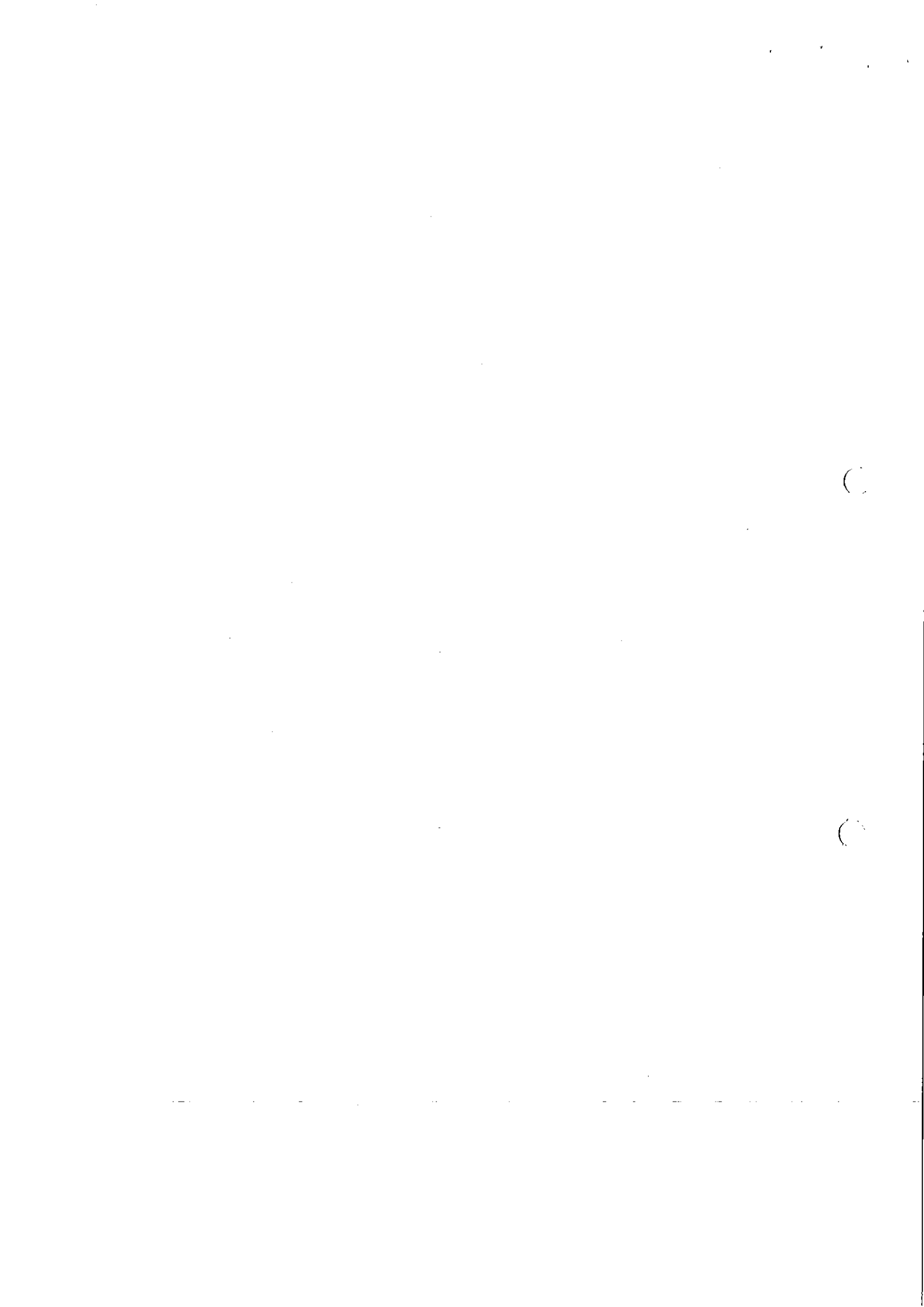


AXIS BANK LIMITED, HONG KONG BRANCH
INTERIM DISCLOSURE STATEMENT
SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

I. Profit and Loss Account
For the six months ended 30th September 2017

	<u>30.9.2017</u>	<u>30.9.2016</u>
	HK\$'000	HK\$'000
<u>INCOME</u>		
Interest income	270,303	289,613
Interest expenses	(209,659)	(197,054)
Net interest income	60,644	92,559
Fees and commission income	103,807	80,643
Fees and commission expenses	-	-
Net fees and commission income	103,807	80,643
Gains less losses from trading in foreign currencies	(186)	744
Gains less losses from trading in securities	(4,424)	1,562
Other Operating Income	(4,610)	2,306
