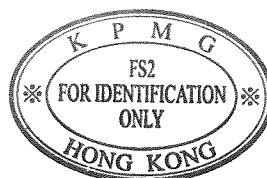


**AXIS BANK LIMITED, HONG KONG BRANCH**  
**ANNUAL DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**I. Profit and Loss Account**  
**For the Year ended March 2019**

	31.3.2019	31.3.2018
	HK\$'000	HK\$'000
<b>INCOME</b>		
Interest income	678,328	561,272
Interest expenses	(533,148)	(431,273)
Net interest income	145,180	129,999
Other operating income		
Gains less losses arising from trading in foreign currencies	5,334	3,650
Gains less losses on securities held for trading purposes	2,632	8,574
Gains less losses from other trading activities	-	-
Net fees and commission income	54,463	178,049
Fees and commission income	54,463	178,049
Fees and commission expenses	-	-
Others	-	-
<b>Total Operating Income</b>	<b>207,609</b>	<b>320,272</b>
<b>EXPENSES</b>		
Operating Expenses	29,388	30,812
Staff expenses	16,533	19,411
Rental expenses	4,521	4,387
Other expenses	8,334	7,014
Operating profit before impairment losses	178,221	289,460
Impairment losses and provisions for impaired loans and receivables		
- Collective Provision	85,107	147,201
- Specific Provision	310,105	514,342
	395,212	661,543
Gains less losses from the disposal of property, plant and equipment and investment properties	-	-
Loss before taxation	(216,991)	(372,083)
Taxation expense	-	-
<b>Loss after taxation</b>	<b>(216,991)</b>	<b>(372,083)</b>

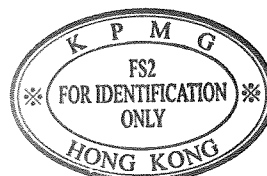


**AXIS BANK LIMITED, HONG KONG BRANCH**  
**ANNUAL DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**II. Balance Sheet**

**For the Year ended March 2019**

	31.03.2019		30.09.2018
	HK\$'000		HK\$'000
<b>ASSETS</b>			
1 Cash and balances with banks	353,907		328,070
2 Placement with banks which have a residual contractual maturity of more than one month but not more than twelve months	745,712		1,212,975
3 Amount due from overseas offices of the institution	3,242,187		5,000,585
Trade bills	409,962		431,125
5 Securities held for trading purposes	627,005		77,814
6 Loans and receivables			
Loans and advances to customers	6,683,113	7,771,225	
Loans and advances to banks	172,691	798,215	
Accrued interest and other accounts	431,398	502,083	
Provision for impaired loans and receivables - collective	(114,926)	(164,144)	
Provision for impaired loans and receivables - specific	(337,203)	(80,034)	8,827,345
7 Investment securities	276,289		481,291
8 Other investments	-		-
9 Property, plant and equipment and investment properties	2,839		2,829
<b>Total Assets</b>	<b>12,492,974</b>		<b>16,362,034</b>
<b>LIABILITIES</b>			
10 Deposits and balances from banks	5,006,972		7,141,100
11 Deposits from customers			
Demand deposits and current accounts	79,224	93,884	
Savings deposits	104,140	91,882	
Time, call and notice deposits	609,651	805,160	990,926
12 Amount due to overseas offices of the institution	5,793,534		7,293,098
13 Certificates of deposits issued	165,777		165,270
14 Issued debt securities	431,728		425,905
15 Other liabilities	301,948		345,735
<b>Total Liabilities</b>	<b>12,492,974</b>		<b>16,362,034</b>



**AXIS BANK LIMITED, HONG KONG BRANCH**  
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**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information**

**1. Impaired loans and advances to customers and banks**

**Impaired loans and advances to customers**

	31.03.2019				30.9.2018			
	(HK\$'000)				(HK\$'000)			
	Amount	% of total loans & advances to customers	Collateral held	Specific provision made	Amount	% of total loans & advances to customers	Collateral held	Specific provision made
More than 1 month but not more than 3 months	83,986	1.26	1,680	-	-	-	-	-
More than 3 months but not more than 6 months	-	-	-	-	-	-	-	-
More than 6 months but not more than one year	-	-	-	-	-	-	-	-
More than one year	168,314	2.52	67,054	116,745	208,796	2.69	183,918	80,034

**Impaired loans and advances to banks**

	31.03.2019				30.9.2018			
	(HK\$'000)				(HK\$'000)			
	Amount	% of total loans & advances to banks	Collateral held	Specific provision made	Amount	% of total loans & advances to banks	Collateral held	Specific provision made
More than 1 month but not more than 3 months	-	-	-	-	-	-	-	-
More than 3 months but not more than 6 months	-	-	-	-	-	-	-	-
More than 6 months but not more than one year	-	-	-	-	-	-	-	-
More than one year	-	-	-	-	-	-	-	-

There were impaired loans and advances to other customers to the extent of HK\$ 168,314 thousand as at 31st March 2019 and HK\$ 208,796 thousand as at 30th September 2018.

