BANK OF AMERICA, N.A. (INDIA BRANCHES)

(Incorporated in U.S.A. With Limited Liability)

Independent Auditor's Report

To the Chief Executive Officer
Bank of America N.A. (India Branches)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bank of America N.A. (India Branches) (the 'Bank'), which comprise the Balance Sheet as at 31 March 2019, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (the 'Act') in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2019, and profit, and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion.

Other information

The Bank's management is responsible for the other information. The other information comprises the information included in the Basel III Pillar 3 Disclosures report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Bank's management is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Bank's Management are also responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a bank to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

A. As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:

   (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

   (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

   (c) since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit we have visited three branches.

B. Further, as required by Section 143 (3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;

   (c) the Balance Sheet, the Profit and Loss Account, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

(e) the requirements of Section 164 (2) of the Act are not applicable considering the Bank is a branch of Bank of America N.A., which is incorporated in the United States of America; and

(f) with respect to the adequacy of the internal financial controls with reference to the financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.

C. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Bank has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements – Refer Note 18 (V) (18) to the financial statements;

ii. the Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 18 (V) (18) to the financial statements;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank; and

iv. The disclosures required on holdings as well as dealing in Specified bank notes during the period from 8 November 2016 to 30 December 2016 as envisaged in notification G.S.R. 308(E) dated 30 March 2017 issued by the Ministry of Corporate Affairs is not applicable to the Bank.

D. In our opinion and according to the information and explanations given to us, requirements with respect to the matter to be included in the Auditor's Report under section 197(16) of the Act are not applicable to banking companies.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sameer Mota
Partner
Membership No: 109928

Place: Mumbai
Date: 24 June 2019

Annexure A to the Independent Auditor's Report of even date on the financial statements of Bank of America N.A. (India Branches) for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph B (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to the financial statements of Bank of America N.A. (India Branches) (the 'Bank') as of 31 March 2019 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to the financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Management's responsibility for internal financial controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

Auditor's responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Meaning of internal financial controls over financial reporting

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to the financial statements.

A bank's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls with reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial controls with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sameer Mota
Partner
Membership No: 109928

Place: Mumbai
Date: 24 June 2019

BANK OF AMERICA, N.A. (INDIA BRANCHES)

(Incorporated in U.S.A. With Limited Liability)

BALANCE SHEET AS AT MARCH 31, 2019

	Schedule	As at March 31, 2019 (Rs. '000)	As at March 31, 2018 (Rs. '000)
CAPITAL AND LIABILITIES			
Capital	1	**31,882,612**	9,853,492
Reserves and Surplus	2	**78,462,193**	69,884,450
Deposits	3	**226,252,885**	190,729,977
Borrowings	4	**128,335,241**	75,479,443
Other Liabilities and Provisions	5	**75,770,003**	35,041,052
TOTAL		**540,702,934**	380,988,414
ASSETS			
Cash and balances with Reserve Bank of India	6	**12,802,358**	11,199,026
Balances with Banks and Money at Call and Short Notice	7	**41,651,755**	37,210,462
Investments	8	**225,503,895**	149,747,554
Advances	9	**194,517,476**	153,462,402
Fixed Assets	10	**1,179,045**	1,179,590
Other Assets	11	**65,048,405**	28,189,380
TOTAL		**540,702,934**	380,988,414
Contingent Liabilities	12	**5,891,263,534**	5,095,265,646
Bills for Collection		**326,357,868**	230,899,946

Significant accounting policies and notes to the Financial Statements 18

Schedules referred to above form an integral part of the Balance Sheet

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019

	Schedule	Year Ended March 31, 2019 (Rs. '000)	Year Ended March 31, 2018 (Rs. '000)
I. INCOME			
Interest earned	13	**23,200,600**	19,786,495
Other income	14	**9,310,940**	6,761,632
TOTAL		**32,511,540**	26,548,127
II. EXPENDITURE			
Interest expended	15	**9,312,256**	7,717,729
Operating expenses	16	**7,338,792**	6,766,830
Provisions and contingencies	17	**7,282,749**	4,720,320
TOTAL		**23,933,797**	19,204,879
III. PROFIT			
Net profit for the year		**8,577,743**	7,343,248
Profit brought forward		**13,184,975**	17,677,539
TOTAL		**21,762,718**	25,020,787
IV. APPROPRIATIONS			
Transfer to Statutory Reserves		**2,144,436**	1,835,812
Transfer to Investment Reserve Account		**111,772**	–
Transfer to Investment Fluctuation Reserve Account		**1,503,359**	–
Amount retained in India for meeting Capital to Risk-weighted Asset ratio (CRAR)		**11,500,000**	10,000,000
Balance carried over to Balance Sheet		**6,503,151**	13,184,975
TOTAL		**21,762,718**	25,020,787

Significant accounting policies and notes to the Financial Statements 18

Schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date attached

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For **BANK OF AMERICA, N.A. (INDIA BRANCHES)**

sd/-
Sameer Mota
Partner
Membership Number: 109928

sd/-
Kaku Nakhate
Chief Executive Officer

sd/-
Viral Damania
Chief Financial Officer

Place: Mumbai
Date: June 24, 2019

Bank of America

BANK OF AMERICA, N.A. (INDIA BRANCHES)

(Incorporated in U.S.A. With Limited Liability)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS		Year Ended March 31, 2019 (Rs. '000)	Year Ended March 31, 2018 (Rs. '000)
Cash flow from operating activities			
Net profit before taxation		**15,333,006**	13,086,051
Adjustments for:			
Depreciation		**282,413**	265,032
Loss on sale of fixed assets		**65**	6,270
Provision for/(Writeback of) NPA		**–**	(1,100,000)
Provision for/(Writeback of) Enhancing Credit Supply		**24,486**	–
Provision for/(Writeback of) Standard Assets and unhedged foreign currency exposure		**495,469**	(39,514)
Bad debts written off		**–**	110,000
Provision for/(Writeback of) leave encashment and sick leave		**64,337**	(13,996)
Provision for/(Writeback of) gratuity		**20,496**	(99,590)
Provision for country risk		**7,531**	7,031
(Writeback of)/Provision for depreciation on investments		**(264,612)**	264,612
Operating profit before working capital changes		**15,963,191**	12,485,896
Adjustments for:			
(Increase)/Decrease in investments		**(75,491,729)**	(73,841,128)
(Increase)/Decrease in advances		**(41,055,074)**	(17,064,666)
(Increase)/Decrease in other assets		**(37,760,823)**	31,110,027
Increase/(Decrease) in deposits		**35,522,908**	(833,771)
Increase/(Decrease) in other liabilities and provisions		**40,116,632**	(35,268,045)
Cash used in Operations		**(62,704,895)**	(83,411,687)
Taxes Paid (net of refunds received)		**(5,853,465)**	(6,680,000)
Net Cash used in Operating Activities	**(A)**	**(68,558,360)**	(90,091,687)
Cash flow from investing activities			
Purchase of fixed assets		**(301,806)**	(391,722)
Proceeds from sale of fixed assets		**19,873**	14,656
Net Cash used in Investing Activities	**(B)**	**(281,933)**	(377,066)
Cash flow from Financing Activities			
Increase/(Decrease) in borrowings (net)		**52,855,798**	62,541,799
Capital Received from Head Office		**22,029,120**	–
Net Cash generated from Financing Activities	**(C)**	**74,884,918**	62,541,799
Net Increase/(Decrease) in cash and cash equivalents	**(A+B+C)**	**6,044,625**	(27,926,954)
Cash and Cash equivalents at the beginning of the year as per Schedule 6 and 7		**48,409,488**	76,336,442
Cash and Cash equivalents at the end of the year as per Schedule 6 and 7		**54,454,113**	48,409,488
Net Increase/(Decrease) in cash and cash equivalents		**6,044,625**	(27,926,954)

Notes to the Cash Flow Statement

1) The above cash flow statement has been prepared under “Indirect method” as set out in Accounting Standard- 3 “Cash Flow Statements” specified under Section 133 of the Companies Act, 2013.

As per our report of even date

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
Sameer Mota
Partner
Membership Number: 109928

Place: Mumbai:
Date: June 24, 2019

For BANK OF AMERICA, N.A. (INDIA BRANCHES)

Sd/-
Kaku Nakhate
Chief Executive Officer

Sd/-
Viral Damania
Chief Financial Officer

BANK OF AMERICA, N.A. (INDIA BRANCHES)

(Incorporated in U.S.A. With Limited Liability)

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2019 (Rs. '000)	As at March 31, 2018 (Rs. '000)
SCHEDULE 1 - Capital		
I. Deposit kept with Reserve Bank of India under Section 11(2)(b)(ii) of the Banking Regulation Act, 1949.	**18,720,000**	17,200,000
II. Amount brought in as start-up capital	**2,000**	2,000
Tier I Capital augmented by Head Office	**31,880,612**	9,851,492
TOTAL	**31,882,612**	9,853,492

Note: Additional Capital Received from head office during the year: Rs. 22,029,120 (‘000) *(Previous Year Rs. Nil)*