Total Operating Income	159,841	175,508
<u>EXPENSES</u>		
Staff expenses	11,318	9,233
Rental expenses	2,170	2,169
Other expenses	3,593	4,614
Operating Expenses	17,081	16,016
Operating Profit before Impairment Losses	142,760	159,492
Impairment losses and provisions for loans and receivables		
- Collective Provision	12,713	94,134
- Specific Provision	297,549	537,785
	310,262	631,919
Profit before Taxation	(167,502)	(472,427)
Taxation Expense	-	-
Profit (- Loss) after Taxation	(167,502)	(472,427)





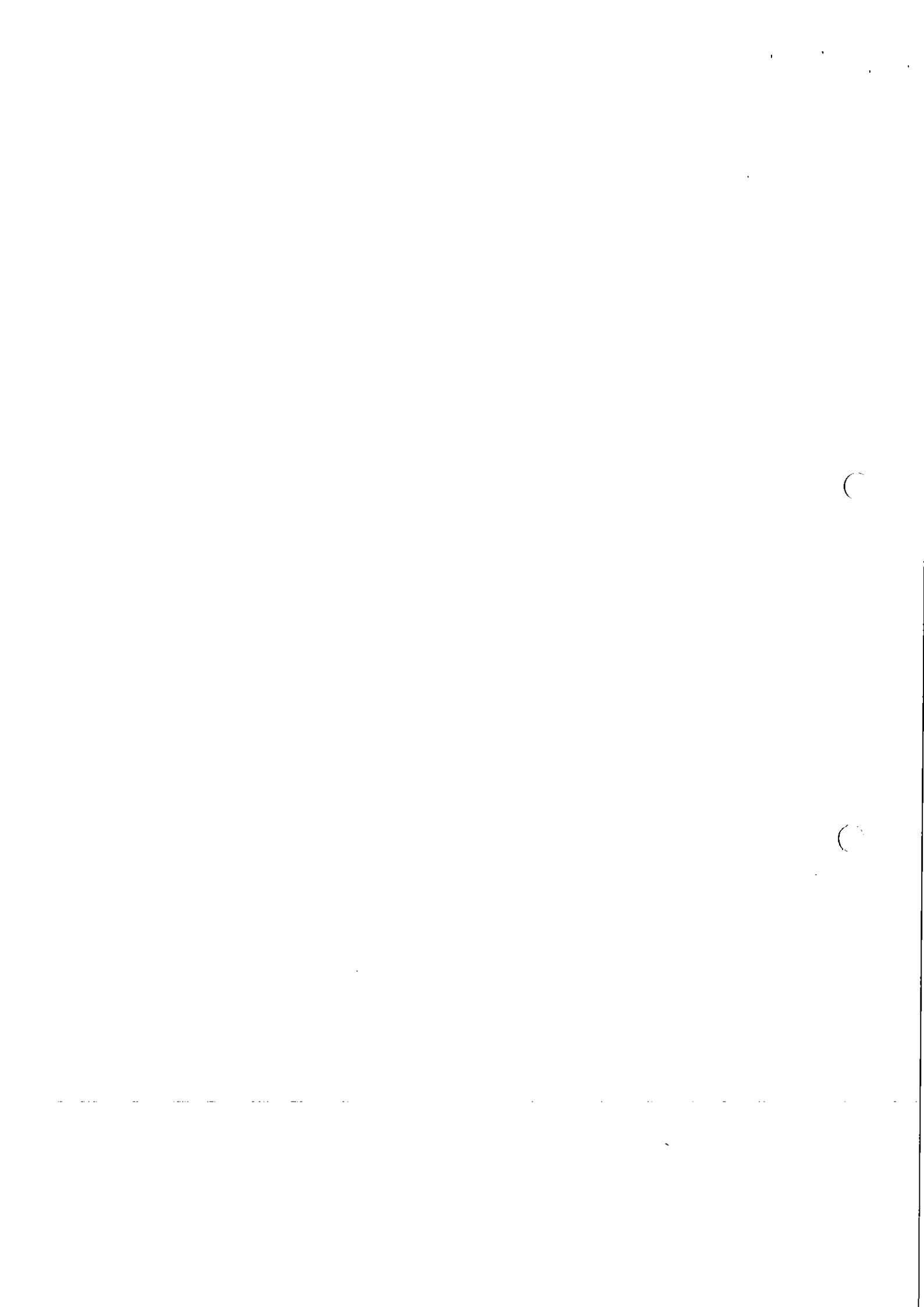
AXIS BANK LIMITED, HONG KONG BRANCH
INTERIM DISCLOSURE STATEMENT
SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

