

BANK OF BARODA, HONG KONG BRANCH
QUARTERLY DISCLOSURES OF LMR

Liquidity

	<u>QUARTER</u> <u>ended 31.3.2018</u>	<u>QUARTER</u> <u>ended 30.06.2018</u>
Average Liquidity Maintenance Ratio	<u>62.86%</u>	<u>54.33%</u>

Average Liquidity Maintenance Ratio is calculated as the simple average of each month's average liquidity ratio for each quarter 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.

Declaration of Chief Executive

We have prepared the financial disclosure statement of Bank of Baroda, Hong Kong Branch for the quarter ended 30th June 2018. The information disclosed complies fully with the Banking (Disclosure) (Amendment) Rules 2018. To the best of my knowledge, the Disclosure Statement is not false or misleading.


Chief Executive
Bank of Baroda
Hong Kong