	As at March 31, 2019 (Rs. '000)	As at March 31, 2018 (Rs. '000)
SCHEDULE 2 - Reserves and Surplus		
I. Statutory Reserves		
Opening balance	**18,336,018**	16,500,206
Add: Transfer from Profit and Loss Account	**2,144,436**	1,835,812
	20,480,454	18,336,018
II. Capital Reserves		
Opening balance	**3,457,657**	3,457,657
Add: Transfer from Profit and Loss Account	**–**	–
	3,457,657	3,457,657
III. Amount Retained in India for meeting Capital to Risk-Weighted Asset Ratio (CRAR)		
Opening balance	**34,875,501**	24,875,501
Add: Transfer from Profit and Loss Account	**11,500,000**	10,000,000
	46,375,501	34,875,501
IV. Revenue and Other Reserves		
Investment Reserve		
Opening balance	**30,299**	30,299
Add: Transfer from Profit and Loss Account	**111,772**	–
	142,071	30,299
Investment Fluctuation Reserve		
Opening balance	**–**	–
Add: Transfer from Profit and Loss Account	**1,503,359**	–
	1,503,359	–
V. Balance in Profit and Loss Account	**6,503,151**	13,184,975
TOTAL (I, II, III, IV and V)	**78,462,193**	69,884,450
SCHEDULE 3 - Deposits		
A. I. Demand Deposits		
i) From Banks	**5,969,568**	5,739,350
ii) From Others	**108,867,902**	80,650,229
II. Savings Bank Deposits	**264,844**	174,370
III. Term Deposits		
i) From Banks	**–**	–
ii) From Others	**111,150,571**	104,166,028
TOTAL (I, II and III)	**226,252,885**	190,729,977
B. i) Deposits of Branches in India	**226,252,885**	190,729,977
ii) Deposits of Branches outside India	**–**	–
TOTAL	**226,252,885**	190,729,977

	As at March 31, 2019 (Rs. '000)	As at March 31, 2018 (Rs. '000)
SCHEDULE 4 - Borrowings		
I. Borrowings in India		
i) Reserve Bank of India	**71,800,000**	25,570,000
ii) Other Banks	**–**	–
iii) Other Institutions and Agencies	**31,219,737**	18,234,288
	103,019,737	43,804,288
II. Borrowings outside India	**25,315,504**	31,675,155
TOTAL (I and II)	**128,335,241**	75,479,443
Secured borrowings in I and II above	**103,019,737**	43,804,288
SCHEDULE 5 - Other Liabilities and Provisions		
I. Bills payable	**550,398**	687,953
II. Inter-office adjustments - net	**503**	–
III. Interest accrued	**1,003,867**	830,246
IV. Others [including provisions]	**74,215,235**	33,522,853
TOTAL	**75,770,003**	35,041,052
SCHEDULE 6 - Cash and Balances with Reserve Bank of India		
I. Cash in hand (including foreign currency notes)	**38,196**	39,056
II. Balances with Reserve Bank of India		
(i) In Current account	**12,764,162**	11,159,970
(ii) In Other accounts	**–**	–
TOTAL (I and II)	**12,802,358**	11,199,026
SCHEDULE 7 - Balances with Banks and Money at Call and Short Notice		
I. In India		
i) Balances with banks		
a) In Current accounts	**92,740**	96,651
b) In Other deposit accounts	**–**	–
ii) Money at call and short notice		
a) with banks	**–**	10,950,000
b) with other institutions	**14,403,701**	11,090,371
TOTAL (i and ii)	**14,496,441**	22,137,022
II. Outside India		
i) In Current accounts	**27,155,314**	15,073,440
ii) In Other deposit accounts	**–**	–
iii) Money at call and short notice	**–**	–
	27,155,314	15,073,440
TOTAL (I and II)	**41,651,755**	37,210,462

Bank of America

BANK OF AMERICA, N.A. (INDIA BRANCHES)

(Incorporated in U.S.A. With Limited Liability)

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2019 (Rs. '000)	As at March 31, 2018 (Rs. '000)
SCHEDULE 8 - Investments		
I. Investments in India		
(i) Government securities*	**193,073,071**	117,797,998
(ii) Other approved securities	–	–
(iii) Shares	–	–
(iv) Debentures and bonds	–	–
(v) Subsidiaries and/or joint ventures	–	–
(vi) Others (including Certificate of Deposits & Commercial Papers)	**32,430,824**	32,214,168
Gross Investments	**225,503,895**	150,012,166
Less: Provision for depreciation	–	264,612
	225,503,895	149,747,554
II. Investments outside India	–	–
TOTAL (I and II)	**225,503,895**	149,747,554

* Includes securities of Face Value Rs. 45,080,000 (‘000) deposited with Clearing Corporation of India Limited (CCIL) as margin deposit [*Previous Year: Rs. 23,860,000 (‘000)*], Rs. 71,086,620 (‘000) pledged with Reserve Bank of India for funds borrowed under liquidity adjustment facility/marginal standing facility [*Previous year: Rs. 25,536,150 (‘000)*] and securities pledged in the repo market through CCIL Rs. 584,100 (‘000)/- [*Previous year: Rs. 8,048,800 (‘000)*].

	As at March 31, 2019 (Rs. '000)	As at March 31, 2018 (Rs. '000)
SCHEDULE 9 - Advances		
A. (i) Bills purchased and discounted	**45,540,533**	34,764,564
(ii) Cash credits, overdrafts and loans repayable on demand	**141,288,669**	114,009,366
(iii) Term loans	**7,688,274**	4,688,472
TOTAL	**194,517,476**	153,462,402
B. (i) Secured by tangible assets (including book debts)	**15,953,051**	10,564,183
(ii) Covered by Bank/ Government guarantees	–	–
(iii) Unsecured	**178,564,425**	142,898,219
TOTAL	**194,517,476**	153,462,402
C. I. Advances in India		
(i) Priority sector	**49,104,149**	48,770,576
(ii) Public sector	–	–
(iii) Banks	**8,593,794**	12,234,564
(iv) Others	**136,819,533**	92,457,262
	194,517,476	153,462,402
II. Advances outside India	–	–
TOTAL (I and II)	**194,517,476**	153,462,402

	As at March 31, 2019 (Rs. '000)	As at March 31, 2018 (Rs. '000)
SCHEDULE 10 - Fixed Assets		
I. Premises	–	–
II. Other Fixed Assets (including Furniture and Fixtures)*		
At Cost on March 31 of preceding year	**2,061,183**	1,978,931
Additions during the year	**503,451**	133,998
	2,564,634	2,112,929
Deductions during the year	**84,619**	51,746
	2,480,015	2,061,183
Accumulated depreciation/ amortization	**1,384,354**	1,166,622
	1,095,661	894,561
Capital Work in Progress	**83,384**	285,029
	1,179,045	1,179,590
TOTAL (I and II)	**1,179,045**	1,179,590

*[Refer Note 17- Schedule 18(V)]

	As at March 31, 2019 (Rs. '000)	As at March 31, 2018 (Rs. '000)
SCHEDULE 11 - Other Assets		
I. Interest Accrued	**3,916,175**	2,421,358
II. Advance tax and tax deducted at source [net of Provision for Taxation of Rs. 64,197,752 (‘000) (*Previous Year Rs. 57,291,211 (‘000)*)]	**1,096,562**	2,201,495
III. Inter-office adjustments - net	–	60,594
IV. Deferred tax assets [Refer Note 14 - Schedule 18(V)]	**922,041**	636,311
V. Others	**59,113,627**	22,869,622
TOTAL	**65,048,405**	28,189,380

	As at March 31, 2019 (Rs. '000)	As at March 31, 2018 (Rs. '000)
SCHEDULE 12 - Contingent Liabilities		
I. Claims against the Bank not acknowledged as Debts (including tax related matters)	**1,120,995**	1,291,369
II. Liability for partly paid investments	–	–
III. Liability on account of outstanding foreign exchange contracts	**2,923,662,656**	2,420,788,268
IV. Liability on account of outstanding derivative contracts	**2,908,298,871**	2,625,386,497
V. Guarantees given on behalf of constituents*		
(a) in India	**34,345,064**	26,326,989
(b) outside India	**6,660,566**	4,531,601
VI. Acceptances, endorsements and other obligations	**5,873,395**	4,763,695
VII. Other items for which the Bank is contingently liable		
– Committed Lines of credit	**10,988,980**	11,772,862
– Capital Commitments	**41,825**	163,062
– Depositor Education and Awareness Fund (DEAF) [Refer Note 38 - Schedule 18(V)]	**271,182**	241,303
TOTAL	**5,891,263,534**	5,095,265,646

* Guarantees outstanding on the balance sheet have been shown after deducting therefrom any cash margin.

For comparative purpose, Guarantees outstanding in India as of March 31, 2018 has been restated to Rs. 26,326,989(‘000s) from Rs. 26,407,086(‘000s) reported in the previous year financial statements.

