

**CANARA BANK, HONG KONG**  
**INTERIM DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**I. Profit and Loss Account**

**For the six months ended 30th September 2020**

	<u>30.09.2020</u> (HK\$'000)	<u>30.09.2019</u> (HK\$'000)
<b><u>INCOME</u></b>		
Interest income	80,926	173,542
Interest expenses	(70,043)	(171,114)
Net interest income	<u>10,883</u>	<u>2,428</u>
 <u>Other Operating Income</u>		
Gains less losses from dealing in foreign currencies	2,569	37,869
Gains less losses from trading in interest rate derivatives		
Gains less losses from non-trading Investments		
Fees and commission income (Expense- NIL)	2,133	4,553
Others	4,720	497
<b>Total Income</b>	<u>20,305</u>	<u>45,347</u>
 <b><u>EXPENDITURE</u></b>		
<u>Operating Expenses</u>		
Staff and rental expenses	4,983	5,799
Other expenses	773	3,157
Net charge for other provisions	3,130	(10,219)
Operating Profit before Impairment Losses	11,419	46,610
Impairment losses and provisions for impaired loans and receivables	474,975	202,460
<b>Profit before Taxation</b>	(463,556)	(155,850)
<b>Taxation Expense</b>	<u>2,946</u>	<u>239</u>
<b>Profit ( Loss) after Taxation</b>	<u>(460,610)</u>	<u>(155,611)</u>



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**II. Balance Sheet**

**As at 30th September 2020**

	<u>30.09.2020</u> (HK\$'000)	<u>31.03.2020</u> (HK\$'000)
<b>ASSETS</b>		
1. Cash and balances with banks (except those included in amount due from overseas offices)	2,691,492	584,406
2. Placement with banks which have a residual contractual maturity of more than one month but not more than 12 months (except those included in amount due from overseas offices)	3,634,750	1,062,243
2a. Placement with banks which have a residual contractual maturity of more than 12 months (except those (included in amount due from overseas offices)		
3. Amount due from overseas offices	1,007,607	581,669
4. Trade Bills	1,720,817	6,445,613
5. Certificates of Deposit held	-	-
6. Securities held for trading purposes	-	-
7. Loans and Receivables		
Advances to customers	1,596,103	1,284,748
Advances to banks	193,750	193,834
Other Accounts (Accrued interest and others)	505,942	385,159
Provision for impaired loans and receivables - collective	(17,282)	(17,367)
Provision for impaired loans and receivables - specific	(97,364)	(51,384)
8. Investment Securities	261,041	339,408
9. Other Investments	-	-
10. Property, plant and equipment and investment properties	2,993	3,100
<b>Total Assets</b>	<u>11,499,849</u>	<u>10,811,429</u>
<b>LIABILITIES</b>		
Deposits and balances of banks (except those included in amount due from overseas offices)	4,239,250	6,664,219
2. Deposits from customers		
i) Demand deposits and current accounts	62,152	34,639
ii) Savings deposits	7,197	6,437
iii) Time, call and notice deposits	237,838	335,444
3. Amount due to overseas offices	6,452,503	3,334,030
4. Certificates of Deposit issued	-	-
5. Issued Debt Securities	-	-
6. Other liabilities (Accrued interest and others)	497,499	433,248
7. Other Provisions	3,410	3,412
<b>Total Liabilities</b>	<u>11,499,849</u>	<u>10,811,429</u>



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**III. Additional Information**

**1. Impaired Loans and Advances**

There were no impaired loans and advances to banks as at 30th September 2020 and 31st March 2020.

There were impaired loans and advances to other customers to the extent of 131779 (HK\$'000) as at 30th September 2020 and 174782 (HK\$ '000s) as at 31st March 2020 .

**2. Derivatives**

	<u>30.9.2020</u> (HK\$'000)	<u>31.3.2020</u>
a) Notional Amount		
i) Exchange rate contracts	-	-
ii) Interest rate contracts	137,504	4,227,383
TOTAL	<u>137,504</u>	<u>4,227,383</u>
b) Fair Value of Derivative contracts (Gross)		
i) Exchange rate contracts	-	-
ii) Interest rate contracts	-	-
TOTAL	<u>-</u>	<u>-</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>30.9.2020</u> (HK\$'000)	<u>31.3.2020</u> (HK\$'000)
Notional Amount		
i) Direct credit substitutes	-	-
ii) Trade related contingent items	10,644	9,013
iii) Other commitments	-	-
TOTAL	<u>10,644</u>	<u>9,013</u>



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**III. Additional Information - continued**

