

BANK OF BARODA, HONG KONG BRANCH
DISCLOSURE STATEMENT
SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

I. Profit and Loss Account
For the year ended 31st March 2018

	<u>31.3.2018</u>		<u>31.3.2017</u>
	(HK \$'000)		(HK \$'000)
<u>INCOME</u>			
Interest income	257,300		275,331
Interest expenses	<u>(210,135)</u>		<u>(190,823)</u>
Net interest income	47,165		84,508
 <u>Other Operating Income</u>			
Gross fees and commission income	13,968		13,212
Less: Expenses	<u>-</u>		<u>-</u>
Net Fees and Commission Income	13,968		13,212
Gains less losses arising from trading in foreign currencies	9,426		10,750
Gains less losses from trading in securities	-		-
Profit on Sale of Fixed Assets	23,947		-
Others	<u>7,424</u>		<u>26,578</u>
Total Operating Income	101,930		135,048
 <u>EXPENSES</u>			
<u>Operating Expenses</u>			
Staff expenses	9,765		11,558
Rental Expenses	8,241		10,253
Other expenses	<u>5,848</u>	<u>23,854</u>	<u>6,270</u>
			<u>28,081</u>
Operating Profit before Impairment Losses	78,076		106,967
 Impairment losses and provisions for impaired loans and receivables			
- Collective Provision	11,996		2,309
- Specific Provision	<u>(95,993)</u>	<u>(83,997)</u>	<u>(267,795)</u>
			<u>(265,486)</u>
Profit (Loss) before Taxation	(5,921)		(158,519)
Tax Expense	(8,912)		8,204
Profit (Loss) after Taxation	<u>2,991</u>		<u>(166,723)</u>



BANK OF BARODA, HONG KONG BRANCH
DISCLOSURE STATEMENT
SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

II. Balance Sheet
As at 31st March 2018

	<u>31.3.2018</u>		<u>30.9.2017</u>
	(HK\$'000)		(HK\$'000)
<u>ASSETS</u>			
1. Cash and balances with banks	282,780		134,786
2. Placement with banks maturing between one and twelve months	667,055		1,523,243
3. Amount due from overseas offices	2,099,440		3,838,262
4. Trade Bills	2,473,649		4,209,717
5. Loans and Receivables			
Advances to customers	2,512,525	4,267,281	
Advances to banks	-	77,900	
Accrued interest and other accounts	114,496	129,123	
Provision for impaired loans and receivables - Collective	(21,107)	(17,780)	
Provision for impaired loans and receivables - specific	<u>(489,462)</u>	<u>2,116,452</u>	<u>3,977,797</u>
6. Investment Securities	463,741	(478,727)	461,928
7. Property, plant and equipment	87		5,114
Total Assets	<u>8,103,204</u>		<u>14,150,847</u>
<u>LIABILITIES</u>			
8. Deposits and balances of banks	3,388,910		6,835,524
9. Deposits from customers			
Demand deposits and current accounts	139,754	226,564	
Savings deposits	15,937	17,955	
Time, call and notice deposits	<u>2,093,905</u>	<u>2,249,596</u>	<u>2,323,816</u>
10. Amount due to overseas offices	2,400,732	2,079,297	4,900,969
11. Other liabilities	63,966		90,538
12. Other Provisions	0		0
Total Liabilities	<u>8,103,204</u>		<u>14,150,847</u>



BANK OF BARODA, HONG KONG BRANCH
DISCLOSURE STATEMENT
SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

III. Additional Information

1. Impaired Loans and Advances

There were no impaired loans and advances to banks and other financial institutions as at 31st March 2018 and 30th September 2017.

Impaired Loans and Advances to Customers

	HK\$ Million			
	Amount	Current market value of collateral	% to total loans and advances	Specific Provision
As on 31.03.2018	441.891	6,349	17.59%	425,251
As on 30.09.2017	466.417	38.241	10.73%	415,378

	<u>31.03.2018</u> HK\$ '000	<u>30.09.2017</u> HK\$ '000
<u>2. Derivatives</u>		
a) Notional Amount		
i) Exchange rate contracts	777,717	996,992
ii) Interest rate contracts	23,543	23,435
TOTAL	<u>801,260</u>	<u>1,020,427</u>
b) Fair Value of Derivative contracts (Gross)		
i) Exchange rate contracts	12,450	18,292
ii) Interest rate contracts	142	36
TOTAL	<u>12,592</u>	<u>18,328</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>31.03.2018</u> HK\$ '000	<u>30.09.2017</u> HK\$ '000
Notional Amount		
i) Direct credit substitutes	21,142	83,256
ii) Trade related contingent items	1,268,900	1,246,145
iii) Other commitments	-	-
TOTAL	<u>1,290,042</u>	<u>1,329,401</u>