II. Balance Sheet

As at 30th September 2017

	<u>30.09.2017</u>	<u>31.3.2017</u>
	HK\$'000	HK\$'000
<u>ASSETS</u>		
1 Cash and balances with banks	734,453	1,333,453
2 Placement with banks maturing between one and twelve months	3,385,860	760,200
3 Amount due from overseas offices	1,152	1,020
4 Trade Bills	68,598	70,516
5 Loans and Receivables		
Advances to customers	13,506,412	12,186,740
Accrued interest and other accounts	560,836	593,907
Provision for impaired loans and receivables - collective	(174,743)	(162,030)
Provision for impaired loans and receivables - specific	(866,127)	(651,901)
6 Investment Securities	450,157	448,730
7 Property, plant and equipment	2,839	3,049
	<u>17,669,437</u>	<u>14,583,684</u>
Total Assets		
<u>LIABILITIES</u>		
8 Deposits and balances of banks	8,355,442	6,626,147
9 Deposits from customers		
Demand deposits and current accounts	138,185	77,384
Savings deposits	95,650	43,643
Time, call and notice deposits	821,118	1,170,980
10 Certificates of deposits issued	-	153,247
11 Negotiable Debt Instruments	815,011	810,443
12 Amount due to overseas offices	6,887,207	5,156,097
13 Other liabilities	556,824	545,743
	<u>17,669,437</u>	<u>14,583,684</u>
Total Liabilities		





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

III. Additional Information

1. Impaired Loans and Advances to customers and banks

There were impaired loans and advances to other customers to the extent of HK\$ 1,564.682 Million as at 30th September 2017 and HK\$ 1,292.202 Million as at 31st March 2017 .

There were no impaired loans and advances to banks and other financial institutions as at 30th September 2017 and 31st March 2017 .