**4 INTERNATIONAL CLAIMS**

**30th September 2020**

	Banks	Official Sector	Non-Bank Private Sector		Others	Total
			Non-Bank Financial Institutions	Non-Financial Private		
HK \$ Million						
1 Developed Countries	1,938	-	-	179	-	2,117
Of which United Kingdom	1,046	-	-	10	-	1,056
Of which United States	-	-	-	169	-	169
2 Offshore Centres	233	-	-	567	-	800
Of which Singapore	233	-	-	567	-	800
3 Developing Europe	-	-	-	-	-	-
4 Developing Latin America & Carribean	-	-	-	56	-	56
5 Developing Africa & Middle East	1,605	-	-	534	-	2,139
Of which UAE	1,101	-	-	530	-	1,631
6 Developing Asia-Pacific	1,697	-	-	1,512	-	3,209
Of which India	1,697	-	-	1,368	-	3,065
Of which China	-	-	-	-	-	-
7 International Organisations	-	-	-	-	-	-
8 Unallocated by Country	-	-	-	-	-	-
TOTAL	5,473	-	-	2,848	-	8,321

**31st March 2020**

	Banks	Official Sector	Non-Bank Private Sector		Others	Total
			Non-Bank Financial Institutions	Financial Private Sector		
HK \$ Million						
1 Developed Countries	787	-	-	325	-	1,112
Of which United Kingdom	388	-	-	10	-	398
Of which United States	11	-	-	313	-	324
2 Offshore Centres	-	-	-	834	-	834
Of which Singapore	-	-	-	834	-	834
3 Developing Europe	-	-	-	-	-	-
4 Developing Latin America & Middle East	-	-	-	16	-	16
5 Developing Africa & Middle East	403	-	-	237	-	640
Of which UAE	403	-	-	236	-	639
6 Developing Asia-Pacific	931	-	-	5,448	-	6,379
Of which India	737	-	-	5,382	-	6,119
Of which China	194	-	-	-	-	194
7 International Organisations	-	-	-	-	-	-
8 Unallocated by Country	-	-	-	-	-	-
TOTAL	2,121	-	-	6,860	-	8,981

International claims are derived according to the location of counter parties on which the ultimate risk lies after taking into account any transfer of risk.



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**III. Additional Information - continued**

**5. Advances to Customers**

	<u>30.9.2020</u>	<u>31.3.2020</u>
	(HK\$'000)	(HK\$'000)
a. <u>By Sectors</u>		
<u>Loans for use in Hong Kong</u>		
i) Industrial, commercial & financial wholesale and retail trade		
Transport and transport equipment	-	-
ii) Individuals		
For other* business purposes	-	-
For other* private purposes	-	-
iii) All Others	-	-
<u>Trade Financing</u>	248,467	305,228
<u>Loans for use outside Hong Kong</u>	1,541,386	1,173,354
TOTAL **	<u>1,789,853</u>	<u>1,478,582</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 \$39002 (HK\$'000) as at 30th September 2020 and \$81545 (HK\$'000) as at 31st March 2020 .

b. By Geographical Areas

Hong Kong	248,467	*	305,229	*
India	1,189,430	**	821,210	**
Singapore	351,956	***	352,143	***
United Arab Emirates	-	****	-	****
Others	-		-	
TOTAL	<u>1,789,853</u>		<u>1,478,582</u>	

Out of the loans to Hong Kong there were impaired loans to the extent of HK\$ 131779 ('000s) as at 30th September 2020 and HK\$174782 ('000s) as at 31st March 2020 .

Out of the loans to India there were impaired loans to the extent of HK\$ 0 ('000s) as at 30th September 2020 and HK\$ 0 ('000s) as at 31st March 2020.

Out of the loans to Singapore there were impaired loans to the extent of HK\$ 0 ('000s) as at 30th September 2020 and HK\$ 0 ('000s) as at 31st March 2020.

Out of the loans to United Arab Emirates there were impaired loans to the extent of HK\$ 0 ('000s) as at 30th September 2020 and HK\$ 0 ('000s) as at 31st March 2020.

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 counterparty.



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**III. Additional Information - continued**

**6. Overdue and Rescheduled Assets**

**Overdue Loans and Advance to customers**

	<u>30.9.2020</u>				<u>31.3.2020</u>			
	(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 3 months but not more than 6 months		-	39,002	20,837	174,769	11.82	81,545	1
More than 6 months but not more than one year	107,032	5.98						
More than one year	24,747	1.38			13	-		

There were no overdue of loans and advance to banks as at 30th September 2020 and 31st March 2020 .