There were no impaired loans and advances to banks and other financial institutions as at 31st March 2019 and 30th September 2018.

**2. Derivatives**

	31.03.2019	30.9.2018
	HK\$'000	HK\$'000
a) Notional amount		
i) Exchange rate contracts	18,146,982	13,647,758
ii) Interest rate contracts	10,567,937	12,925,612
<b>TOTAL</b>	<b>28,714,919</b>	<b>26,573,370</b>
b) Fair value of derivative contracts (Gross)		
i) Exchange rate contracts	148,618	131,980
ii) Interest rate contracts	22,650	37,076
<b>TOTAL</b>	<b>171,268</b>	<b>169,056</b>

There are no bilateral netting arrangements and hence there is no effect on the fair value of the derivatives.

**3. Off balance sheet exposures other than derivative transactions**

	31.03.2019	30.9.2018
	HK\$'000	HK\$'000
Notional amount		
i) Direct credit substitutes	602,543	977,515
ii) Trade-related contingent items	184,967	531,278
<b>TOTAL</b>	<b>787,510</b>	<b>1,508,793</b>



**AXIS BANK LIMITED, HONG KONG BRANCH**  
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**III. Additional Information - continued**

**4. International Claims**

	<b>31.03.2019</b>					Total
	(HK\$ in Million)					
	Banks	Official Sector	Non-bank private sector		Others	
Non-bank financial institutions			Non-financial private sector			
Developed countries	408	-	-	2,874	-	3,282
Of which United States	200	-	-	821	-	1,021
Of which United Kingdom	106	-	-	-	-	106
Of which Canada	15	-	-	871	-	886
Of which Netherlands	-	-	-	397	-	397
Of which Cyprus	-	-	-	785	-	785
Offshore centres	840	-	-	1,557	-	2,397
Of which Hong Kong SAR (HK)	542	-	-	316	-	858
Of which Singapore	298	-	-	166	-	464
Of which Mauritius	-	-	-	356	-	356
Of which Jersey	-	-	-	429	-	429
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	276	-	276
Of which Mexico	-	-	-	276	-	276
Developing Africa and Middle East	40	-	-	195	-	235
Of which UAE	1	-	-	-	-	1
Of which Egypt	-	-	-	195	-	195
Developing Asia-Pacific	3,932	-	-	2,477	-	6,409
Of which India	3,533	-	-	2,162	-	5,695
Of which Sri Lanka	135	-	-	91	-	226
Of which Malaysia	-	-	-	119	-	119
International organisations	-	-	-	-	-	-
Unallocated by country	-	-	-	-	-	-
	5,220	-	-	7,379	-	12,599
	<b>30.9.2018</b>					
	(HK\$ in Million)					
			Non-bank private sector			
			Non-bank financial institutions	Non-financial private sector		
	Banks	Official Sector			Others	Total
Developed countries	378	-	-	2,830	-	3,208
Of which United States	123	-	-	822	-	945
Of which United Kingdom	178	-	-	-	-	178
Of which Canada	14	-	-	715	-	729
Of which Netherlands	-	-	-	492	-	492
Of which Cyprus	-	-	-	783	-	783
Offshore centres	1,136	-	-	2,084	-	3,220
Of which Singapore	263	-	-	406	-	669
Of which Mauritius	-	-	-	577	-	577
Of which Bahrain	470	-	-	-	-	470
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	275	-	275
Of which Mexico	-	-	-	275	-	275
Developing Africa and Middle East	389	-	-	549	-	938
Of which UAE	350	-	-	-	-	350
Of which Egypt	-	-	-	549	-	549
Developing Asia-Pacific	6,025	-	-	2,732	-	8,757
Of which India	5,699	-	-	2,336	-	8,035
Of which Sri Lanka	212	-	-	-	-	212
Of which Malaysia	-	-	-	128	-	128
International organisations	-	-	-	-	-	-
Unallocated by country	-	-	-	-	-	-
	7,928	-	-	8,470	-	16,398

International claims are derived on net basis according to the location of counter parties on which the ultimate risk lies after taking into account the effect of any recognized risk transfer. Recognized risk transfer refers to the reduction of the exposure to a particular country by an effective transfer of credit risk to a different country with the use of credit risk mitigants (which include guarantees, collateral and credit derivatives).