2. Derivatives

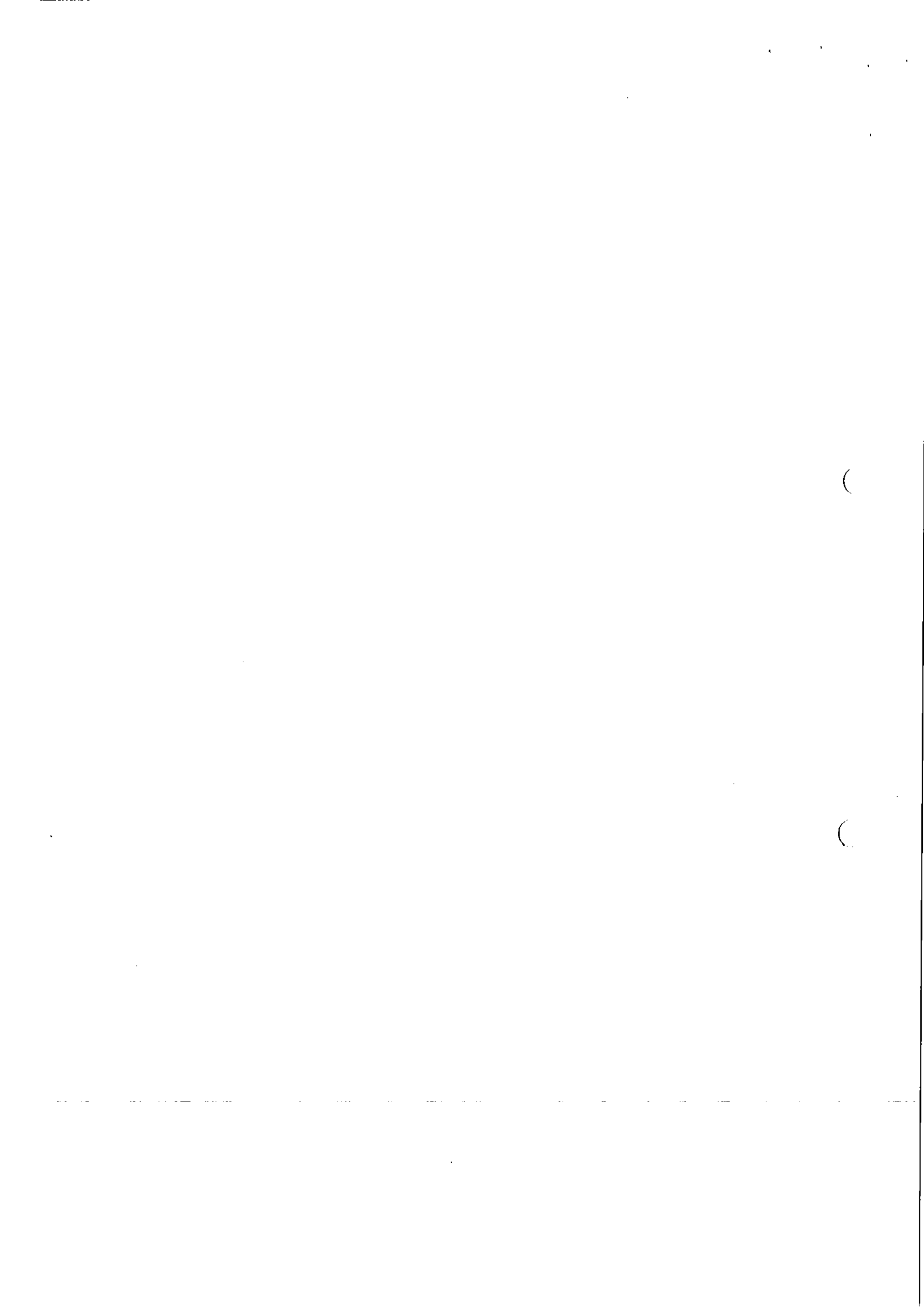
	<u>30.9.2017</u>	<u>31.3.2017</u>
	HK\$'000	HK\$'000
a) Notional Amount		
i) Exchange rate contracts	10,257,811	10,450,736
ii) Interest rate contracts	14,670,354	16,714,894
TOTAL	<u>24,928,165</u>	<u>27,165,630</u>
b) Fair Value of Derivative contracts (Gross)		
i) Exchange rate contracts	(21,084)	43,159
ii) Interest rate contracts	22,134	34,504
TOTAL	<u>1,050</u>	<u>77,663</u>

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

3. Off Balance Sheet Exposure other than derivative transactions

	<u>30.9.2017</u>	<u>31.3.2017</u>
	HK\$'000	HK\$'000
Notional Amount		
i) Direct credit substitutes	2,322,455	2,646,260
ii) Trade-related contingent items	368,548	326,999
TOTAL	<u>2,691,003</u>	<u>2,973,259</u>





