

**BANK OF INDIA HONG KONG BRANCH**

**INTERIM FINANCIAL DISCLOSURE STATEMENT**

**FOR THE HALF YEAR ENDED  
30TH SEPTEMBER 2018**



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

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

**I. Profit & Loss**

	30.09.2018 (HK\$'000)	30.09.2017 (HK\$'000)
<b>Income</b>		
(a) Interest income	372,481	283,842
(b) Interest expense	(328,400)	(196,395)
Net interest income	44,081	87,447
(c) Other operating income		
(i) Gain less losses arising from trading in foreign currencies	2,312	2,458
(ii) Gain less losses on securities held for trading purposes	0	0
(iii) Gain less losses from other trading activities	0	0
Gross fees and commission income	9,887	9,890
Gross fees and commission expenses	0	0
(iv) Net fees and commission	9,887	9,890
(v) Other income	1,927	1,779
<b>Total Income</b>	<b>58,207</b>	<b>101,574</b>
<b>Expenses</b>		
(d) Operating expenses		
Salary and rental expenses	(15,723)	1,537
Others	(6,505)	(4,846)
Net charge for other provision	(2,548)	4,364
(e) Impairment losses and provision for impaired loans and receivables	(569,694)	(315,622)
(f) Gains less losses from the disposal of property, plant and equipment and investment properties	0	0
<b>Total Expenses</b>	<b>(594,470)</b>	<b>(314,567)</b>
(g) Profit before taxation	(536,263)	(212,993)
(h) Tax expense or tax income	27,411	(12,000)
(i) <b>PROFIT AFTER TAXATION</b>	<b>(508,852)</b>	<b>(224,993)</b>



**BANK OF INDIA HONG KONG BRANCH**

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

**II. Balance Sheet**

	30.09.2018 (HK\$'000)	31.03.2018 (HK\$'000)
<b>ASSETS</b>		
(i) Cash & Balances with Banks	2,398,019	1,000,308
(ii) Placements with banks which have a residual contractual maturity of more than one month but not more than twelve months	4,150,968	5,149,682
(iii) Amount due from overseas offices of the institution	1,441,841	5,183,476
(iv) Trade Bills	1,842,302	903,388
(v) Certificates of deposits held	0	0
(vi) Securities held for trading purposes	0	0
(vii) Loans and receivables		
(A) Loans and advances to customers	12,228,817	9,815,146
(B) Loans and advances to banks	0	2,313,006
(C) Accrued interest and other accounts	1,801,397	177,662
(D) Provision for impaired loan and receivables		
(I) Provision for impaired loans & receivable (collective)	(100,688)	(78,791)
(II) Provision for impaired loans & receivable (specific)	(258,416)	(1,349,861)
(III) Provision against value of other claim & investment	(127,976)	(125,776)
(viii) Investment securities	683,195	573,071
(ix) other investments	257,212	250,412
(x) Property, Plant and Equipment	177,951	179,532
(xi) <b>Total Assets</b>	<b>24,494,622</b>	<b>23,991,255</b>
<b>Liabilities</b>		
(i) Deposits and balances from banks	16,724,280	12,703,365
(ii) Deposits from customers		
(A) Demand deposits and current accounts	358,780	416,040
(B) Savings deposits	49,274	53,277
(C) Time, call and notice deposits	3,092,409	2,736,085
(iii) Amount due to overseas offices of the institution	2,991,418	7,892,430
(iv) Certificates of deposit issued	0	0
(v) Issued debt securities	0	0
(vi) Other liabilities	1,272,461	184,058
(vii) Provision for taxation	6,000	6,000
(viii) <b>Total Liabilities</b>	<b>24,494,622</b>	<b>23,991,255</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	Specific Provision	Current market value of collateral	% to total loans and advances
As on 30.09.2018	559.623	225.544	540.558	4.58%
As on 31.03.2018	2108.897	1,149.902	1603.482	21.48%

There is no impaired loans and advances to banks as at 30th September 2018 and 31st March 2018.