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Year Ended March 31, 2019 (Rs. '000)	Year Ended March 31, 2018 (Rs. '000)
SCHEDULE 13 - Interest Earned		
I. Interest/discount on advances/bills	**11,591,476**	9,631,279
II. Income on investments	**8,752,226**	7,069,635
III. Interest on balances with Reserve Bank of India and other inter-bank funds	**640,470**	949,782
IV. Others	**2,216,428**	2,135,799
TOTAL	**23,200,600**	19,786,495
SCHEDULE 14 - Other Income		
I. Commission, exchange and brokerage	**1,244,271**	927,325
II. Profit on sale of investments (net)	**1,172,657**	1,003,263
III. Profit / (Loss) on revaluation of investments (net)	**264,612**	(264,612)
IV. (Loss) on sale of land, buildings and other assets (net)	**(65)**	(6,270)
V. Profit on exchange/ derivative transactions (net)	**5,520,268**	4,213,064
VI. Miscellaneous Income [Refer Note 42 - Schedule 18(V)]	**1,109,197**	888,862
TOTAL	**9,310,940**	6,761,632
SCHEDULE 15 - Interest Expended		
I. Interest on deposits	**7,060,200**	6,608,118
II. Interest on Reserve Bank of India/inter-bank borrowings	**732,816**	438,038
III. Others	**1,519,240**	671,573
TOTAL	**9,312,256**	7,717,729

	Year Ended March 31, 2019 (Rs. '000)	Year Ended March 31, 2018 (Rs. '000)
SCHEDULE 16 - Operating Expenses		
I. Payments to and provisions for employees	**3,478,894**	3,356,807
II. Rent, taxes and lighting	**420,291**	377,946
III. Printing and stationery	**68,301**	44,291
IV. Advertisement and publicity	**802**	374
V. Depreciation on Bank's property	**282,413**	265,032
VI. Directors' fees, allowances and expenses	**–**	–
VII. Auditors' fees and expenses	**11,432**	9,175
VIII. Law Charges	**19,285**	13,622
IX. Postages, Telegrams, Telephones, etc	**209,067**	147,554
X. Repairs and maintenance	**236,778**	204,120
XI. Insurance	**215,106**	223,128
XII. Other expenditure [Refer Note 33 and 41 - Schedule 18(V)]	**2,396,423**	2,124,781
TOTAL	**7,338,792**	6,766,830
SCHEDULE 17 - Provisions and Contingencies		
I. Provision for/(Write back of) Standard Assets and unhedged foreign currency exposure	**495,469**	(39,514)
II. Provision for country risk	**7,531**	7,031
III. Provision for/(Write back of) Non Performing Assets	**–**	(1,100,000)
IV. Provision for Taxation [Refer Note 15- Schedule 18(V)]	**7,040,993**	5,542,000
V. Deferred Tax (Write back)/ Provision [Refer Note 14- Schedule 18(V)]	**(285,730)**	200,803
VI. Bad debts written off	**–**	110,000
VII. Other provisions [Provision for Enhancing Credit Supply]	**24,486**	–
TOTAL	**7,282,749**	4,720,320

SCHEDULE 18 – SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

I) Background

The financial statements for the year ended March 31, 2019 comprise the accounts of the India branches of Bank of America, N.A. (the Bank), which is incorporated in the United States of America with limited liability.

II) Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated and are in accordance with the generally accepted accounting principles in India, requirement prescribed under the Third Schedule of the Banking Regulation Act, 1949, circulars and guidelines issued by Reserve Bank of India (RBI) from time to time and Accounting Standards (AS) prescribed under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and Companies Act, 1956, to the extent applicable and conform to the statutory requirements prescribed by RBI from time to time and current practices prevailing within the banking industry in India.

The financial statements are presented in Indian Rupees rounded off to the nearest thousand unless otherwise stated.

III) Use of Estimates

The preparation of the financial statements, in conformity with the Generally Accepted Accounting Principles, requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities as at the date of the financial statements. Actual results could differ from those estimates and difference between the actual results and estimates are recognized in the period in which the results are known. Any revision in the accounting estimates is recognized prospectively in the current and future periods.

IV) Significant Accounting Policies

1) Revenue recognition

i) Interest income is recognized in the Profit and Loss Account on an accrual basis, except in case of interest on non-performing assets which is recognized as income upon receipt in accordance with the income recognition and asset classification norms of RBI. Interest income on discounted instruments is recognized over the tenor of the instrument.

ii) Commission on guarantees and letters of credit is recognized upon receipt except commission exceeding the rupee equivalent of USD 50,000, which is recognized on a straight line basis over the life of the contract.

2) Foreign Exchange Transactions

Transactions in foreign currency are recorded and translated at exchange rates prevailing on the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements, are recognized as income or as expenses in the period in which they arise.

Foreign currency monetary items are reported at the balance sheet date at exchange rates notified by the Foreign Exchange Dealers' Association of India (FEDAI) and the resulting exchange differences are recognized as income or as expenses in the Profit and Loss Account.

Foreign exchange spot and forward contracts outstanding as at the balance sheet date and held for trading, are revalued at rates of exchange notified by FEDAI and the resulting gains/losses are recognized in the Profit and Loss Account.

Foreign exchange forward contracts not intended for trading, which are entered into for establishing the amount of reporting currency required or available at the settlement date of a transaction, and are outstanding at the balance sheet date, are valued at the closing spot rate. Premium/discount arising at the inception of such contracts are amortized in the Profit and Loss Account over the life of the contract.

Contingent liabilities on account of foreign exchange contracts, guarantees and acceptances, endorsements and other obligations denominated in foreign currencies at the balance sheet date are disclosed by using the closing rates of exchange notified by the FEDAI.

3) Derivatives

The Bank enters into derivative contracts such as interest rate swaps, cross-currency swaps, currency options, as well as exchange-traded interest rate futures, currency futures and currency options.

All derivative contracts are classified as trading derivatives. Outstanding exchange-traded interest rate futures, currency futures and currency options are marked-to-market using the closing price of relevant contracts as published by the exchanges/clearing corporation. Margin money deposited with the exchanges is presented under 'Other Assets'. All other outstanding derivative contracts are valued at the estimated realizable market price (fair value). The resulting gains/losses are recognized in the Profit and Loss Account under 'Other Income'. The corresponding unrealized gains are presented under 'Other Assets' and unrealized losses under 'Other Liabilities' on the Balance Sheet.

Fair value is determined by reference to a quoted market price or by using a valuation model. In case the market prices do not appropriately represent the fair value that would be realized for a position or portfolio, valuation adjustments such as market risk close-out costs and bid-offer adjustments are made to arrive at the appropriate fair value. These adjustments are calculated on a portfolio basis and reported as part of the carrying value of the positions being valued, thus reducing trading assets or increasing trading liabilities.

Valuation models, where used, calculate the expected cash flows under terms of the specific contracts, taking into account the relevant market factors viz. interest rates, foreign exchange rates, volatility, prices etc.

The Bank also maintains general provision for standard assets on the current mark-to-market value of the contract, arising on account of derivative and foreign exchange transactions in accordance with the RBI Master circular (DBR.No.BP.BC.2/21.04.048/2015-16 dated July 1, 2015) on prudential norms on income recognition, asset classification and provisioning pertaining to advances.

Any overdue receivables representing positive mark-to-market value of derivative and foreign exchange contracts are treated as non-performing assets, if remaining unpaid for a period of 90 days or more pursuant to the above guidelines.

4) Investments

Investments are accounted for in accordance with the RBI Master Circular (DBR No. BP.BC. 6/ 21.04.141/2015-16 dated July 1, 2015) on prudential norms for classification, valuation and operation of investment portfolio by banks.

Classification

Investments are accounted on settlement date basis and are classified as “Held to Maturity” (HTM), “Held for Trading” (HFT) and “Available for Sale” (AFS) at the time of purchase in accordance with the RBI norms. Under each of these classifications, investments are further categorized as i) Government Securities ii) Other approved securities iii) Shares iv) Debentures and Bonds v) Subsidiaries and/or joint ventures and vi) Others.

Valuation

Investments held under HTM classification are carried at acquisition cost. If the acquisition cost is more than the face value, the premium is amortized over the remaining tenor of the investments.

Investments classified under HFT and AFS portfolio are marked-to-market on a monthly basis. Investments classified under HFT and AFS portfolio are valued as per rates declared by Financial Benchmark India Pvt. Ltd. (FBIL) and in accordance with RBI guidelines. Consequently net depreciation, if any, under each of the classifications in respect of any category mentioned in ‘Schedule 8-Investments’ is provided for in the Profit and Loss Account. The net appreciation, if any, under any classification is ignored, except to the extent of any depreciation provided previously. The book value of the individual securities is not changed consequent to periodic valuation of investments.

Treasury Bills, Commercial Paper and Certificates of Deposit, being discounted instruments, are valued at carrying cost. Cost of investments is based on the weighted average cost method.

Investment Reserve Account

In accordance with the aforesaid Master Circular, in case the provision on account of depreciation in the HFT and AFS categories is found to be in excess of the required amount, the excess is credited to the Profit and Loss Account and an equivalent amount net of taxes, if any, adjusted for transfer to Statutory Reserve as applicable to such excess provision is appropriated to the Investment Reserve Account.

The provision required to be created on account of depreciation in investments in AFS and HFT categories is debited to the Profit and Loss Account and an equivalent amount net of tax benefit, if any and net of consequent reduction in transfer to Statutory Reserves is transferred from the Investment Reserve Account to the Profit and Loss Account, to the extent available.

Investment Fluctuation Reserve

In accordance with the RBI Circular - DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018, an Investment Fluctuation Reserve was created to protect against increase in yields. As required by the aforesaid circular the transfer to this reserve will be lower of the following – i) net profit on sale of investments during the year ; ii) net profit for the year less mandatory appropriations, until the amount of the reserve is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

Transfer between classifications

Transfer of investment between classifications is accounted for in accordance with the extant RBI guidelines, as under:

a) Transfer from AFS/HFT to HTM is made at the lower of book value or market value at the time of transfer.

b) Transfer from HTM to AFS/HFT is made at acquisition price/book value if originally placed in HTM at a discount and at amortized cost if originally placed in HTM at a premium.

c) Transfer from AFS to HFT is made at book value and the related provision for depreciation held, if any, is transferred to provision for depreciation against the HFT securities and vice-versa.

Repo transactions

Market repurchase and reverse repurchase transactions are accounted for as secured borrowing and lending transactions in accordance with the RBI guidelines. Borrowing costs on the market repurchase transactions are accounted as interest expense and revenue on reverse repurchase transactions are accounted as interest income.

Market repurchase and reverse repurchase transactions with the RBI under the Liquidity Adjustment Facility and Marginal Standing Facility are also accounted for as secured borrowing and lending transactions.