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

III. Additional Information - continued

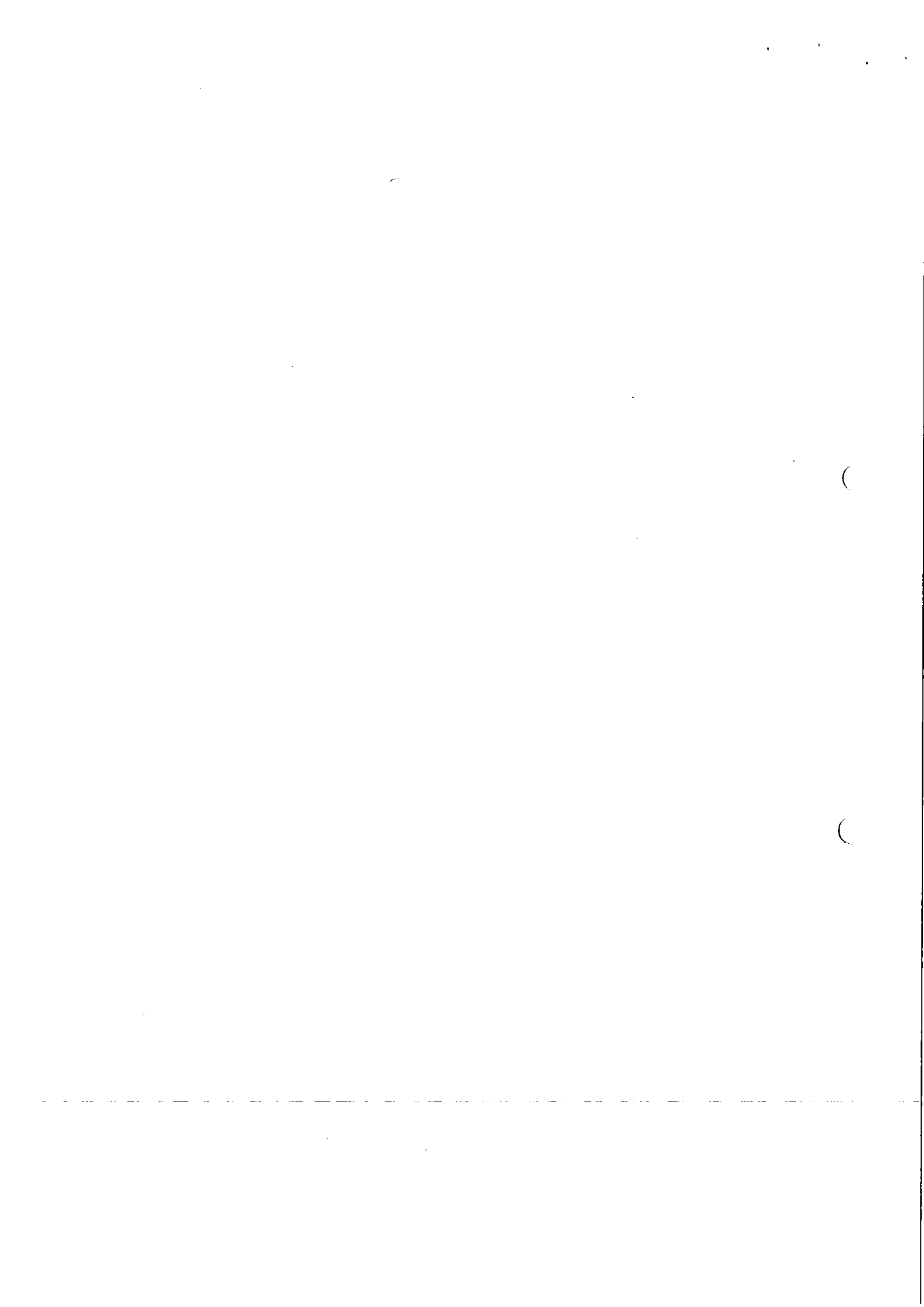
4. International Claims

	30.9.2017					
	(HK\$ in Million)					
	Banks	Official Sector	Non-bank private sector		Others	Total
financial institutions			Non-financial private sector			
Developed countries	1,290	-	-	1,828	-	3,118
Of which United States	280	-	-	774	-	1,054
Of which United Kingdom	827	-	-	250	-	1,077
Of which Canada	-	-	-	375	-	375
Of which Netherlands	-	-	-	382	-	382
Offshore centres	296	-	-	2,174	-	2,470
Of which Singapore	-	-	-	951	-	951
Of which Mauritius	-	-	-	574	-	574
Of which Cayman Islands	-	-	-	243	-	243
Developing Europe	185	-	-	-	-	185
Developing Latin America and Caribbean	-	-	-	285	-	285
of which Mexico	-	-	-	274	-	274
Developing Africa and Middle East	298	-	-	545	-	843
of which UAE	-	-	-	545	-	545
Developing Asia-Pacific	2,223	-	-	9,233	-	11,456
Of which India	1,478	-	-	8,341	-	9,819
Of which Sri Lanka	743	-	-	250	-	993
Of which Indonesia	-	-	-	464	-	464
International organisations	-	-	-	-	-	-
Unallocated by country	-	-	-	-	-	-
	4,292			14,065		18,357

	31.3.2017					
	(HK\$ in Million)					
	Banks	Official Sector	Non-bank private sector		Others	Total
financial institutions			Non-financial private sector			
Developed countries	458	-	-	2,183	-	2,641
Of which United States	211	-	-	823	-	1,034
Of which United Kingdom	98	-	-	753	-	851
Offshore centres	399	-	-	1,641	-	2,040
Of which Singapore	-	-	-	980	-	980
Developing Europe	220	-	-	-	-	220
Developing Latin America and Caribbean	-	-	-	281	-	281
of which Mexico	-	-	-	273	-	273
Developing Africa and Middle East	333	-	-	681	-	1,014
Developing Asia-Pacific	1,093	-	-	8,053	-	9,146
Of which India	1,093	-	-	7,514	-	8,607
International organisations	-	-	-	-	-	-
Unallocated by country	-	-	-	-	-	-
	2,503			12,839		15,342

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
INTERIM DISCLOSURE STATEMENT
SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

III. Additional Information - continued

5. Advances to customers

	<u>30.9.2017</u>	<u>31.3.2017</u>
	HK\$'000	HK\$'000
<u>i) By Sectors</u>		
<u>Loans for use in Hong Kong</u>		
a) Industrial, commercial & financial		
