland	39	0	0	0	0	39
of which Germany	10	0	0	0	0	10
of which France	0	0	0	0	0	0
of which Switzerland	1	0	0	0	0	1
<b>2 Offshore Centres</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>449</b>	<b>0</b>	<b>449</b>
of which Singapore	0	0	0	312	0	312
of which Hong Kong	0	0	0	137	0	137
<b>3 Developing Europe</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
of which Turkey	0	0	0	0	0	0
<b>4 Developing Latin America &amp; Caribbean</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>5 Developing Africa &amp; Middle East</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>89</b>	<b>0</b>	<b>89</b>
of which U.A.E.	0	0	0	89	0	89
<b>6 Developing Asia-Pacific</b>	<b>13,748</b>	<b>0</b>	<b>0</b>	<b>5,909</b>	<b>0</b>	<b>19,657</b>
of which China	5,007	0	0	14	0	5,021
of which Sri Lanka	0	0	0	0	0	0
of which India	8,741	0	0	5,837	0	14,578
of which Malaysia	0	0	0	1	0	1
of which Indonesia	0	0	0	10	0	10
of which Bangladesh	0	0	0	39	0	39
of which Vietnam	0	0	0	8	0	8
<b>7 International Organisations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>8 Unallocated by Country</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

(HKD Million)

As at 31.03.2017	Banks	Official Sector	Non-Bank private Sector		Unallocated by sector	Total
			Non-Bank Financial Institutions	Non-Financial Private Sector		
<b>1 Developed Countries</b>	<b>92</b>	<b>305</b>	<b>0</b>	<b>23</b>	<b>0</b>	<b>420</b>
of which Canada	3	0	0	0	0	3
of which Australia	4	0	0	0	0	4
of which Luxembourg	2	0	0	0	0	2
of which U.S.A.	14	305	0	23	0	342
of which United Kingdom	24	0	0	0	0	24
of which Netherland	41	0	0	0	0	41
of which Germany	3	0	0	0	0	3
of which France	0	0	0	0	0	0
of which Switzerland	1	0	0	0	0	1
<b>2 Offshore Centres</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>365</b>	<b>0</b>	<b>365</b>
of which Singapore	0	0	0	161	0	161
of which Hong Kong	0	0	0	204	0	204
<b>3 Developing Europe</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
of which Turkey	0	0	0	0	0	0
<b>4 Developing Latin America &amp; Caribbean</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>5 Developing Africa &amp; Middle East</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>69</b>	<b>0</b>	<b>69</b>
of which U.A.E.	0	0	0	69	0	69
<b>6 Developing Asia-Pacific</b>	<b>12,339</b>	<b>0</b>	<b>0</b>	<b>7,328</b>	<b>0</b>	<b>19,667</b>
of which China	2,336	0	0	16	0	2,352
of which Sri Lanka	0	0	0	0	0	0
of which India	10,003	0	0	7,239	0	17,242
of which Malaysia	0	0	0	1	0	1
of which Indonesia	0	0	0	25	0	25
of which Bangladesh	0	0	0	39	0	39
of which Vietnam	0	0	0	8	0	8
<b>7 International Organisations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>8 Unallocated by Country</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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)

	30.09.2017			31.03.2017		
	Loans	of which Overdue Loans	of which Impaired Loans	Loans	of which Overdue Loans	of which Impaired Loans
Hong Kong	2,390,068	715,226	582,781	2,341,367	670,019	507,698
China	11,182	0	0	15,744	0	0
Bangladesh	38,957	0	0	38,642	0	0
Malaysia	1,466	0	0	1,199	0	0
U.A.E.	22,551	0	0	23,025	0	0
India	4,769,647	3,115,373	1,085,627	5,998,461	4,549,644	972,278
Singapore	11,764	0	0	11,655	0	0
Indonesia	105,585	32,610	0	113,602	0	0
Netherland	0	0	0	0	0	0
U.S.A.	0	0	0	0	0	0
<b>Total</b>	<b>7,351,220</b>	<b>3,863,209</b>	<b>1,668,408</b>	<b>8,543,695</b>	<b>5,219,663</b>	<b>1,479,976</b>

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

6 Loan and Advances to customer

(HK\$' 000)

SECTOR INFORMATION	30.09.2017		31.03.2017	
	Amount	Collateral and Security	Amount	Collateral and Security
<b>Loans and advances for use in Hong Kong</b>				
(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	19,980	19,980	19,878	19,878
(F) Manufacturing	0	0	0	0
(G) Transport and transport equipment	43,492	0	50,952	50,952
(H) Recreational activities	0	0	0	0
(I) Information Technology	0	0	0	0
(J) Others	0	0	6,381	6,381
(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	40,338	40,338	27,763	27,763
<b>(b) Trade finance</b>	<b>2,386,325</b>	<b>594,276</b>	<b>2,335,144</b>	<b>612,673</b>
<b>(c) Loan and advances for use outside Hong Kong</b>	<b>4,861,085</b>	<b>1,778,101</b>	<b>6,103,577</b>	<b>1,818,724</b>
<b>Total</b>	<b>7,351,220</b>	<b>2,432,695</b>	<b>8,543,695</b>	<b>2,536,371</b>



## 7 Overdue and Rescheduled Assets

### Overdue Loans and Advances to customers

30.09.2017

(HK\$'000)

	Amount	(% to total loans and advances)	Current market value of collateral	Covered portion	Uncovered portion	Specific Provision
more than 3 months but not more than 6 months	267,027	3.63%	262,456	262,456	4,571	57,645
more than 6 months but not more than one year	183,350	2.49%	27,458	27,458	155,892	81,362
more than one year	1,136,047	15.45%	741,080	741,080	394,967	731,146
Total	1,586,424	21.57%	1,030,994	1,030,994	555,430	870,153

