



We understand your world

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## **LIQUIDITY DISCLOSURE STATEMENT** **HONGKONG BRANCH INFORMATION**

### **Liquidity Disclosure September 2017**

|  | Six Months<br><u>ended</u><br><u>30.9.2017</u> | Six Months<br><u>ended</u><br><u>30.9.2016</u> |
|--|--|--|
| <b>Average Liquidity Maintenance Ratio</b> | <u>123.04%</u>                                 | <u>104.13%</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**

The liquidity risk management process is centralized at the Head Office and guided by the Board approved ALM policies for the Hong Kong Branch as well as entire Bank. The risk management process operates in the following hierarchical manner:

#### **Board of Directors**

The Board has the overall responsibility for management of liquidity and interest rate risks. The Board decides the strategy, policies and procedures of the Bank to manage liquidity and interest rate risk including setting of risk tolerance/limits and reviewing of stress test results.

#### **Risk Policy & Monitoring Committee ('RPMC') of the Board**

The RPMC is responsible for evaluating the overall risks faced by the Bank including liquidity and interest rate risks. The RPMC also addresses the potential interaction of liquidity risk and interest rate risk with the other risks faced by the Bank.

#### **Asset Liability Committee ('ALCO')**

ALCO is a decision-making unit responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity and interest rate risk management strategy of the Bank in line with the Bank's risk management objectives and risk tolerance. The ALCO is also responsible for balance sheet planning from risk-return perspective including strategic management of liquidity and interest rate risks.

#### **ALM Operational Groups**

Internal ALM operational groups support the ALM organization

#### **Risk Measurement Systems and reporting:**

Liquidity Risk is measured using flow approach and stock approach. Flow approach involves comprehensive tracking of cash flow mismatches. Stock approach involves monitoring of critical ratios in respect of liquidity risk. The Bank monitors the Liquidity Maintenance Ratio (LMR) as per regulatory guidelines. Analysis of liquidity risk also involves examining how funding requirements are likely to be affected under crisis scenarios. The Bank has a Board approved liquidity stress framework guided by the regulatory instructions.

**流動資產披露聲明書****香港分行資料****流動資產披露2017年9月**

|           | 截至2017年9月30日<br>6個月期間 | 截至2016年9月30日<br>6個月期間 |
|-----------|-----------------------|-----------------------|
| 平均流動性維持比率 | 123.04%               | 104.13%               |

依據銀行業流動性規則，平均流動性維持比率是該財政年度6個月之每月平均流動性維持比率之平均數。

**流動資金風險管理**

資金流動性風險管理過程集中在總行及在董事會指導下核准香港分行和整間銀行資產負債管理政策。在風險管理過程中以下列分層方式運作：

**董事會**

董事會總負責資金流動性和利率風險管理。董事會決定策略，政策和銀行程序來管理資金流動性和利率風險，包括風險承受能力/限額設定和審查的壓力測試結果。

**風險政策和監測委員會董事會（“RPMC”）**

RPMC負責評估銀行面臨的整體風險，包括資金流動性和利率風險。RPMC還考慮了銀行面臨資金流動性風險和利率風險與其他風險的潛在互相影響。

**資產負債委員會（“ALCO”）**

資產負債管理委員會是一個決策制定單位，它的職責是確保董事制定風險承受/限制的遵守，及執行資金流動和利率風險的管理策略，並與銀行風險管理目的和可承受風險一致。ALCO還負責從風險和收益的角度來計劃資產負債表，包括資金流動性風險和利率風險的策略管理。

**ALM行動小組**

內部ALM業務組支援ALM組織

**風險計量系統和報告：**

資金流動性風險測量方法使用了現金流量方式和金融資產方式。現金流量方式包括現金流不匹配的全面跟蹤。金融資產方式包括就資金流動性風險，監控關鍵比率。銀行按監管指引監控流動性維持率（LMR）。資金流動性風險分析還包括查核危機情況下如何影響資金要求。依據監管機構指引，本行董事會核准資金流動性壓力框架。



Chief Executive