- Information Technology	-	-
- Wholesale and retail trade	158,572	63,509
- Financial	216,294	222,803
b) Individuals		
For other* business purposes	-	-
For other* private purposes	-	-
<u>Loans for use outside Hong Kong</u>	13,131,546	11,900,428
TOTAL **	<u>13,506,412</u>	<u>12,186,740</u>

* 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\$ 5,102,185 ('000) as at 30th September 2017 and HK\$ 4,172,357 ('000) as at 31st March 2017 .

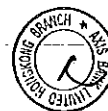
ii) By Geographical Areas

Hong Kong	371,230		286,312	
India	8,903,454	*	8,859,216	*
Others	4,231,728	**	3,041,212	**
TOTAL	<u>13,506,412</u>		<u>12,186,740</u>	

*Out of the loans to India HK\$ 1,101,087 ('000s) as at 30th September 2017 and HK\$ 831,006 ('000s) as at 31st March 2017 were impaired loans .

** Out of the loans to Others \$463,595 (HK\$ '000s) as at 30th September 2017 and \$ 461,195 (HK\$'000) as at 31st March 2017 and were impaired loans .

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.



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

III. Additional Information - continued

6. Mainland Activities Exposures

	30.9.2017 HK\$ million			31.3.2017 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 (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	-	-	-	-	-	-
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	-	284	284	-	194	194
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China	-	-	-	-	-	-
Total	-	284	284	-	194	194
Total assets after provision	17,669			14,584		
On-balance sheet exposures as percentage of total assets	0%			0%		

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

III. Additional Information - continued

7. Overdue and Rescheduled Assets of Customers

Overdue Loans and Advances to customers

	30.9.2017 (HK\$'000)				31.3.2017 (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 3 months but not more than 6 months	1,008	0.01	1,008	151	424,276	3.48	747,972	112,994
More than 6 months but not more than one year	796,589	5.90	794,636	119,488	-	-	-	-
More than one year	739,612	5.48	276,027	739,612	538,906	4.42	-	538,906

There were no other assets overdue for more than 3 months as at 30th September 2017 and 31st March 2017 .