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

### Overdue Loans and Advances to customers

31.03.2017

(HK\$'000)

	Amount	(% to total loans and advances)	Current market value of collateral	Covered portion	Uncovered portion	Specific Provision
more than 3 months but not more than 6 months	58,109	0.68%	38,745	38,745	19,364	8,510
more than 6 months but not more than one year	57,683	0.67%	1,462	1,462	56,220	14,420
more than one year	1,085,744	12.71%	799,236	799,236	286,508	552,380
Total	1,201,536	14.06%	839,443	839,443	362,092	575,310

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

30.09.2017 31.03.2017

(HK\$'000) (HK\$'000)

Current market value of collateral held against the covered portion of impaired loans and advances	1,109,387	1,109,194
Covered portion of impaired loans and advances	1,109,387	1,109,194
Uncovered portion of impaired loans and advances	559,021	370,782

There is no overdue loans and advances to banks at the end of September 2017 and March 2017.

### 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 2017 and March 2017.

There was no rescheduled loans and advances to banks at the end of September 2017 and March 2017.

### Other overdue Assets

(HK\$'000)

	30.09.2017		31.03.2017	
	Amount	Specific Provision	Amount	Specific Provision
<b>Other Overdue Trade Bills</b>				
more than 3 months but not more than 6 months	28,238	14,119	16,965	0
more than 6 months but not more than one year	5,161	2,581	95,719	14,434
more than one year	81,219	53,961	25,715	24,276

There was no repossessed assets held at the end of September 2017 and March 2017.

### Overdue Assets to Banks and other Financial Institutions

#### Impaired investment

(HK\$'000)

	30.09.2017		31.03.2017	
	Amount	Specific Provision	Amount	Specific Provision
more than 1 month but not more than 3 months	0	0	0	0
more than 3 months but not more than 6 months	0	0	0	0
more than 6 months but not more than one year	0	0	0	0
more than one year	117,008	117,008	117,127	117,127

There are no rescheduled assets to Banks and Financial Institutions as on 30th September 2017 and 31st March 2017.



Types of Counterparties	[A]		[B]		[A] + [B]	
	On-balance sheet exposure		Off-balance sheet exposure		Total	
	HK\$ million		HK\$ million		HK\$ million	
	30.09.2017	31.03.2017	30.09.2017	31.03.2017	30.09.2017	31.03.2017
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	11.183	15.744	0	0	11.183	15.744
Total	11.183	15.744	0	0	11.183	15.744
Total assets after provision	22306.223	22114.972				
On-balance sheet exposures as percentage of total assets	0.05%	0.07%				





**BANK OF INDIA HONG KONG BRANCH**

**BRANCH INFORMATION (HONG KONG OFFICES ONLY)**

**9 Foreign Currency Exposure**

	(equivalent in HK\$ million)				
	30.09.2017	30.09.2017	30.09.2017	30.09.2017	30.09.2017
	US\$	GBP	JPY	EUR	TOTAL
Spot assets	20,251	12	1,545	375	22,183
Spot liabilities	(22,693)	(69)	(8)	(26)	(22,796)
Forward Purchase	3,390	279	15	81	3,765
Forward Sales	(944)	(219)	(1,552)	(431)	(3,146)
Net long/short position	4	3	0	(1)	6

	(equivalent in HK\$ million)				
	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017
	US\$	GBP	JPY	EUR	TOTAL
Spot assets	21,924	11	18	16	21,969
Spot liabilities	(21,761)	(79)	(15)	(35)	(21,890)
Forward Purchase	979	165	9	174	1,327
Forward Sales	(1,139)	(98)	(12)	(156)	(1,405)
Net long/short position	3	(1)	0	(1)	1

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 2017 and March 2017.

**10 Liquidity**

	30.09.2017	30.09.2016
Average liquidity maintenance ratio (LMR)	(6 Months)	(6 Months)
(April 2017 to September 2017)	200.29%	203.60%

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.



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

	Half Year ended 30.09.2017	
	(HK\$' 000)	Beneficiaries
Fixed remuneration	1,918	13
Variable remuneration	0	0
Total	1,918	
	Year ended 31.03.2017	
	(HK\$' 000)	Beneficiaries
Fixed remuneration	4,603	25
Variable remuneration	205	9
Total	4,808	

(ii) No senior management or key personnel has been awarded with deferred remuneration during the six months ended September 2017 and March 2017.

(iii) No senior management or key personnel has been awarded with new sign-on or severance payment during the six months ended September 2017 and March 2017.



**13 Bank Information (Consolidated Basis)**  
(Available in Bank's web site)

<b>Capital and capital adequacy</b>	31.03.2017 (HK\$' 000)	31.03.2016* (HK\$' 000)
Shareholders' funds (Capital)	1,264,584	956,895
Shareholders' funds (Reserve)	36,965,668	36,558,341
Capital adequacy ratio (Basel-III)	12.62%	12.38%

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

<b>Other financial information</b>	31.03.2017 (HK\$' 000)	31.03.2016* (HK\$' 000)
Total assets	757,271,192	721,958,161
Total liabilities	719,040,940	684,442,925
Total advances	441,318,529	423,017,326
Total deposits	581,062,717	603,815,121
	Year ended 31.03.2017 (HK\$' 000)	Year ended 31.03.2016* (HK\$' 000)
Pre-tax profit (loss)	(2,742,005)	(9,409,364)

INR converted to HKD i.e. @ HKD 1 = 8.3460979 (31.03.2017)

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



## **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 2017. 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



Chief Executive