BANK OF BARODA, HONG KONG BRANCH
DISCLOSURE STATEMENT
SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

III. Additional Information - continued

4 INTERNATIONAL CLAIMS

	31st March 2018					Total
	Banks	Official Sector	Non-Bank Financial Institutions	Private Financial Institutions	Others	
1 Developed Countries	146	-	-	-	-	146
Of which United States	145	-	-	-	-	145
2 Offshore Centres	386	-	-	262	-	648
Of which Singapore	386	-	-	262	-	648
3 Developing Europe	-	-	-	-	-	-
4 Developing Latin America & Carribean	-	-	-	-	-	-
5 Developing Africa & Middle East	439	-	-	-	-	439
Of which UAE	439	-	-	-	-	439
6 Developing Asia-Pacific	3,842	-	-	298	-	4,140
Of which India	3,842	-	-	298	-	4,140
7 International Organisations	-	-	-	-	-	-
8 Unallocated by Country	-	-	-	-	-	-
	4,813	-	-	560	-	5,373

	30th September 2017					Total
	Banks	Official Sector	Non-Bank Financial Institutions	Private Financial Institutions	Others	
1 Developed Countries	2	-	-	-	-	2
2 Offshore Centres	385	-	-	41	-	426
Of which Singapore	385	-	-	41	-	426
3 Developing Europe	78	-	-	-	-	78
4 Developing Latin America & Carribean	-	-	-	-	-	-
5 Developing Africa & Middle East	447	-	-	-	-	447
Of which UAE	447	-	-	-	-	447
6 Developing Asia-Pacific	6,969	-	-	2,451	-	9,420
Of which India	6,968	-	-	2,451	-	9,419
7 International Organisations	-	-	-	-	-	-
8 Unallocated by Country	-	-	-	-	-	-
	7,881	-	-	2,492	-	10,373

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.



BANK OF BARODA, HONG KONG BRANCH
DISCLOSURE STATEMENT
SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

III. Additional Information - continued

5. Advances to customers

	<u>31.03.2018</u>		<u>30.09.2017</u>	
	HK\$ ('000)		HK\$ ('000)	
	Loans	Covered by Collateral	Loans	Covered by Collateral
<u>i) By Sectors</u>				
<u>Loans for use in Hong Kong</u>				
a) Industrial, commercial & financial				
Wholesale and retail trade				
b) Individuals				
For Purchase of Residential Propertie	-		-	
For other* business purposes	-		-	
For other* private purposes	20,376	20,376		
c) Others	326,972	326,972	220,165	220,165
Trade Finance	1,551,532	187,277	1,516,596	485,310
<u>Loans for use outside Hong Kong</u>	613,645	273,900	2,608,420	15,100
TOTAL **	2,512,525	808,525	4,345,181	720,575

* 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 HK\$ 808.525 Million as at 31st March 2018 and HK\$ 720.575 Million as at 30th September 2017 .

	<u>31.03.2018</u>		<u>30.09.2017</u>	
	HK\$('000)		HK\$('000)	
Hong Kong	2,170,451	*	2,111,468	*
India	68,908	**	2,107,843	**
Others	273,166		125,870	
TOTAL	2,512,525		4,345,181	

* Out of the loans to Hong Kong HK\$ 402,711 ('000s) as at 31st March 2018 and \$ 427,359 ('000s) as at 30th September 2017 are impaired loans.

** Out of the loans to India HK\$ 39,180 ('000s) as at 31st March 2018 and \$ 39,058 ('000s) as at 30th September 2017 are 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 which is different from the counterparty.



BANK OF BARODA, HONG KONG BRANCH
DISCLOSURE STATEMENT
SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

III. Additional Information - continued

6. Overdue and Rescheduled Assets of Customers

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
More than 3 months but not more than 6 months	-	0.00%	-	-	-	-
More than 6 months but not more than one year	40,498	1.61%	6,349	6,349	435,542	425,251
More than one year	401,393	15.98%				
Total	441,891	17.59%	6,349	6,349	435,542	425,251

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	-	0.00%	-	-	-	-
More than 6 months but not more than one year	63,263	1.46%	38,241	38,241	428,176	415,378
More than one year	403,154	9.28%				
Total	466,417	10.73%	38,241	38,241	428,176	415,378

There were Rescheduled loans and advances to customers overdue for more than 3 months \$ 40,498 ('000s) as on 31st March 2018 and \$ 47,835 ('000s) as on 30th September 2017.

	31.03.2018 (HK\$'000)	30.09.2017 (HK\$'000)
Current market value of collateral held against the covered portion of impaired loans and advances	6,349	38,241
Covered portion of impaired loans and advances	6,349	38,241
Uncovered portion of impaired loans and advances	435,542	428,176

There were other assets overdue for more than three months to the extent of HK\$ 64,211 ('000s) as at 31st March 2018 and HK\$ 6,484 ('000s) as at 30th September 2017.

