

BANK OF BARODA, 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	137,861	149,706
Interest expenses	<u>(110,042)</u>	<u>(88,178)</u>
Net interest income	27,819	61,528
 <u>Other Operating Income</u>		
Gross fees and commission income	6,156	6,511
Less: Expenses	<u>-</u>	<u>-</u>
Net Fees and Commission Income	6,156	6,511
Gains less losses arising from trading in foreign currencies	5,663	6,835
Gains less losses from trading in securities	-	-
Others	<u>3,786</u>	<u>3,009</u>
Total Operating Income	43,424	77,883
 <u>EXPENSES</u>		
<u>Operating Expenses</u>		
Staff expenses	6,740	5,538
Rental Expenses	4,266	5,081
Other expenses	<u>3,791</u>	<u>13,797</u>
	14,797	3,178
Operating Profit before Impairment Losses	28,627	64,086
Impairment losses and provisions for impaired loans and receivables		
- Collective Provision	15,496	(408)
- Specific Provision	<u>(87,398)</u>	<u>(71,902)</u>
	(124,764)	(125,172)
Profit (Loss) before Taxation	(43,275)	(61,086)
Tax Expense	(8,871)	7,755
Profit (Loss) after Taxation	<u>(34,404)</u>	<u>(68,841)</u>



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

II. Balance Sheet
As at 30th September 2017

	<u>30.9.2017</u>	<u>31.3.2017</u>
	(HK\$'000)	(HK\$'000)
<u>ASSETS</u>		
1. Cash and balances with banks	134,786	2,195,827
2. Placement with banks maturing between one and twelve months	1,523,243	2,914,164
3. Amount due from overseas offices	3,838,262	2,293,078
4. Trade Bills	4,209,717	2,155,070
5. Loans and Receivables		
Advances to customers	4,267,281	4,788,477
Advances to banks	77,900	77,700
Accrued interest and other accounts	129,123	119,954
Provision for impaired loans and receivables - Collective	(17,780)	(33,103)
Provision for impaired loans and receivables - specific	(478,727)	(434,085)
6. Investment Securities	461,928	461,928
7. Property, plant and equipment	5,114	5,242
Total Assets	<u>14,150,847</u>	<u>14,544,252</u>
<u>LIABILITIES</u>		
8. Deposits and balances of banks	6,835,524	10,890,535
9. Deposits from customers		
Demand deposits and current accounts	226,564	205,840
Savings deposits	17,955	12,595
Time, call and notice deposits	2,079,297	1,119,284
10. Amount due to overseas offices	4,900,969	2,252,499
11. Other liabilities	90,538	63,499
12. Other Provisions	0	0
Total Liabilities	<u>14,150,847</u>	<u>14,544,252</u>



BANK OF BARODA, HONG KONG BRANCH
INTERIM 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 30th September 2017 and 31st March 2017 .

Impaired Loans and Advances to Customers

	HK\$ Million			
	Amount	Current market value of collateral	% to total loans and advances	Specific Provision
As on 30.09.2017	466.417	38.241	10.73%	415.378
As on 31.03.2017	443.492	34.533	9.11%	357.875

	<u>30.09.2017</u> HK\$ '000	<u>31.03.2017</u> HK\$ '000
<u>2. Derivatives</u>		
a) Notional Amount		
i) Exchange rate contracts	996,992	996,394
ii) Interest rate contracts	23,435	23,313
TOTAL	<u>1,020,427</u>	<u>1,019,707</u>
b) Fair Value of Derivative contracts (Gross)		
i) Exchange rate contracts	18,292	13,931
ii) Interest rate contracts	36	42
TOTAL	<u>18,328</u>	<u>13,973</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>30.09.2017</u> HK\$ '000	<u>31.03.2017</u> HK\$ '000
Notional Amount		
i) Direct credit substitutes	83,256	155,680
ii) Trade related contingent items	1,246,145	311,379
iii) Other commitments	-	-
TOTAL	<u>1,329,401</u>	<u>467,059</u>



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

III. Additional Information - continued

4 INTERNATIONAL CLAIMS

	30th September 2017					Total
	Banks	Official Sector	Non-Bank Financial Institutions	Private Sector	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

	31st March 2017					Total
	Banks	Official Sector	Non-Bank Financial Institutions	Private Sector	Others	
1 Developed Countries	3	-	-	-	-	3
2 Offshore Centres	-	-	-	34	-	34
3 Developing Europe	78	-	-	-	-	78
4 Developing Latin America & Carribean	-	-	-	-	-	-
5 Developing Africa & Middle East	194	-	-	-	-	194
6 Developing Asia-Pacific	7,749	-	-	2,404	-	10,153
Of which India	6,855	-	-	2,404	-	9,259
7 International Organisations	-	-	-	-	-	-
8 Unallocated by Country	-	-	-	-	-	-
	8,024	-	-	2,438	-	10,462

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

III. Additional Information - continued

5. Advances to customers

	<u>30.09.2017</u>		<u>31.03.2017</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				
c) Others	220,165	220,165	827,684	827,684
Trade Finance	1,516,596	485,310	1,475,120	461,920
<u>Loans for use outside Hong Kong</u>	2,608,420	15,100	2,563,373	10,106
TOTAL **	4,345,181	720,575	4,866,177	1,299,710

* 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\$ 720.575

Million as at 30th September 2017 and HK\$ 1,299.71 Million as at 31st March 2017.