Brokerage and Commission

Brokerage and Commission paid at the time of acquisition of a security is charged to Profit and Loss Account.

Broken period interest

Broken period interest paid at the time of acquisition of the security is charged to the Profit and Loss Account.

5) Tangible fixed assets and capital work-in-progress

Tangible fixed assets are stated at the original cost of acquisition and related expenses less accumulated depreciation and/or accumulated impairment losses, if any. The cost comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use, any trade discounts and rebates are deducted in arriving at the purchase price. Assets, which are not under active use and are held for disposal, are stated at lower of their net book value and net realizable value. Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use as at the reporting date.

Profit on disposal of fixed assets is recognized in the Profit and Loss Account and an equivalent amount net of taxes, if any adjusted for applicable transfer to Statutory Reserve is appropriated to the Capital Reserve; losses on disposal are recognized in the Profit and Loss Account.

6) Intangible assets

The Bank capitalizes intangible assets, where it is reasonably estimated that the intangible asset has an enduring useful life. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

7) Depreciation and amortization

i) Except for items forming part of (iii) and (iv) below, depreciation on tangible assets is provided, pro-rata for the period of use, by straight line method (SLM), over the estimated useful life of each assets as determined by management and as stated in the table below

Category	Useful Life
Server, networking, computer and other computer equipment	2 to 5 years
Furniture and fixtures	10 years
Vehicles	5 years
Other equipment (mechanical/electronic)	3 to 6.67 years
Enterprise Core Network (larger complex core routers)	10 years

ii) The Bank has arrived at the above estimates of useful lives based on an internal assessment and technical evaluation and believes that the useful lives stated above represent the best estimate of the period over which it expects to use the assets. With the exception of Furniture and Fittings, the useful lives estimated by the Bank as stated in the table above are different from the useful lives prescribed under "Part C" of "Schedule II" of the Companies Act, 2013 Part C.

iii) Tangible assets costing less than the rupee equivalent of USD 2,500 are fully depreciated in the year of purchase.

iv) Leasehold improvements are depreciated over the lease period including the renewal periods, if any. Assets associated with premises taken on lease are depreciated on straight line basis over the lease period or the useful lives stated above, whichever is shorter.

v) Intangible assets are amortized over their useful lives as estimated by the management commencing from the date the asset is available for use as stated in the table below:

Category	Useful Life
Software*	2 to 5 years

* Software individually costing less than the rupee equivalent of USD 10,000 is fully amortized in the year of purchase.

8) Impairment of Assets

An asset is considered as impaired when at the balance sheet date, there are indications that the assets may be impaired and the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value-in-use). The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Bank estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to the recoverable amount and the impairment loss is recognized as an expense in the Profit and Loss Account.

9) Advances

Advances are classified into performing and non performing advances in accordance with RBI Master Circular (DBR.No.BP. BC.2/21.04.048/2015-16 dated July 1, 2015) on prudential norms on income recognition, asset classification and provisioning pertaining to advances. Further, non-performing assets (NPA) are classified into sub-standard, doubtful and loss assets as per RBI guidelines.

Specific loan loss provisions in respect of non-performing advances are made based on management assessment of the degree of impairment, subject to the minimum provisioning norms laid down by RBI. Interest on non-performing advances is not recognized in the Profit and Loss Account until received.

Advances are stated net of bills re-discounted, specific loan loss provisions and interest-in-suspense for non-performing advances in accordance with the prudential norms.

The Bank also maintains general provisions on standard assets over and above the specific provisions to cover potential credit losses inherent in any loan portfolio.

Provision on standard assets, un-hedged foreign currency exposure of borrowers and country risk exposure and enhancing credit supply to large borrowers is made in accordance with the norms prescribed by RBI and disclosed under Schedule 5 – 'Other Liabilities and Provisions'.

10) Employee Benefits

Provident fund

The Bank contributes to a Government administered provident fund in respect of its employees. The Bank has no further obligation beyond making the contributions. Contributions to provident fund are made in accordance with the statute, and are recognized as an expense when employees have rendered services entitling them to the contributions.

Gratuity

The Bank has a gratuity scheme, a defined benefit plan, for all eligible employees, which is administered by a trust set up by the Bank. The costs of providing benefits under the gratuity scheme are determined using the Projected Unit Credit Method on the basis of actuarial valuation carried out by an independent actuary at each balance sheet date. The Bank makes periodical contributions to the trust. Gratuity benefit obligations recognised on the Balance Sheet represent the present value of the obligations as reduced by the fair value of plan assets. Actuarial gains and losses are recognised in the Profit and Loss Account in the year in which they arise.

Compensated Absences

Liability for defined benefit plans in the nature of sick leave and privilege leave for all eligible employees is recognized based on actuarial valuation carried out by an independent actuary as at the balance sheet date.

Pension

The Bank has a pension scheme, a defined contribution plan, for all eligible employees, which is administered by a trust set up by the Bank. The Bank's contribution towards the pension scheme is accounted for on an accrual basis and recognized as an expense in the Profit and Loss Account during the period in which employee renders the related service. The Bank has no further obligation beyond making the contributions.

11) Taxation

Taxes on income are accounted for in accordance with Accounting Standard (AS 22) on "Accounting for Taxes on Income" and comprise current and deferred tax. Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and laws in respect of taxable income for the year, in accordance with the Income tax-Act, 1961.

Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. difference that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising on account of carry forward losses and unabsorbed depreciation under tax laws are recognized only if there is virtual certainty of its realization, supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on account of other timing differences are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

12) Accounting for leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. For operating leases, lease payments are recognized as an expense in the statement of Profit and Loss Account on a straight line basis over the lease term.

13) Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Bank has a present obligation that can be estimated reliably and is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis. A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow is resources is remote.

Provisions are reviewed at each balance sheet date and adjusted to reflect the best available estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and the related income are recognized in the period in which the change occurs.

14) Employee stock compensation

Liability in respect of restricted stocks/restricted units of the Ultimate Controlling Enterprise granted to the employees of the Bank in terms of the global long-term incentive compensation plans of the Ultimate Controlling Enterprise is accounted for initially at the fair value of the awards on the date of grant. The difference between the fair value on the date of grant and fair value on the date of vesting is accounted for when the stocks vest. At the balance sheet date, liability in respect of unvested stocks is re-measured based on the fair value of the stocks on that date.

15) Cash flow statement

Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Bank. Cash and cash equivalents consist of Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice.

V) Other Disclosures

1. Capital to risk weighted assets ratio (CRAR)

The Bank's capital adequacy ratio computed under Basel III framework is given below:

Sr. No.	Particulars	**As at March 31, 2019**	As at March 31, 2018
i)	Common Equity Tier I capital ratio (%)	**23.87%**	19.02%
ii)	Tier 1 capital ratio (%)	**23.87%**	19.02%
iii)	Tier 2 capital ratio (%)	**0.81%**	0.40%
iv)	Total Capital to Risk Weighted Assets ratio [CRAR] (%)	**24.68%**	19.42%
v)	Percentage of the shareholding of the Government of India in public sector banks	**Nil**	Nil
vi)	Amount of equity capital raised [Refer Note below]	**Nil**	Nil
vii)	Amount of Additional Tier 1 capital raised; of which	**Nil**	Nil
	Perpetual Non-Cumulative Preference Shares [PNCPS]:	**Nil**	Nil
	Perpetual Debt Instruments [PDI]:	**Nil**	Nil
viii)	Amount of Tier 2 capital raised; of which	**Nil**	Nil
	Debt capital instrument:		
	Preference Share Capital Instruments: *[Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-Cumulative Preference Shares (RNCPS)/Redeemable Cumulative Preference Shares (RCPS)]*	**Nil**	Nil
		Nil	Nil

Note:The Bank received additional capital of Rs 22,029,120 ('000) from Head Office during the year ended March 31, 2019 (*Previous year ended March 31, 2018: NIL*), eligible for Common Equity Tier I Capital treatment in accordance with the requirements prescribed in para 4.2.3.2 (A) of Master Circular – Basel III Capital Regulations (DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015).

2. Investments **(Rs. '000)**

Particulars	**As at March 31, 2019**	As at March 31, 2018
1) Value of Investments		
i) Gross Value of Investments		
(a) In India	**225,503,895**	150,012,166
(b) Outside India	**Nil**	Nil
ii) Provisions for Depreciation on Investments (#)		
(a) In India	**Nil**	264,612
(b) Outside India	**Nil**	Nil
iii) Net Value of Investments		
(a) In India	**225,503,895**	149,747,554
(b) Outside India	**Nil**	Nil
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	**264,612**	Nil
ii) Add: Provisions made during the year	**Nil**	264,612
iii) Less: Write-back of excess provision during the year	**264,612**	Nil
iv) Closing balance	**Nil**	264,612

The Bank did not exercise the option of spreading the Provision for Depreciation on Investments over subsequent four quarters for year ended March 31, 2018, as allowed by RBI vide its circular RBI/2017-18/147 DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018.

The Bank did not hold any security in Held to Maturity (HTM) category and has not sold or transferred securities to or from HTM category during the year ended March 31, 2019 and the previous year ended March 31, 2018.

3. Information on Repo and Reverse Repo Transactions (in face value terms) **(Rs. '000)**

Year ended March 31, 2019	**Minimum Outstanding during the year**	**Maximum Outstanding during the year**	**Daily Average Balance Outstanding during the year**	**Outstanding as at March 31, 2019**
Securities sold under repo*				
• Government securities	**Nil**	**103,280,391**	**9,112,548**	**102,406,699**
• Corporate debt securities	**Nil**	**Nil**	**Nil**	**Nil**
Securities purchased under reverse repo*				
• Government securities	**8,434,300**	**96,940,060**	**34,921,421**	**13,860,000**
• Corporate debt securities	**Nil**	**Nil**	**Nil**	**Nil**

* Includes repo and reverse repo transactions under the Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) with RBI.