There was no repossessed assets held as at 31st March 2018 and 30th September 2017.



BANK OF BARODA, HONG KONG BRANCH
DISCLOSURE STATEMENT
SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

III. Additional Information - continued

7. Overdue and Rescheduled Assets to banks

There were no advances to banks overdue for more than 3 months as at 31st March 2018 and 30th September 2017.

There were no other assets overdue for more than 3 months as at 31st March 2018 and 30th September 2017.

There were no rescheduled advances as at 31st March 2018 and 30th September 2017.

There were no repossessed assets as at 31st March 2018 and 30th September 2017.

8. Mainland Activities Exposures

	31.3.2018			30.9.2017		
	HK\$('000s)			HK\$('000s)		
	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	423,685	10,518	434,203	377,982	23,649	401,631
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China	-	-	-	-	-	-
Total	423,685	10,518	434,203	377,982	23,649	401,631
Total assets after provision	8,103,204			14,150,847		
On-balance sheet exposures as percentage of total assets	5.23%			2.67%		



BANK OF BARODA, HONG KONG BRANCH
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.

	31.3.2018			
	(HK\$ Million)			
	US\$	GBP	EURO	Total
Spot assets	8,255	-	51	8,306
Spot liabilities	(8,059)	(263)	(21)	(8,343)
Forward purchases	485	263	1	749
Forward sales	(681)	-	(31)	(712)
Net options	-	-	-	-
Net long (short) position	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

	30.9.2017			
	(HK\$ Million)			
	US\$	GBP	EURO	Total
Spot assets	13,967	1	124	14,092
Spot liabilities	(14,194)	(248)	(20)	(14,462)
Forward purchases	612	247	6	865
Forward sales	(385)	-	(110)	(495)
Net options	-	-	-	-
Net long (short) position	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

There is no net structural position constituting 10% or more of the total net structural foreign currencies as at 31st March 2018 and 30th September 2017.



BANK OF BARODA, HONG KONG BRANCH
DISCLOSURE STATEMENT
SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

III. Additional Information - continued

10. Liquidity

	Twelve Months ended 31.3.2018	Twelve Months ended 31.3.2017
Average Liquidity Maintenance Ratio	<u>53.31%</u>	<u>40.49%</u>

Average Liquidity Maintenance Ratio is calculated as the simple average of each month's average liquidity ratio for the twelve 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. 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 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 BARODA, HONG KONG BRANCH
DISCLOSURE STATEMENT
SECTION A - BRANCH INFORMATION (HONG KONG ONLY)

III. Additional Information - continued

11. 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 year ended 31st March 2018.

	HK\$ ('000s)	Beneficiaries
Fixed remuneration	1,547	3
Variable remuneration	-	-
	<u>1,547</u>	<u>3</u>

ii) No senior management or key personnel has been awarded with deferred remuneration during the year ended 31st March 2018.

iii) No senior management or key personnel has been awarded with new sign-on or severance payment during the year ended 31st March 2018.

Page 10



BANK OF BARODA, HONG KONG BRANCH
DISCLOSURE STATEMENT
SECTION B - BANK INFORMATION CONSOLIDATED BASIS

1. Capital and Capital Adequacy

	<u>31.3.2018</u> HK\$('000s)	<u>31.3.2017</u> HK\$('000s)
<u>i) Capital</u>		
Shareholders' Funds	<u>56,070,118*</u>	<u>51,393,285**</u>
<u>ii) Capital Adequacy Ratio***</u>		
Basel III	<u>12.87%</u>	<u>12.80%</u>

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

2. Other financial information

	<u>31.3.2018</u> HK\$('000s)	<u>31.3.2017</u> HK\$('000s)
Total Assets	900,427,355*	858,258,369**
Total Liabilities	844,357,237*	806,865,084**
Total Advances	527,322,408*	468,093,433**
Total Customer Deposits	<u>687,816,904*</u>	<u>654,017,635**</u>
	<u>Year Ended</u> <u>31st March 2018</u>	<u>Year Ended</u> <u>31st March 2017</u>
Pre-tax Profit(Loss)	<u>(2,505,388)*</u>	<u>3,653,827**</u>

* Indian Rupee converted to HK\$ @ 8.305 (31st March 2018)

** Indian Rupee converted to HK\$ @ 8.38 (31st March 2017)

Declaration of Chief Executive Officer

We have prepared the financial disclosure statement of Bank of Baroda, Hong Kong Branch for the year ended 31st March 2018. 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.


Chief Executive
Bank of Baroda
Hong Kong