**2 Derivatives**

	30.09.2018	31.03.2018
Notional Amount:	(HK\$'000)	(HK\$'000)
(a) Exchange rate contracts	5,219,833	3,139,252
(b) Interest rate contracts	145,577	469,334
<b>Total</b>	<b>5,365,410</b>	<b>3,608,586</b>

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

	30.09.2018	31.03.2018
	(HK\$'000)	(HK\$'000)
(a) Exchange rate contracts	(7,851)	(3,202)
(b) Interest rate contracts	2,040	(4,997)
<b>Total</b>	<b>(5,811)</b>	<b>(8,199)</b>

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**

	30.09.2018	31.03.2018
	(HK\$'000)	(HK\$'000)
(a) Direct credit substitutes	267,940	125,704
(b) Transaction related contingencies	0	0
(c) Trade-related contingent items	48,743	189,712
<b>Total</b>	<b>316,683</b>	<b>315,416</b>



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

**4 INTERNATIONAL CLAIMS**

(HKD Million)

As at 30.09.2018	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>68</b>	<b>487</b>	<b>0</b>	<b>21</b>	<b>0</b>	<b>576</b>
of which Canada	1	0	0	0	0	1
of which Australia	1	0	0	0	0	1
of which Luxembourg	1	0	0	0	0	1
of which U.S.A.	1	487	0	21	0	509
of which United Kingdom	27	0	0	0	0	27
of which Netherland	36	0	0	0	0	36
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
<b>2 Offshore Centres</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>343</b>	<b>0</b>	<b>343</b>
of which Singapore	0	0	0	288	0	288
of which Hong Kong	0	0	0	55	0	55
<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>78</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>86</b>
of which U.A.E.	78	0	0	8	0	86
<b>6 Developing Asia-Pacific</b>	<b>9,313</b>	<b>0</b>	<b>0</b>	<b>11,292</b>	<b>0</b>	<b>20,605</b>
of which China	1,671	0	0	26	0	1,697
of which Sri Lanka	79	0	0	0	0	79
of which India	7,563	0	0	11,230	0	18,793
of which Malaysia	0	0	0	1	0	1
of which Indonesia	0	0	0	8	0	8
of which Bangladesh	0	0	0	24	0	24
of which Taiwan	0	0	0	3	0	3
<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 31.03.2018	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>79</b>	<b>426</b>	<b>0</b>	<b>19</b>	<b>0</b>	<b>524</b>
of which Canada	3	0	0	0	0	3
of which Australia	4	0	0	0	0	4
of which Luxembourg	0	0	0	0	0	0
of which U.S.A.	11	426	0	19	0	456
of which United Kingdom	18	0	0	0	0	18
of which Netherland	36	0	0	0	0	36
of which Germany	6	0	0	0	0	6
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>377</b>	<b>0</b>	<b>377</b>
of which Singapore	0	0	0	191	0	191
of which Hong Kong	0	0	0	186	0	186
<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>79</b>	<b>0</b>	<b>79</b>
of which U.A.E.	0	0	0	79	0	79
<b>6 Developing Asia-Pacific</b>	<b>13,668</b>	<b>0</b>	<b>0</b>	<b>8,599</b>	<b>0</b>	<b>22,267</b>
of which China	1,817	0	0	27	0	1,844
of which Sri Lanka	0	0	0	0	0	0
of which India	11,851	0	0	8,519	0	20,370
of which Malaysia	0	0	0	1	0	1
of which Indonesia	0	0	0	18	0	18
of which Bangladesh	0	0	0	28	0	28
of which Vietnam	0	0	0	6	0	6
<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)