(Rs. '000)

Year ended March 31, 2018	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Balance Outstanding During the year	Outstanding as At March 31, 2018
Securities sold under repo*				
• Government securities	Nil	33,584,950	1,953,085	33,584,950
• Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo*				
• Government securities	13,340,000	95,474,060	43,351,968	21,668,440
• Corporate debt securities	Nil	Nil	Nil	Nil

* Includes repo and reverse repo transactions under the Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) with RBI.

4. Non-SLR Investment Portfolio

(i) Issuer Composition of Non-SLR Investments

As at March 31, 2019

(Rs. '000)

Sr. No.	Issuer	Amount (Book Value)	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
(1)	(2)	(3)	(4)#	(5)#	(6)#	(7)#
1)	Public Sector Undertakings	**23,469,006**	**Nil**	**Nil**	**Nil**	**Nil**
2)	Financial Institutions	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
3)	Banks	**8,961,818**	**5,836,598**	**Nil**	**Nil**	**Nil**
4)	Private corporate	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
5)	Subsidiaries/Joint ventures	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
6)	Others	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
7)	Provision held towards depreciation	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Total	**32,430,824**	**5,836,598**	**Nil**	**Nil**	**Nil**

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

As at March 31, 2018

(Rs. '000)

Sr. No.	Issuer	Amount (Book Value)	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
(1)	(2)	(3)	(4)#	(5)#	(6)#	(7)#
1)	Public Sector Undertakings	20,329,148	Nil	Nil	Nil	Nil
2)	Financial Institutions	2,417,980	971,322	Nil	Nil	Nil
3)	Banks	7,527,725	5,652,161	Nil	Nil	Nil
4)	Private corporate	1,939,315	Nil	Nil	Nil	Nil
5)	Subsidiaries/Joint ventures	Nil	Nil	Nil	Nil	Nil
6)	Others	Nil	Nil	Nil	Nil	Nil
7)	Provision held towards depreciation	Nil	Nil	Nil	Nil	Nil
	Total	32,214,168	6,623,483	Nil	Nil	Nil

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

(ii) Non-Performing Non-SLR Investments

There are no non-performing non-SLR Investments as at March 31, 2019 *(as at March 31, 2018: Nil).*

5. Derivatives

(i) Interest Rate Swaps

(Rs. '000)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
i)	The notional principal value of interest rate swaps	**2,763,093,505**	2,454,587,943
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	**14,444,470**	5,493,458
iii)	Collateral required by the bank upon entering into swaps	**2,596,288**	574,743
iv)	Concentration of credit risk arising from the swaps (in the banking industry)	**99%**	99%
v)	The fair value of interest rate swaps – Gains/(Losses)	**(186,168)**	45,899

Notes:

a) There are no forward rate agreements outstanding as at March 31, 2019 (*as at March 31, 2018: Nil).*

b) For accounting policies relating to the Interest Rate Swaps, please refer Note (IV) (3) – Schedule 18.

(ii) Nature and terms of interest rate swaps:
As of March 31, 2019

(Rs. 000's)

Nature	No. of Contracts	Notional Principal	Benchmark	Term
Trading	**2**	**850,000**	INBMK	Fixed Payable vs Floating Receivable
Trading	**180**	**90,530,000**	MIFOR	Fixed Payable vs Floating Receivable
Trading	**87**	**45,550,000**	MIFOR	Floating Payable vs Fixed Receivable
Trading	**985**	**781,188,767**	MIBOR	Fixed Payable vs Floating Receivable
Trading	**1,060**	**954,778,037**	MIBOR	Floating Payable vs Fixed Receivable
Trading	**210**	**340,203,776**	LIBOR	Fixed Payable vs Floating Receivable
Trading	**216**	**356,766,398**	LIBOR	Floating Payable vs Fixed Receivable
Trading	**57**	**141,836,902**	LIBOR	Floating Payable vs Floating Receivable
Trading	**1**	**1,728,875**	OIS	Fixed Payable vs Floating Receivable
Trading	**1**	**1,728,875**	OIS	Floating Payable vs Fixed Receivable
Trading	**16**	**13,592,688**	EURIBOR	Fixed Payable vs Floating Receivable
Trading	**16**	**13,592,688**	EURIBOR	Floating Payable vs Fixed Receivable
Trading	**5**	**13,831,000**	FEDFUNDS	Fixed Payable vs Floating Receivable
Trading	**4**	**6,915,500**	FEDFUNDS	Floating Payable vs Fixed Receivable
Total	**2,840**	**2,763,093,506**		

As of March 31, 2018

(Rs. 000's)

Nature	No. of Contracts	Notional Principal	Benchmark	Term
Trading	7	2,850,000	INBMK	Fixed Payable vs Floating Receivable
Trading	5	2,250,000	INBMK	Floating Payable vs Fixed Receivable
Trading	139	69,557,000	MIFOR	Fixed Payable vs Floating Receivable
Trading	115	56,690,000	MIFOR	Floating Payable vs Fixed Receivable
Trading	1,338	957,695,581	MIBOR	Fixed Payable vs Floating Receivable
Trading	1,301	982,345,784	MIBOR	Floating Payable vs Fixed Receivable
Trading	102	160,184,404	LIBOR	Fixed Payable vs Floating Receivable
Trading	104	159,565,243	LIBOR	Floating Payable vs Fixed Receivable
Trading	23	44,514,525	LIBOR	Floating Payable vs Floating Receivable
Trading	1	1,629,375	OIS	Fixed Payable vs Floating Receivable
Trading	1	1,629,375	OIS	Floating Payable vs Fixed Receivable
Trading	7	7,838,328	EURIBOR	Fixed Payable vs Floating Receivable
Trading	7	7,838,328	EURIBOR	Floating Payable vs Fixed Receivable
Total	3,150	2,454,587,943		

LIBOR: London Interbank Offered Rate
MIFOR: Mumbai Interbank Forward Offer Rate
MIBOR: Mumbai Interbank Offered Rate
INBMK: India Benchmark
OIS: Overnight Indexed Swap
EURIBOR: Euro Interbank Offered Rate
FEDFUND: Federal Funds Rate

(iii) Exchange Traded Interest Rate Derivatives

(Rs. '000)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year, – Interest rate futures (Government bond)	**15,613,800**	119,429,000
2)	Notional principal amount of exchange traded interest rate derivatives outstanding as at March 31, – Interest rate futures (Government bond)	**Nil**	500,000
3)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	**NA**	NA
4)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective"	**NA**	NA

(iv) Disclosure on Risk Exposure in Derivatives

a. Qualitative Disclosure

- The Bank enters into derivative contracts for the purposes of trading and to meet customer requirements to manage their risks.
- The Bank has a policy in place for measurement, reporting, monitoring and mitigating credit, market and operational risk.
  - o Credit risk is managed based on the risk profile of the borrower or counterparty, repayment sources and other support given the current events, conditions and expectations. Credit risk for a derivative contract is sum of the potential future changes in value and the replacement cost, which is the positive mark-to-market value of the contract.
  - o The Bank uses Value-at-Risk (VaR) modeling and stress testing to measure and manage market risk. Trading limits and VaR are used to manage day-to-day risks and are subject to testing where expected performance is compared to actual performance. All limit excesses are communicated to senior management for review.
  - o There exists an organizational set up for the management of risk. All lines of business are responsible for the risks within the business including operational risks. Such risks are managed through corporate-wide and/or line of business specific policies and procedures, controls, and monitoring tools.
- Treasury front-office, mid-office and back-office are managed by officials with necessary systems support and clearly defined responsibilities.
- There exist policies for recording derivative transactions, recognition of income, valuation of outstanding contracts, provisioning and credit risk mitigation. The gains or losses are reported under the head 'Profit on exchange/derivative transactions' in the Profit and Loss account. On the Balance Sheet, unrealized gains are reported under "Other Assets" in Schedule 11 and unrealized losses are reported under "Other Liabilities" in Schedule 5. Outstanding amounts in respect of unrealized gains and losses summarized by major product types forming part of "Other Assets" and "Other Liabilities" respectively are as under:

(Rs. '000)

Particulars	**As at March 31, 2019**		As at March 31, 2018	
	Asset (+)	**Liability (-)**	Asset (+)	Liability (-)
Forward exchange contracts	**38,768,170**	**(37,218,211)**	10,334,348	(12,049,300)
Interest rate swap	**14,444,470**	**(14,630,638)**	5,493,458	(5,447,559)
Cross-currency interest rate swap	**1,524,857**	**(1,108,694)**	1,163,314	(1,390,354)
Interest rate futures	**Nil**	**Nil**	Nil	(2,101)
Currency futures	**Nil**	**Nil**	23,060	Nil
Options	**560,893**	**(1,047,940)**	146,211	(333,763)
Total	**55,298,390**	**(54,005,483)**	17,160,391	(19,223,077)

b. Quantitative Disclosure

(Rs. '000)

Sr. No.	**Particulars**	**Currency Derivatives* As at March 31, 2019**	**Interest Rate Derivatives** As at March 31, 2019**
1)	Derivatives (Notional Principal Amount)		
	a) For hedging	**Nil**	**Nil**
	b) For trading	**145,205,366**	**2,763,093,505**
2)	Marked to Market Positions		
	a) Asset (+)	**2,085,750**	**14,444,470**
	b) Liability (-)	**(2,156,634)**	**(14,630,638)**
3)	Credit Exposure#	**9,561,980**	**36,211,477**
4)	Likely impact of one percentage change in interest rate (100*PV01) ***		
	a) on hedging derivatives	**Nil**	**Nil**
	b) on trading derivatives	**963,834**	**48,846**
5)	Maximum and Minimum of 100*PV01 observed during the year ***		
	a) on hedging	**Nil**	**Nil**
	b) on trading (Maximum)	**986,647**	**1,209,473**
	c) on trading (Minimum)	**367,915**	**17,557**

Notional principal amount of outstanding foreign exchange contracts classified as trading and hedging as at March 31, 2019 amounted to Rs. 2,923,662,656 ('000) and NIL respectively.