**AXIS BANK LIMITED, HONG KONG BRANCH**  
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**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information - continued**

**5. Loans and advances to customers**

i) By Sectors	31.03.2019		30.09.2018	
	Gross amount HK\$'000	Collateral HK\$'000	Gross amount HK\$'000	Collateral HK\$'000
<u>Loans for use in Hong Kong</u>				
a) Industrial, commercial & financial				
- Wholesale and retail trade	315,387	-	119,902	-
- Financial concerns	-	-	231,638	-
b) Individuals				
For other* business purposes	-	-	-	-
For other* private purposes	-	-	-	-
<u>Loans for use outside Hong Kong</u>	6,367,726	3,688,014	7,419,685	4,803,336
<b>TOTAL **</b>	<b>6,683,113</b>	<b>3,688,014</b>	<b>7,771,225</b>	<b>4,803,336</b>

\* Other than for purchase of residential properties or credit card advances.

\*\* The total loans are covered by collateral or other security to the extent of and HK\$3,688,014 ('000s) as at 31st March 2019 and HK\$ 4,803,336 ('000s) as at 30th September 2018.

ii) By Geographical areas

	31.03.2019		
	Gross loans and advances HK\$'000	Overdue loans and advances HK\$'000	Impaired loans and advances HK\$'000
- Hong Kong	315,387	-	-
- India	2,139,575	404,887	168,314
- Others	4,228,151	83,986	-
<b>Total</b>	<b>6,683,113</b>	<b>488,873</b>	<b>168,314</b>

	30.09.2018		
	Gross loans and advances HK\$'000	Overdue loans and advances HK\$'000	Impaired loans and advances HK\$'000
- Hong Kong	351,540	-	-
- India	2,291,625	486,584	208,796
- Others	5,128,060	83,455	-
<b>Total</b>	<b>7,771,225</b>	<b>570,039</b>	<b>208,796</b>



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 or the holding company is in a country which is different from the counterparty.

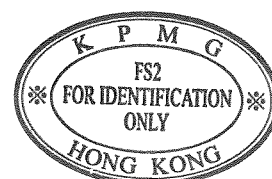


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**III. Additional Information - continued**

**6. Mainland Activities Exposures**

	31.03.2019 HK\$ million			30.09.2018 HK\$ million		
	On Balance Sheet Exposure	Off Balance Sheet Exposure	Total	On Balance Sheet Exposure	Off Balance Sheet Exposure	Total
	1 Central government, central government-owned entities and their subsidiaries and joint ventures	-	-	-	-	-
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	-	-	-	-	-	-
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	-	2	2	-	1	1
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China	-	-	-	-	-	-
<b>Total</b>	-	2	2	-	1	1
Total assets after provision	12,493			16,362		
On-balance sheet exposures as percentage of total assets	0%			0%		



**AXIS BANK LIMITED, HONG KONG BRANCH**  
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**III. Additional Information - continued**

**7. Overdue and Rescheduled Assets of Customers**

**Overdue loans and advances to customers**

	31.03.2019				30.09.2018			
	(HK\$'000)				(HK\$'000)			
	Amount	% of total loans & advances to customer	Collateral held	Specific provision made	Amount	% of total loans & advances to customer	Collateral held	Specific provision made
More than 1 month but not more than 3 months	83,986	1.26	1,680	-	361,243	4.65	279,457	-
More than 3 months but not more than 6 months	-	-	-	-	-	-	-	-
More than 6 months but not more than one year	-	-	-	-	-	-	-	-
More than one year	168,314	2.52	67,054	116,745	208,796	2.69	183,918	80,034

There were no other assets overdue for more than 3 months as at 31st March 2019 and 30th September 2018.

There were no rescheduled loans and advances as at 31st March 2019 and 30th September 2018.

There were no repossessed assets as at 31st March 2019 and 30th September 2018.

Collateral held with respect to overdue loans and advances to customers as at March 31, 2019 and September 30, 2018 is mainly comprised of property, inventory, book debt, trade security, plant and machinery, etc. Collaterals of HK\$ 67 million have been taken into account in respect of loans and advances to customers to which individual impairment allowances relate (September 30, 2018: HK\$ 184 million).

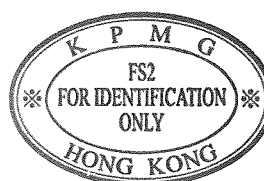
**8. Overdue and rescheduled assets to banks and other financial institutions**

There were no loans and advances to banks overdue for more than 3 months as at 31st March 2019 and 30th September 2018.

There were no other assets overdue for more than 3 months as at 31st March 2019 and 30th September 2018.

There were no rescheduled loans and advances as at 31st March 2019 and 30th September 2018.

There were no repossessed assets as at 31st March 2019 and 30th September 2018.