There were no rescheduled loans and advance to customers and banks as at 30th September 2020 and 31st March 2020 .

There were no repossessed assets held as at 30th September 2020 and 31st March 2020.

There were other assets overdue for more than 3 months to the extent of HK\$ 764863 ('000s) as at 30th September 2020 and HK\$ 1220818 ('000s) as at 31st March 2020.



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**III. Additional Information - continued**

**7 Non-bank Mainland Activities**

Type of counterparties	30.9.2020 (HK\$'000)			31.3.2020 (HK\$'000)		
	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	-	-	-	-	-	-
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-	-	-	-
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total assets after provision	11,499,849			10,811,429		
On-balance sheet exposures as percentage of total assets	0.00			0.00		



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**III. Additional Information - continued**

**8 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>30.9.2020</u> (HK\$ Million)			
	US\$	CHF	EUR	Total
Spot assets	11,459	-	129	11,588
Spot liabilities	(11,598)	(2)		(11,600)
Forward purchases	137	-	-	137
Forward sales	-	-	-	-
Net options	-	-	-	-
Net long (short) position	<u>(2)</u>	<u>(2)</u>	<u>129</u>	<u>125</u>

	<u>31.3.2020</u> (HK\$ Million)			
	US\$	CHF	GBP	Total
Spot assets	6,643	4,228	-	10,871
Spot liabilities	(10,861)	(3)	(5)	(10,869)
Forward purchases	4,227	-	-	4,227
Forward sales	-	(4,227)	-	(4,227)
Net options	-	-	-	-
Net long (short) position	<u>9</u>	<u>(2)</u>	<u>(5)</u>	<u>2</u>

There is no net structural position constituting 10% or more of the total net structural position in all foreign currencies as at 30th September 2020 and 31st March 2020 .





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

**10. Liquidity**

	Six Months ended 30.9.2020	Six Months ended 30.9.2019
<b>Average Liquidity Maintenance Ratio</b>	<b><u>88.78%</u></b>	<b><u>83.86%</u></b>

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

**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. 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, 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 the different scenarios of adverse condition viz conditions particular to the Bank, general market conditions and the combined effects of both. The Bank 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, or 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.



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**10. Remuneration System**

The senior management and the key personnel of the branch are Bank's officers from India, the remuneration package 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 for the six months ended 30th September 2020.

	HK\$ ('000s)	Beneficiaries
Fixed remuneration	363	2
Variable remuneration	-	-
<b>Total</b>	<b>363</b>	<b>2</b>

- (ii) No senior management or key personnel has been awarded with deferred remuneration during the six months ended 30th September 2020.  
and  
(iii) No senior management or key personnel has been awarded with new sign-on or severance payment during the six months ended 30th September 2020.



**CANARA BANK, HONG KONG**  
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**SECTION B - BANK INFORMATION CONSOLIDATED BASIS**

**AVAILABLE FROM THE BANK'S WEBSITE**

**1. Capital and Capital Adequacy**

	<u>31.03.2020</u> (HK\$'000)	<u>31.03.2019</u> (HK\$'000)
a) Capital		
Shareholders' Funds	<u>53,144,284*</u>	<u>43,073,406*</u>
b) Capital Adequacy Ratio ***		
Basel III	<u>13.72%</u>	<u>11.99%</u>

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

**2. Other Financial Information**

	<u>31.03.2020</u> (HK\$'000)	<u>31.03.2019</u> (HK\$'000)
Total Assets	956,252,928*	813,466,069*
Total Liabilities	903,108,644*	770,392,663*
Total Advances	557,680,798*	489,274,023*
Total Customer Deposits	<u>806,603,792*</u>	<u>684,712,023*</u>

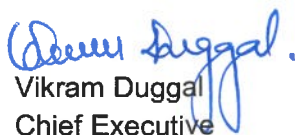
	<u>Year</u> <u>ended 31.3.2020</u> (HK\$'000)	<u>Year</u> <u>ended 31.3.2019</u> (HK\$'000)
Pre-tax Profit (Loss)	<u>(1,905,472)*</u>	<u>625,303*</u>

\* Indian Rupee converted to HK\$ @ 7.7536 (31st March 2020)

\*\* Indian Rupee converted to HK\$ @ 8.75 (31st March 2019)

**Declaration of Chief Executive Officer**

We have prepared the financial disclosure statement of Canara Bank, Hong Kong Branch for the period ended 30th September 2020. 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.

  
Vikram Duggal  
Chief Executive

Canara Bank, Hong Kong