* Currency Derivatives include currency futures, cross-currency swaps and currency options.

** Interest Rate Derivatives include interest rate swaps and interest rate futures.

*** absolute values considered.

Credit exposure is computed based on the current exposure method representing the sum of potential future exposure and positive mark-to-market value of contracts.

(Rs. '000)

Sr. No.	Particulars	Currency Derivatives* As at March 31, 2018	Interest Rate Derivatives** As at March 31, 2018
1)	Derivatives (Notional Principal Amount)		
	a) For hedging	Nil	Nil
	b) For trading	170,298,555	2,455,087,942
2)	Marked to Market Positions		
	a) Asset (+)	1,332,584	5,493,458
	b) Liability (-)	(1,724,117)	(5,449,660)
3)	Credit Exposure#	8,023,417	24,551,643
4)	Likely impact of one percentage change in interest rate (100*PV01) ***		
	a) on hedging derivatives	Nil	Nil
	b) on trading derivatives	368,322	308,365
5)	Maximum and Minimum of 100*PV01 observed during the year ***		
	a) on hedging	Nil	Nil
	b) on trading (Maximum)	490,034	854,060
	c) on trading (Minimum)	362,841	2,850

The notional principal amount of outstanding foreign exchange contracts classified as trading and hedging as at March 31, 2018 amounted to Rs. 2,420,788,268 ('000) and NIL respectively.

* Currency Derivatives include currency futures, cross-currency swaps and currency options.

** Interest Rate Derivatives include interest rate swaps and interest rate futures.

*** absolute values considered.

Credit exposure is computed based on the current exposure method representing the sum of potential future exposure and positive mark-to-market value of contracts.

6. Asset quality

(i) Non Performing Assets (Funded)

(Rs. '000)

Sr. No.	Item	As at March 31, 2019	As at March 31, 2018
1)	Net NPAs to Net Advances (%)	**Nil**	Nil
2)	Movement of NPAs (Gross)		
	(a) Opening balance	**Nil**	1,100,000
	(b) Additions during the year	**Nil**	Nil
	(c) Reductions during the year	**Nil**	1,100,000
	(d) Closing balance	**Nil**	Nil
3)	Movement of Net NPAs		
	(a) Opening balance	**Nil**	Nil
	(b) Additions during the year	**Nil**	Nil
	(c) Reductions during the year (recoveries)	**Nil**	Nil
	(d) Closing balance	**Nil**	Nil
4)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	**Nil**	1,100,000
	(b) Provisions made during the year	**Nil**	Nil
	(c) Write-off	**Nil**	110,000
	(d) Write-back of excess provisions	**Nil**	990,000
	(e) Closing balance	**Nil**	Nil

(ii) Disclosure on NPA Divergence

For the year ended March 31, 2019, following disclosure is made as per the requirements of RBI circular no. DBR.BP.BC. No.63/21.04.018/2016-17 dated April 18, 2017 and circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019. (*For the year ended March 31, 2018: Nil*).

(Rs. '000)

Sr No	Particulars	Amount
1	Gross NPAs as on March 31, 2018 as reported by the Bank	Nil
2	Gross NPAs as on March 31, 2018 as assessed by RBI	130,174
3	Divergence in Gross NPAs (2-1)	130,174
4	Net NPAs as on March 31, 2018 as reported by the Bank	Nil
5	Net NPAs as on March 31, 2018 as assessed by RBI	97,630
6	Divergence in Net NPAs (5-4)	97,630
7	Provisions for NPAs as on March 31, 2018 as reported by the Bank	Nil
8	Provisions for NPAs as on March 31, 2018 as assessed by RBI	32,544
9	Divergence in provisioning (8-7)	32,544
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2018	7,343,248
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2018 after taking into account the divergence in provisioning	7,324,920

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

6 (iii) Particulars of accounts restructured for year ended March 31, 2019

Rs. crore

Sr. no	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
	Details																					
1	Restructured accounts as on 1st April, 2018	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Fresh re-structuring during the financial year 2018-19	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Upgradation to restructured standard category during the financial year 2018-19	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Restructured standard advances which cease to attract higher provisioning and/ or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of next year	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Downgradation of restructured accounts during the financial year 2018-19	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Writeoff of restructured accounts during the financial year 2018-19	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	Restructured accounts as on 31st March, 2019	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

6 (iii) Particulars of accounts restructured for year ended March 31, 2018

Rs. crore

Sr. no	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification / Details		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts as on 1st April, 2017	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	1	–	–	1	–	1	–	–	1
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	110	–	–	110	–	110	–	–	110
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	110	–	–	110	–	110	–	–	110
2	Fresh re-structuring during the financial year 2017-18	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Upgradation to restructured standard category during the financial year 2017-18	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of next year	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	adation of restructured accounts during the financial year 2017-18	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Writeoff of restructured accounts during the financial year 2017-18 (Refer note below)	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	1	–	–	1	–	1	–	–	1
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	110	–	–	110	–	110	–	–	110
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	110	–	–	110	–	110	–	–	110
7	Restructured accounts as on 31st March, 2018	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Note: It includes Rs. 99 crores (1 borrower with provision thereto of INR 110 crores) of reduction from existing restructured accounts by way of recovery.

(iv) Details of financial assets sold to Securitization/ Reconstruction Company for Asset Reconstruction

No Financial assets were sold to Securitization/Reconstruction Company for asset reconstruction during the year ended March 31, 2019 (*Previous year ended March 31, 2018: NIL*).

(v) Details of non-performing financial assets purchased/sold

There were no non-performing financial assets that were purchased or sold during the year ended March 31, 2019 (*Previous year ended March 31, 2018: NIL*).

(vi) Provision on standard assets

(Rs. '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision on standard assets	**999,263**	767,415

7. Business Ratios

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a)	Interest income as a percentage to working funds*	**5.99%**	5.72%
b)	Non-interest income as a percentage to working funds*	**2.40%**	1.96%
c)	Operating Profit as a percentage to working funds*	**4.10%**	3.49%
d)	Return on assets@	**2.22%**	2.12%
e)	Business (Deposits plus Advances) per employee (Rs. '000)#	**902,722**	741,409
f)	Profit per employee (Rs. '000)	**18,668**	16,086

*Working funds are the average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949 during the twelve months of the financial year.

@ Return on assets computed with reference to working funds as described above.

#For the purpose of Business (Deposits plus Advances) per employee, inter-bank deposits are excluded. Business per employee is calculated based on average employees for the year.

8. Asset Liability Management

Maturity Pattern of certain items of assets and liabilities

(Rs. in Crores)

As at March 31, 2019	Advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	**465**	**11,071**	**2,497**	**3,803**	**2,744**	**121**
2 to 7 days	**1,260**	**4,901**	**1,920**	**4,950**	–	**121**
8 to 14 days	**2,016**	**1,562**	**1,754**	**1,550**	**8**	**121**
15 to 30 days	**2,452**	**1,332**	**1,721**	–	**64**	**7**
31 days and upto 2 months	**2,310**	**657**	**1,386**	**2,531**	**430**	**2,531**
Over 2 months and upto 3 months	**2,094**	**401**	**563**	–	**1,511**	**624**
Over 3 months and upto 6 months	**4,108**	**252**	**1,495**	–	**2,221**	–
Over 6 months and upto 1 year	**1,729**	**154**	**915**	–	–	–
Over 1 year and upto 3 years	**2,706**	**2,115**	**10,366**	–	–	**3,261**
Over 3 years and upto 5 years	**312**	**105**	**7**	–	–	–
Over 5 Years	–	–	**1**	–	**135**	–
Total	**19,452**	**22,550**	**22,625**	**12,834**	**7,113**	**6,786**

(Rs. in Crores)

As at March 31, 2018	Advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	1,182	8,160	1,354	2,030	2,074	67
2 to 7 days	1,408	2,383	1,624	2,350	28	63
8 to 14 days	1,534	–	1,031	–	29	63
15 to 30 days	1,957	1,151	2,364	–	84	–
31 days and upto 2 months	1,675	719	1,480	3,168	222	3,168
Over 2 months and upto 3 months	1,911	335	913	–	1,099	222
Over 3 months and upto 6 months	2,848	93	598	–	1,663	26
Over 6 months and upto 1 year	847	420	1910	–	–	–
Over 1 year and upto 3 years	1,984	1,713	7,798	–	–	1,710
Over 3 years and upto 5 years	–	1	1	–	–	–
Over 5 Years	–	–	–	–	127	–
Total	15,346	14,975	19,073	7,548	5,326	5,319

9. Exposures

(i) Exposure to Real Estate Sector

(Rs. '000)

Category	As at March 31, 2019	As at March 31, 2018
Direct Exposure		
i) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	**Nil**	Nil
– Of which Individual Housing Loans included in Priority Sector advancess	**Nil**	Nil
ii) Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	**Nil**	Nil
iii) Investment in mortgage backed securities(MBS) and other securitized exposures a. Residential, b. Commercial Real Estate.	**Nil**	Nil
Indirect Exposure Fund based and non-fund based exposures to National Housing Bank and Housing Finance Companies	**Nil**	2,417,981
Total Exposure to Real Estate Sector	**Nil**	2,417,981