There were no rescheduled loans and advances as at 30th September 2017 and 31st March 2017 .

There were no repossessed assets as at as at 30th September 2017 and 31st March 2017 .

8. Overdue and Rescheduled Assets to banks and other Financial Institutions

There were no advances to banks overdue for more than 3 months as at 30th September 2017 and 31st March 2017 .

There were no other assets overdue for more than 3 months as at 30th September 2017 and 31st March 2017 .

There were no rescheduled loans and advances as at 30th September 2017 and 31st March 2017 .

There were no repossessed assets as at 30th September 2017 and 31st March 2017 .



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

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.

	<u>30.9.2017</u>						Total
	(HK\$ Million)						
	US\$	GBP	EUR	CAD	AUD	SGD	
Spot assets	17,056	901	480	182	28	7	18,654
Spot liabilities	(18,021)	(72)	(237)	(26)	(88)	(13)	(18,457)
Forward purchases	5,430	1,884	1,515	14	509	303	9,655
Forward sales	(4,445)	(2,713)	(1,758)	(170)	(449)	(298)	(333)
Net options	-	-	-	-	-	-	-
Net long (short) position	20	-	-	-	-	(1)	19

	<u>31.3.2017</u>						Total
	(HK\$ Million)						
	US\$	GBP	EUR	CAD	AUD	SGD	
Spot assets	13,944	605	547	174	31	50	15,351
Spot liabilities	(14,764)	(38)	(217)	(19)	(87)	(14)	(15,139)
Forward purchases	5,628	1,700	1,356	247	528	293	9,752
Forward sales	(4,750)	(2,265)	(1,686)	(402)	(472)	(329)	(9,904)
Net options	-	-	-	-	-	-	-
Net long (short) position	58	2	-	-	-	-	60

There is no net structural position constituting 10% or more of the total net structural position in any foreign currencies as at 30th September 2017 and 31st March 2017 .

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

III. Additional Information - continued

10. Liquidity

	Six Months ended 30.09.2017	Six Months ended 30.09.2016
Average Liquidity Maintenance Ratio	<u>59.45%</u>	<u>85.84%</u>