	30.09.2018			31.03.2018		
	Loans	of which Overdue Loans	of which Impaired Loans	Loans	of which Overdue Loans	of which Impaired Loans
Hong Kong	1,605,657	176,818	43,611	2,271,794	779,770	746,152
China	871	0	0	9,594	0	0
Bangladesh	23,620	0	0	27,546	0	0
Malaysia	1,522	0	0	1,500	0	0
U.A.E.	21,157	0	0	18,982	0	0
India	10,575,990	517,925	516,012	7,375,420	5,192,590	1,263,470
Singapore	0	0	0	11,035	0	0
Indonesia	0	0	0	99,275	99,275	99,275
Netherland	0	0	0	0	0	0
U.S.A.	0	0	0	0	0	0
Total	12,228,817	694,743	559,623	9,815,146	6,071,635	2,108,897

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

6 Loan and Advances to customer

(HK\$' 000)

SECTOR INFORMATION

Loans and advances for use in Hong Kong	30.09.2018		31.03.2018	
	Amount	Collateral and Security	Amount	Collateral and Security
(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	20,092	20,092	20,502	20,502
(F) Manufacturing	0	0	0	0
(G) Transport and transport equipment	0	0	43,707	0
(H) Recreational activities	0	0	0	0
(I) Information Technology	0	0	0	0
(J) Others	0	0	8,957	8,957
(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	47,542	47,542	33,448	33,448
(b) Trade finance	1,559,180	757,784	2,255,228	745,343
(c) Loan and advances for use outside Hong Kong	10,602,003	922,087	7,453,304	1,716,809
Total	12,228,817	1,747,505	9,815,146	2,525,059





Overdue Loans and Advances to customers 30.09.2018 (HK\$'000)

	Amount	% to total loans and advances	Current market value of collateral	Covered portion	Uncovered portion	Specific Provision
(i) more than 3 months but not more than 6 months	992	0.01%	992	992	0	0
(ii) more than 6 months but not more than one year	8,885	0.07%	3,624	3,624	5,261	6,167
(iii) more than one year	550,738	4.50%	536,934	536,934	13,804	219,377
Total	560,615	4.58%	541,550	541,550	19,065	225,544

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

Overdue Loans and Advances to customers 31.03.2018 (HK\$'000)

	Amount	% to total loans and advances	Current market value of collateral	Covered portion	Uncovered portion	Specific Provision
(i) more than 3 months but not more than 6 months	83,415	0.85%	180,522	74,954	8,461	18,019
(ii) more than 6 months but not more than one year	406,239	4.14%	445,327	362,456	43,783	113,680
(iii) more than one year	1,318,024	13.43%	715,724	715,724	602,300	961,758
Total	1,807,678	18.42%	1,341,573	1,153,134	654,544	1,093,457

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

30.09.2018 31.03.2018  
(HK\$'000) (HK\$'000)

Current market value of collateral held against the covered portion of impaired loans and advances	540,558	1,603,482
Covered portion of impaired loans and advances	540,558	1,603,482
Uncovered portion of impaired loans and advances	19,065	505,415

There is no overdue loans and advances to banks at the end of September 2018 and March 2018.

#### 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 2018 and March 2018.

There was no rescheduled loans and advances to banks at the end of September 2018 and March 2018.

#### Other overdue Assets

(HK\$'000)

	30.09.2018		31.03.2018	
	Amount	Specific Provision	Amount	Specific Provision
Other Overdue Trade Bills				
more than 3 months but not more than 6 months	0	0	0	0
more than 6 months but not more than one year	1,565	1,565	112,760	112,760
more than one year	31,307	31,307	86,807	86,807

There was no repossessed assets held at the end of September 2018 and March 2018.

#### Overdue Assets to Banks and other Financial Institutions

##### Impaired investment

(HK\$'000)

	30.09.2018		31.03.2018	
	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	114,220	114,220	115,004	115,004

There are no rescheduled assets to Banks and Financial Institutions as on 30th September 2018 and 31st March 2018.