(ii) Exposure to Capital Market

(Rs. '000)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt; • Investment in equity shares	**Nil**	Nil
2)	Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds;	**Nil**	Nil
3)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	**Nil**	Nil
4)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	**Nil**	Nil
5)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**Nil**	Nil
6)	Loans sanctioned to corporate against the security of shares/ bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	**Nil**	Nil
7)	Bridge loans to companies against expected equity flows/issues;	**Nil**	Nil
8)	Underwriting commitments taken up by the Bank in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	**Nil**	Nil
9)	Financing to stockbrokers for margin trading;	**Nil**	Nil
10)	All exposures to Venture Capital Funds (both registered and unregistered)	**Nil**	Nil
11)	Non-fund based exposure in the nature of guarantees	**1,380,023**	Nil
	Total Exposure to Capital Market	**1,380,023**	Nil

(iii) Risk Category-wise Country Exposure **(Rs. '000)**

Risk Category	Exposure (net) as at March 31, 2019	Provision held as at March 31, 2019	Exposure (net) as at March 31, 2018	Provision held as at March 31, 2018
Insignificant	**33,809,327**	**16,964**	19,855,682	9,432
Low	**941**	**Nil**	16,657	Nil
Moderate	**18,544**	**Nil**	177	Nil
High	**Nil**	**Nil**	Nil	Nil
Very High	**Nil**	**Nil**	Nil	Nil
Restricted	**Nil**	**Nil**	Nil	Nil
Off-Credit	**Nil**	**Nil**	Nil	Nil
Total	**33,828,812**	**16,964**	19,872,516	9,432

(iv) Single and Group Borrower limits

During the year ended March 31, 2019 the Bank did not exceed the single and group borrower limits in respect of any of its clients (*Previous Year ended March 31, 2018: Nil*).

(v) Unsecured Advances

During the year ended March 31, 2019, the Bank has not given loans against intangible securities such as rights, licenses, authority etc *(Previous Year ended March 31, 2018: Nil).*

10. Penalties levied by RBI

RBI has imposed a penalty of **Rs. 10,000 ('000)** on the Bank during the year ended March 31, 2019 (*Previous Year ended March 31, 2018: NIL*). Penalty was imposed on account of non-compliance with RBI directions on Time-bound implementation and strengthening of Swift related operational controls.

11. Disclosures under Accounting Standard (AS) 15 Employee Benefits

The Bank has classified the various benefits provided to employees as under:-

a) Defined Contribution Plan - Pension Fund

During the year ended March 31, 2019, the Bank has recognized **Rs. 42,140 ('000)** *(Previous year ended March 31, 2018: Rs. 44,640 ('000))* in the Profit and Loss account as Employers' Contribution to Pension Fund.

b) Defined Benefit Plan – Gratuity Benefits

Liabilities recognized in Balance Sheet in respect of funded defined benefit obligations: **(Rs. '000)**

Particulars	**As at March 31, 2019**	As at March 31, 2018
Projected Benefit Obligation at the end of year	**590,450**	529,485
Ending Asset	**526,283**	486,898
Fund Status asset/(liability)	**(64,167)**	(42,586)
Unrecognized past service cost - non vested benefits	**Nil**	Nil
Liability recognized in the Balance sheet	**(64,167)**	(42,586)

Gratuity Expenses during the year: **(Rs. '000)**

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Current Service Cost	**61,926**	70,248
Interest Cost	**38,231**	41,066
Expected return on plan asset	**(37,270)**	(33,690)
Net Actuarial losses /(gains) recognized in the year	**16,209**	(120,944)
Past Service Cost	**Nil**	2,563
Effect of Curtailments	**Nil**	Nil
Expenses recognized in the Profit and Loss account	**79,096**	(40,758)

Reconciliation of defined benefit obligations (Gratuity) during the year: **(Rs. '000)**

Particulars	**As at March 31, 2019**	As at March 31, 2018
Projected Benefit Obligation at the beginning of the year	**529,485**	598,766
Current Service Cost	**61,926**	70,248
Interest Cost	**38,231**	41,066
Contribution by plan participation	**Nil**	Nil
Actuarial Losses/(Gains)	**12,601**	(134,153)
Plan Amendments Cost/(Credit)	**Nil**	2,563
Acquisition/Business combination/Divestiture	**1,085**	(166)
Benefits Paid	**(52,878)**	(48,838)
Past service cost	**Nil**	Nil
Amalgamations	**Nil**	Nil
Curtailments	**Nil**	Nil
Settlements	**Nil**	Nil
Projected Benefit Obligation at the end of year	**590,450**	529,485

Change in fair value of assets: **(Rs. '000)**

Particulars	**As at March 31, 2019**	As at March 31, 2018
Plan Asset at beginning of year	**486,898**	456,590
Expected Return on Plan Asset	**37,271**	33,690
Employer Contribution	**58,600**	58,665
Employee Contribution	**Nil**	Nil
Benefits Payment	**(52,878)**	(48,838)
Actuarial Gains/(Losses)	**(3,608)**	(13,209)
Amalgamations	**Nil**	Nil
Settlements	**Nil**	Nil
Ending Asset	**526,283**	486,898

Investment pattern:

Particulars	**As at March 31, 2019**	As at March 31, 2018
Government of India securities	**42.70%**	38.50%
High quality corporate bonds (including public sector bonds)	**51.60%**	55.70%
Cash (Special deposit scheme)	**0.90%**	3.70%
Others	**4.80%**	2.10%

Principal actuarial assumptions:

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Discount rate (per annum)	**7.20%**	7.60%
Salary escalation rate p.a	**9.00%**	9.00%
Expected rate of return on assets (p.a)	**7.61%**	7.61%
Attrition rate	**10.00%**	8.50%

Experience Adjustments **(Rs. '000)**

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
Defined benefit obligation	**590,450**	529,485	598,766	516,062	459,181
Plan assets	**526,283**	486,898	456,590	408,242	352,047
(Surplus)/deficit	**64,167**	42,586	142,176	107,820	107,134
Experience Adjustment on plan liabilities (Gain)/Loss	**12,601**	(134,153)	28,556	(9,070)	81,862
Experience Adjustment on plan assets (Gain)/Loss	**3,608**	13,209	10,141	(1,962)	14,754

The mortality assumptions and rates considered in assessing the Bank's post retirement liabilities are as per the published rate under the Indian Assured Lives Mortality (2006-08) Ultimate table.

The estimates of future salary increase, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors.

c) Provident Fund Contribution

During the year ended March 31, 2019, the Bank's contribution to provident fund was **Rs. 88,090 ('000)** *(Previous year ended March 31, 2018: Rs. 87,247 ('000))*.

The Honorable Supreme Court of India issued an order dated February 28, 2019 relating to employer's contribution to the provident fund ('PF') under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Bank has been legally advised that the judgement has not laid out any new point of law. Given imperative challenges around an assessment involving historical employee records, the Bank will assess implications, if any, on the financial statements in future based on additional clarity that may emerge.

d) Compensated Absences

The provision for compensated absences as on March 31, 2019 was **Rs.284,719 ('000)** *(Previous year ended March 31, 2018:* Rs. *220,383 ('000))*.

12. Segmental Reporting

In accordance with RBI guidelines, the Bank has identified two primary segments: Treasury and Corporate Banking. These segments are identified based on nature of services provided, risk and returns, organizational structure of the Bank and the internal financial reporting system.

Treasury operations comprise derivatives trading, money market operations, investment in bonds, treasury bills and government securities and foreign exchange operations. The revenues of this segment consist of interest earned on investments, profit/(loss) on sale of investments and profits/(loss) on exchange/derivative transactions. The principal expenses of this segment consist of interest expense on funds borrowed, occupancy expenses, personnel costs, other direct overheads and allocated expenses.

Corporate Banking primarily comprises funded and non-funded facilities to clients, cash management activities and fee-based activities. Revenues of this segment consist of interest earned on loans given to clients, on cash management services and fees received from non-fund based activities i.e. issuance of letters of credit, guarantees etc. The principal expenses of this segment consist of interest expenses on funds borrowed, occupancy expenses, personnel costs, other direct overheads and allocated expenses.

Unallocated expenses are reviewed for attribution to the primary segment on an ongoing basis.

The Bank does not have Retail banking and residual operations hence no segmental disclosures for Retail banking and other banking operations have been made.

(Rs. '000)

Business Segments	For the year ended March 31, 2019				For the year ended March 31, 2018			
	Treasury	**Corporate Banking**	**Unallocated**	**Total**	Treasury	Corporate Banking	Unallocated	Total
Segment Revenue	**18,719,216**	**13,652,751**	**139,573**	**32,511,540**	15,180,495	11,347,431	20,201	26,548,127
Segment Result (Operating Profit)	**14,687,872**	**1,033,047**	**139,573**	**15,860,492**	12,245,327	137,065	(318,824)	12,063,568
Provisions and Contingencies	**250,677**	**(770,632)**	**(7,531)**	**(527,486)**	23,948	1,005,566	(7,031)	1,022,483
Income taxes				**(6,755,263)**				(5,742,803)
Net profit				**8,577,743**				7,343,248
Segment Assets	**328,232,277**	**197,077,496**	**15,393,161**	**540,702,934**	193,725,248	157,287,164	29,976,002	380,988,414
Total Assets				**540,702,934**				380,988,414
Segment liabilities	**197,077,329**	**232,563,194**	**717,606**	**430,358,129**	103,319,789	197,423,681	507,002	301,250,472
Capital and Reserves				**110,344,805**				79,737,942
Total Capital & Liabilities				**540,702,934**				380,988,414

The Bank operates as a single unit in India and as such has no identifiable geographical segments subject to dissimilar risks and returns. Hence, no information relating to geographical segments are presented.