	<u>30.09.2017</u>		<u>31.03.2017</u>	
	HK\$('000)		HK\$('000)	
Hong Kong	2,111,468	*	2,302,804	*
India	2,107,843	**	2,364,931	**
Others	125,870		198,442	
TOTAL	4,345,181		4,866,177	

* Out of the loans to Hong Kong \$ 427,359 ('000s) as at 30th September 2017 and HK\$ 404,642 ('000s) as at 31st March 2017 are impaired loans.

** Out of the loans to India and \$ 39,058 ('000s) as at 30th September 2017 and HK\$ 38,850 ('000s) as at 31st March 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
INTERIM 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						
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

Overdue Loans and Advances to customers						
31.03.2017 (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	10,135	0.21%	-	-	10,135	
More than 6 months but not more than one year	133,198	2.74%	34,533	34,533	398,824	357,875
More than one year	300,159	6.17%				
Total	443,492	9.11%	34,533	34,533	408,959	357,875

There were Rescheduled loans and advances to customers overdue for more than 3 months \$ 47,835 ('000s) as on 30th September 2017 and \$ 49,163 ('000s) as on 31st March 2017 .

	30.09.2017 (HK\$'000)	31.03.2017 (HK\$'000)
Current market value of collateral held against the covered portion of impaired loans and advances	38,241	34,533
Covered portion of impaired loans and advances	38,241	34,533
Uncovered portion of impaired loans and advances	428,176	408,959

There were other assets overdue for more than three months to the extent of HK\$ 64,840 ('000s) as at 30th September 2017 and HK\$ 91,471 ('000s) as at 31st March 2017 .

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



BANK OF BARODA, HONG KONG BRANCH
INTERIM 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 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 advances as at 30th September 2017 and 31st March 2017.

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

8. Mainland Activities Exposures

	<u>30.9.2017</u>			<u>31.3.2017</u>		
	HK\$('000s)			HK\$('000s)		
	<u>On Balance Sheet Exposure</u>	<u>Off Balance Sheet Exposure</u>	<u>Total</u>	<u>On Balance Sheet Exposure</u>	<u>Off Balance Sheet Exposure</u>	<u>Total</u>
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	377,982	23,649	401,631	298,164	18,617	316,781
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China	-	-	-	-	-	-
Total	377,982	23,649	401,631	298,164	18,617	316,781
Total assets after provision	14,150,847			14,544,252		
On-balance sheet exposures as percentage of total assets	2.67%			2.05%		



BANK OF BARODA, 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	EURO	
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>

	<u>31.3.2017</u>			Total
	(HK\$ Million)			
	US\$	GBP	EURO	
Spot assets	14,238	-	214	14,452
Spot liabilities	(14,622)	(228)	(27)	(14,877)
Forward purchases	690	228	1	919
Forward sales	(306)	-	(188)	(494)
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 30th September 2017 and 31st March 2017 .



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

III. Additional Information - continued

10. Liquidity

	Six Months <u>ended 30.09.2017</u>	Six Months <u>ended 30.09.2016</u>
Average Liquidity Maintenance Ratio	<u>52.37%</u>	<u>39.57%</u>

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. 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
INTERIM 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 six months ended 30th September 2017.

	HK\$ ('000s)	Beneficiaries
Fixed remuneration	724	3
Variable remuneration	-	-
	<hr/> 724	<hr/> 3

ii) No senior management or key personnel has been awarded with deferred remuneration during the six months ended 30th September 2017.

iii) No senior management or key personnel has been awarded with new sign-on or severance payment during the six months ended 30th September 2017.

Page 10



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

1. Capital and Capital Adequacy

	<u>31.3.2017</u> HK\$('000s)	<u>31.3.2016</u> HK\$('000s)
<u>i) Capital</u>		
Shareholders' Funds	51,393,285*	49,595,289**
<u>ii) Capital Adequacy Ratio***</u>		
Basel III	12.80%	13.63%

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

2. Other financial information

	<u>31.3.2017</u> HK\$('000s)	<u>31.3.2016</u> HK\$('000s)
Total Assets	858,258,369*	806,510,006**
Total Liabilities	806,865,084*	756,914,717**
Total Advances	468,093,433*	456,809,784**
Total Customer Deposits	654,017,635*	586,726,318**
	<u>Year Ended</u> <u>31st March 2017</u>	<u>Year Ended</u> <u>31st March 2016</u>
Pre-tax Profit(Loss)	3,653,827*	(7,249,212)**

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

** Indian Rupee converted to HK\$ @ 8.57 (31st March 2016)

Declaration of Chief Executive Officer

We have prepared the financial disclosure statement of Bank of Baroda, 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.


Chief Executive
Bank of Baroda
Hong Kong