**Mainland Activities Disclosures**

Types of Counterparties	[A] On-balance sheet exposure HK\$ million		[B] Off-balance sheet exposure HK\$ million		[A] + [B] Total HK\$ million	
	30.09.2018	31.03.2018	30.09.2018	31.03.2018	30.09.2018	31.03.2018
	1 Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	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	0.871	9.594	0	0	0.871	9.594
<b>Total</b>	<b>0.871</b>	<b>9.594</b>	<b>0</b>	<b>0</b>	<b>0.871</b>	<b>9.594</b>
Total assets after provision	24494.622	23991.255				
On-balance sheet exposures as percentage of total assets	0.00%	0.04%				





**BANK OF INDIA HONG KONG BRANCH**

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

**9 Foreign Currency Exposure**

		(equivalent in HK\$ million)				
		30.09.2018	30.09.2018	30.09.2018	30.09.2018	30.09.2018
		US\$	GBP	JPY	EUR	TOTAL
(a)	Spot assets	22,597	4	15	458	23,074
(b)	Spot liabilities	(24,589)	(59)	(15)	(26)	(24,689)
(c)	Forward Purchase	2,658	88	0	54	2,800
(d)	Forward Sales	(666)	(33)	0	(486)	(1,185)
(f)	Net long/short position	0	0	0	0	0

		(equivalent in HK\$ million)				
		31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
		US\$	GBP	JPY	EUR	TOTAL
(a)	Spot assets	23,990	5	17	510	24,522
(b)	Spot liabilities	(25,007)	(62)	(17)	(27)	(25,113)
(c)	Forward Purchase	1,758	125	0	31	1,914
(d)	Forward Sales	(738)	(71)	0	(514)	(1,323)
(f)	Net long/short position	3	(3)	0	0	0

There is no net structural position which constitutes 10% or more of the total net structural position in all currencies at the end of September 2018 and March 2018.

**10 Liquidity**

	30.09.2018	30.09.2017
Average liquidity maintenance ratio (LMR)	(6 Months)	(6 Months)
(April 2018 to September 2018)	67.53%	200.29%

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.

	30.09.2018	30.06.2018
Average liquidity maintenance ratio (LMR)	(3 months)	(3 months)
	68.25%	66.81%

Average Liquidity Maintenance Ratio is calculated as the simple average of each month's average liquidity maintenance ratio for the three 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 30.09.2018	
	(HK\$' 000)	Beneficiaries
Fixed remuneration	2,374	15
Variable remuneration	68	4
<b>Total</b>	<b>2,442</b>	
	Year ended 31.03.2018	
	(HK\$' 000)	Beneficiaries
Fixed remuneration	4,349	16
Variable remuneration	0	0
<b>Total</b>	<b>4,349</b>	

(ii) No senior management or key personnel has been awarded with deferred remuneration during the six months ended September 2018 and March 2018.

(iii) No senior management or key personnel has been awarded with new sign-on or severance payment during the six months ended September 2018 and March 2018.



**13 Bank Information (Consolidated Basis)**

(Available in Bank's web site)

<b>Capital and capital adequacy</b>	31.03.2018 (HK\$' 000)	31.03.2017 (HK\$' 000)
Shareholders' funds (Capital)	2,099,957	1,264,584
Shareholders' funds (Reserve)	42,165,759	36,965,668
Capital adequacy ratio (Basel-III)	13.54%	12.62%

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

<b>Other financial information</b>	31.03.2018 (HK\$' 000)	31.03.2017 (HK\$' 000)
(a) Total assets	740,864,613	757,271,192
(b) Total liabilities	696,598,897	719,040,940
(c) Total advances	413,421,793	441,318,529
(d) Total deposits	629,843,562	581,062,717
	Year ended 31.03.2018 (HK\$' 000)	Year ended 31.03.2017 (HK\$' 000)
(e) Pre-tax profit (loss)	(10,429,067)	(2,742,005)

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

INR converted to HKD i.e. @ HKD 1 = 8.3036 (31.03.2018)



**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 2018. 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