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**III. Additional Information - continued**

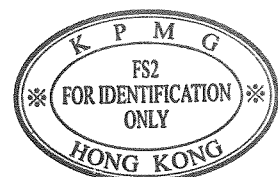
**9. Foreign Currency Exposure**

The position in a particular currency will be reported if the net position (in absolute terms) constitutes 10% or more of the total net position in all foreign currencies.

	<b>31.03.2019</b>							Total
	<b>(HK\$ Million)</b>							
	US\$	GBP	EUR	CAD	AUD	SGD	IDR	
Spot assets	11,881	586	264	148	29	7	255	13,170
Spot liabilities	(12,694)	(47)	(8)	(22)	(58)	(7)	(220)	(13,056)
Forward purchases	4,383	2,262	295	155	45	-	-	7,140
Forward sales	(3,468)	(2,801)	(553)	(280)	(19)	-	-	(7,121)
Net options position	-	-	-	-	-	-	-	-
Net long (short) position	102	-	(2)	1	(3)	-	35	133

	<b>30.09.2018</b>							Total
	<b>(HK\$ Million)</b>							
	US\$	GBP	EUR	CAD	AUD	SGD	IDR	
Spot assets	15,401	575	277	164	27	13	244	16,701
Spot liabilities	(16,253)	(49)	(6)	(24)	(60)	(20)	(187)	(16,599)
Forward purchases	6,247	2,333	1,031	16	1,200	9	-	10,836
Forward sales	(5,306)	(2,862)	(1,305)	(156)	(1,170)	(2)	-	(10,801)
Net options	-	-	-	-	-	-	-	-
Net long (short) position	89	(3)	(3)	-	(3)	-	57	137

There is no net structural position constituting 10% or more of the total net structural position in all foreign currencies as at 31st March 2019 and 30th September 2018.





**AXIS BANK LIMITED, HONG KONG BRANCH**  
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**III. Additional Information - continued**

**10. Liquidity**

	Three Months ended 31.03.2019	Three Months ended 31.12.2018	Three Months ended 30.09.2018	Three Months ended 30.06.2018
Average Liquidity Maintenance Ratio	79.25%	72.21%	62.58%	67.05%

Average Liquidity Maintenance Ratio is calculated as the simple average of each month's average liquidity ratio computed in accordance with Banking Liquidity Rules

**LIQUIDITY RISK MANAGEMENT**

The 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 the Hong Kong Monetary Authority (HKMA)". The Risk Management Committee, comprising of the senior executives of the Hong Kong Branch 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 which are prepared on a daily basis for liquidity management. The risk is tracked through maturity and cash flow mismatches. Surplus or deficit at selected maturity dates, known as "Time buckets" is adopted as the standard tool for measuring liquidity risk. Limits on tolerance level of mismatches 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 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 and for liquidity management. In addition, the Bank has committed lines of credit available to it, which can be utilised at any time, without any notice. A portfolio of high class sovereign / quasi sovereign bonds and securities to form a liquidity buffer which provides a cushion to be utilised in case of liquidity needs. The Bank also has repurchase arrangements with two banks in place, which can provide liquidity, as and when required. Overall, the Bank has established sound liquidity policies and procedures for liquidity management and they are being adhered to strictly.



**AXIS BANK LIMITED, HONG KONG BRANCH**  
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**SECTION B - BANK INFORMATION CONSOLIDATED BASIS**

**1. Capital and Capital Adequacy**

	<u>31.3.2019</u> HK\$'000	<u>30.09.2018</u> HK\$'000
<b>i) Capital</b>		
Shareholders' Funds (Consolidated)	<u>76,960,889</u>	<u>71,220,524</u>
<b>ii) Capital Adequacy Ratio</b>	<u>15.84%</u>	<u>16.17%</u>
Capital Adequacy Ratio is calculated on standalone basis in accordance with the requirements of the Reserve Bank of India.		

**2. Other financial information**

Total assets	924,001,187	802,768,273
Total liabilities	847,040,298	731,547,750
Total loans and advances	575,091,424	505,240,455
Total customer deposits	<u>625,136,566</u>	<u>520,182,859</u>
	Year ended <u>31.3.2019</u>	Year ended <u>31.03.2018</u>
Pre-tax profit	<u>8,617,527</u>	<u>671,493</u>

\* Indian Rupee converted to HK\$ @ 9.26 (30th Sep 2018)

\*\* Indian Rupee converted to HK\$ @ 8.810 (31st March 2019)

**Declaration of Chief Executive Officer**

We have prepared the financial disclosure statement of Axis Bank Limited, Hong Kong Branch for the year ended 31st March 2019. The information disclosed complies fully with the Banking (Disclosure) Rules made by the HKMA under Section 60A of the Banking Ordinance (Cap.155). To the best of my knowledge, the Disclosure Statement is not false or misleading.



Rachit Bhatia  
 Chief Executive  
 Axis Bank Limited  
 Hong Kong