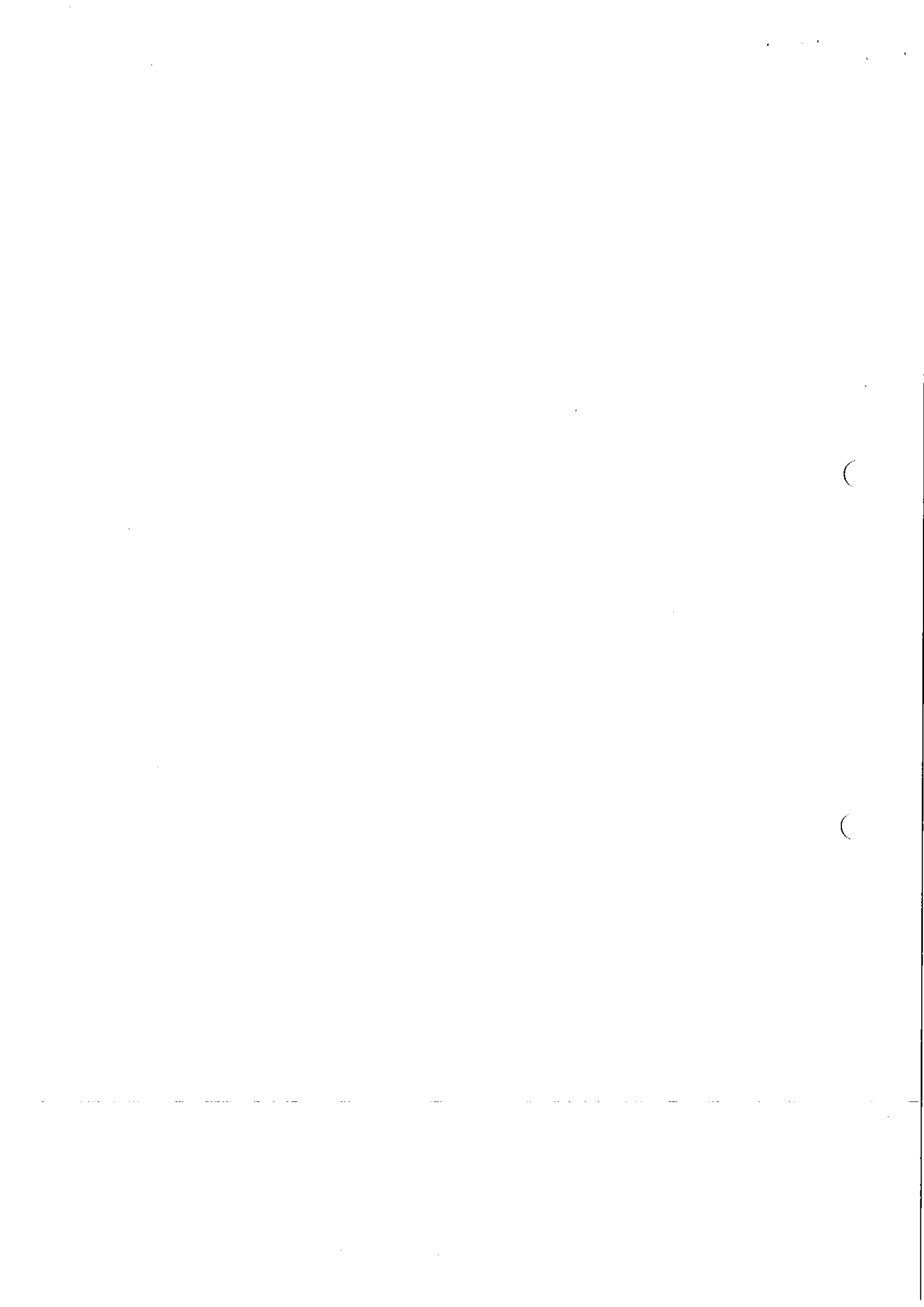
Average Liquidity Maintenance Ratio is calculated as the simple average of each month's average liquidity ratio for the six months of the financial year computed in accordance with Banking Liquidity Rules.

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 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 mis-matches. 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 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 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
INTERIM DISCLOSURE STATEMENT
SECTION B - BANK INFORMATION CONSOLIDATED BASIS

1. Capital and Capital Adequacy

	<u>31.3.2017</u> HK\$'000	<u>31.3.2016</u> HK\$'000
<u>i) Capital</u>		
Shareholders' Funds	<u>67,279,654*</u>	<u>62,678,476**</u>
<u>ii) Capital Adequacy Ratio***</u>	<u>14.95%</u>	<u>15.29%</u>

***Capital Adequacy Ratio is calculated on standalone basis in accordance with the requirements of Reserve Bank of India.

2. Other financial information

Total Assets	729,668,270*	622,625,175**
Total Liabilities	662,388,616*	559,946,699**
Total Advances	454,749,717*	403,350,867**
Total Customer Deposits	<u>476,093,316*</u>	<u>405,184,817**</u>

Year ended	Year ended
<u>31.3.2017</u>	<u>31.3.2016</u>


Pre-tax Profit	<u>7,088,071*</u>	<u>14,927,849**</u>
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* Indian Rupee converted to HK\$ @ 8.38 (31st March 2017)

** Indian Rupee converted to HK\$ @ 8.545 (31st March 2016)

Declaration of Chief Executive Officer

We have prepared the financial disclosure statement of Axis Bank Limited, Hong Kong Branch for the six months ended 30th September 2017. The information disclosed complies fully with the Banking (Disclosure) Rules made by the Hong Kong Monetary Authority under Section 60A of the Banking Ordinance (Cap.155). To the best of my knowledge, the Disclosure Statement is not false or misleading.


V Ramasubramanian
Alternate Chief Executive
Axis Bank Limited
Hong Kong

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