

O-BANK CO., LTD.
HONG KONG BRANCH

Quarterly Financial Disclosure Statement
For the Quarter Ended 30 September 2018

VI. Liquidity

The Branch has adopted the liquidity maintenance ratio (LMR) requirement in accordance with Banking (Liquidity) Rules starting 1 January 2015 onwards and complies with the minimum requirement of 25% as stipulated by the Hong Kong Monetary Authority (HKMA).

Average LMR is calculated as the simple average of each month's average liquidity maintenance ratio for the financial year.

	For the period 1 Jul 2018 to 30 Sep 2018 ¹	For the period 1 Apr 2018 to 30 Jun 2018 ¹
Average Liquidity Maintenance Ratio	46.02%	35.19%

¹ The average LMR of financial year 2018 is calculated as the simple average of each month's average liquidity maintenance ratio of each quarter of the financial year 2018.

The ALCO is responsible for supervising the overall monitoring and control of the Branch's liquidity. The management of liquidity is in compliance with the Branch's Liquidity Management Policy to ensure compliance with local regulatory requirements and limits set by Board of Directors.

On daily basis, Finance calculates the liquidity maintenance ratio, in accordance with the Banking Ordinance, and reports to Treasury Department and Risk Management Department. Liquidity risk is managed on a weekly basis by establishing liquidity risk management indicators and limits to identify, measure, monitor and control the liquidity risk. The Branch also performs cash flow projections and stress testing to identify liquidity risk exposures and possible impact on monthly basis.

IX. Statement of Compliance

This 2018 Quarterly Financial Disclosure Statement ended 30 September 2018 contains all disclosures required by the Banking (Disclosure) Rules and the Supervisory Policy Manual: Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority.

This information contained in the disclosure statement is not false or misleading in any respect, and that the operations of the Bank are clearly explained.



LEE Fang Yuan
Chief Executive
O-Bank Co., Ltd. Hong Kong Branch