13. Related Party Disclosures

a) Head Office*

Bank of America, N.A. and its branches

b) Ultimate Controlling Enterprise*

Bank of America Corporation

c) Subsidiaries of Head Office

- Bank of America Singapore Limited
- Bank of America Merrill Lynch International Limited
- Bank of America Malaysia Berhad

d) Fellow Subsidiaries of Head Office

- BA Continuum India Private Limited
- DSP Merrill Lynch Limited
- DSP Merrill Lynch Capital Limited (Merged with DSP Merrill Lynch Limited in March 2018)
- Merrill Lynch Capital Services Incorporated
- Merrill Lynch Global Services Pte. Ltd
- Merrill Lynch International
- Merrill Lynch (Asia Pacific) Limited
- Merrill Lynch Japan Securities Co. Ltd
- Merrill Lynch Markets Singapore Pte. Ltd

e) Key Management Personnel*

Mrs. Kaku Nakhate, Chief Executive Officer

Transactions with related parties are in the ordinary course of business (Figures for year ended March 31, 2019 are shown in bold. Figures for Previous year ended March 31, 2018 are shown in brackets):

(Rs. '000)

Items/Related Party	**Subsidiaries of Head office**	**Fellow Subsidiaries of Head office**
Transactions during the year		
Sales/Redemption of Securities	**285,671,904** (154,609,876)	**Nil** (Nil)
Purchase of Securities	**269,005,937** (79,621,598)	**Nil** (Nil)
Term Deposits	**Nil** (Nil)	**92,645,175** (59,422,312)

(Rs. '000)

Items/Related Party	Subsidiaries of Head office	Fellow Subsidiaries of Head office
Documentary Collections	**Nil** (Nil)	**552,656** (395,183)
Guarantees issued	**Nil** (Nil)	**40,000** (19,480)
Interest Received	**Nil** (Nil)	**1** (Nil)
Interest Paid	**Nil** (Nil)	**1,522,198** (1,444,752)
Fees on Cards	**Nil** (Nil)	**14,123** (2,094)
Commission Received	**Nil** (Nil)	**2,424** (1,660)
Bank charges Received	**Nil** (Nil)	**554** (511)
Recovery/(Payment) in respect of retirement benefits of transferred employees, (net). [Previous year Payment: 166]	**Nil** (Nil)	**1,085** (166)
Rendering of Services	**113,008** (76,855)	**137,491** (13,301)
Receipt of Services	**Nil** (Nil)	**59,162** (77,276)
Outstanding at the year end		
Term Deposits	**Nil** (Nil)	**30,302,169** (19,430,913)
Demand Deposits	**Nil** (Nil)	**181,296** (2,676,631)
Balance in Current Account	**9,691** (3,655)	**Nil** (Nil)
Advances	**Nil** (Nil)	**47,884** (46,590)
Other Assets	**27,028** (18,107)	**75,359** (1,498)
Other Liabilities	**Nil** (Nil)	**411,643** (307,800)
Derivatives Contracts:		
Notional Value	**23,038,500** (Nil)	**5,091,457** (7,997,165)
Positive Mark-to-Market value	**Nil** (Nil)	**Nil** (Nil)
Negative Mark-to-Market value	**96,933** (Nil)	**3,815** (28,587)
Guarantees	**Nil** (Nil)	**77,920** (37,920)
Maximum outstanding during the year		
Term Deposits	**Nil** (Nil)	**33,345,175** (61,687,285)
Demand Deposits	**Nil** (Nil)	**24,255,005** (20,939,330)
Guarantees	**Nil** (Nil)	**77,920** (37,920)

Material related party transactions #:

(Rs. '000)

Particulars	Subsidiaries of Head office	Fellow Subsidiaries of Head office
Sales/Redemption of Securities		
Bank of America Singapore Limited	**285,671,904** (154,609,876)	**Nil** (Nil)
Purchase of Securities		
Bank of America Singapore Limited	**269,005,937** (79,621,598)	**Nil** (Nil)
Recovery in respect of retirement benefits of transferred employees, net		
DSP Merrill Lynch Limited [Previous year: Payment made in respect of retirement benefits]	**Nil** (Nil)	**1,085** (166)
Rendering of Services		
DSP Merrill Lynch Limited	**Nil** (Nil)	**116,468** (13,301)
Bank of America Merrill Lynch International Limited	**113,008** (76,855)	**Nil** (Nil)
Receipt of Services		
DSP Merrill Lynch Limited	**Nil** (Nil)	**30,177** (37,956)
Merrill Lynch Global Services Pte Ltd	**Nil** (Nil)	**28,985** (39,320)

* In accordance with RBI Master Circular (DBR.BP.BC.No.23/21.04.018/2015-16 dated July 1, 2015) on 'Disclosure in Financial Statements – Notes to Accounts', where there is only one entity/person in any category of related parties, the Bank has not disclosed any details pertaining to that related party other than the relationship with that related party.

\# In accordance with the Accounting Standard 18, a specific related party transaction is disclosed as a material related party transaction when it exceeds 10% of total related party transactions in that category, other than cases which are in the nature of banker – customer relationships, where the Bank has obligation under the law to maintain confidentiality.

14. Deferred Tax

Deferred Tax Asset (DTA) as at March 31, 2019 amounts to Rs. 922,041 ('000) (*Deferred Tax Asset as at March 31, 2018 (DTA) Rs. 636,311 ('000)*). The components that gave rise to the deferred tax assets included in the balance sheet are as follows:

(Rs. '000)

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Deferred tax assets/(Deferred tax liability)</u>		
Depreciation on fixed assets	**141,216**	126,491
Disallowances under section 43B of the Income tax Act, 1961	**298,579**	249,663
Provisions	**482,246**	251,840
Others	**Nil**	8,317
Total	**922,041**	636,311

15. Provision for Current Taxation

(Rs. '000)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Income tax for the year	**7,026,000**	5,500,500
Income tax adjustments for prior years	**14,993**	41,500
Total	**7,040,993**	5,542,000

16. Leases

Information in respect of premises taken on operating lease of non-cancellable nature is as under:

(Rs. '000)

Sr. No.	Future minimum lease payments	As at March 31, 2019	As at March 31, 2018
1)	Up to 1 year	**5,645**	30,822
2)	More than 1 year and up to 5 years	**7,997**	Nil
3)	More than 5 years	**Nil**	Nil

- The lease payments, recognized in the Profit and Loss account for the year ended March 31, 2019: Rs. 320,440 ('000) (*Previous year ended March 31, 2018: Rs. 265,635 ('000)*).
- The Bank has not sub-leased any part of the above premises.
- There are no lease payments recognized in the Profit and Loss Account for contingent rent.
- The terms of renewal and escalation clauses are those normally prevalent in similar agreements. There are no undue restrictions or onerous clauses in the agreements.

17. Other Fixed Assets (including furniture & fixtures)

Other Fixed Assets under Schedule 10(II) include software acquired by the Bank, details for which are given below:

(Rs. '000)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
At Cost as at March 31, of preceding year	**197,974**	165,145
Additions during the year	**7,557**	32,829
Deductions during the year	**NIL**	NIL
At Cost as at March 31	**205,531**	197,974
Accumulated amortization	**(168,254)**	(154,590)
Written down value as at March 31	**37,277**	43,384

18. Provisions, Contingent liabilities and Contingent Assets

The Bank has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with the provisions of Accounting Standard - 29 on 'Provisions, Contingent Liabilities and Contingent Assets', the Bank recognizes a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Bank does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

Description of Contingent Liabilities stated in Schedule 12

a) Claims against the Bank not acknowledged as Debts

The Bank is a party to certain legal proceedings in the normal course of business. This also includes claims/demands raised by income tax and service tax authorities which are disputed by the Bank.

b) Liability on account of foreign exchange and derivative contracts

The Bank enters into foreign exchange contracts, currency options, currency swaps, interest rate swaps, interest rate futures and currency futures with inter-bank participants on its own account and for its customers.

Foreign exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency options give the buyer, on payment of a premium, the right but not an obligation, to buy or sell specified amounts of currency at agreed rates of exchange on or before a specified future date. Currency Futures contract is a standardized foreign exchange derivative contract traded on a recognized stock exchange to buy or sell one currency against another on a specified future date, at a price specified on the date of contract. Currency Swaps are commitments to exchange cash flows by the way of interest/ principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as contingent liabilities are typically amounts used as a basis for the calculation of interest component of the contract and do not necessarily indicate the amounts of future cash flows involved or the current fair value of such contracts and, therefore, do not indicate the Bank's exposure to credit or price risks. These contracts become favorable (assets) or unfavorable (liabilities) as a result of movements in the market rates or prices relative to their terms. Interest Rate Futures contract is a standardized derivative contract with an interest bearing instrument viz government bond as the underlying asset.

c) Guarantees given on behalf of Constituents, Acceptances, Endorsements and other obligations

As a part of its corporate banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of customer failing to fulfill its financial or performance obligations.

d) Other items for which the Bank is contingently liable

These include i) Committed Lines of Credit, ii) Capital Commitments and iii) Depositor Education and Awareness Fund (DEAF).

e) Movement in Provision for Contingencies

(Rs. '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Provision	**21,043**	21,043
Additions	**1,472**	Nil
Reversals	**610**	Nil
Closing Provision	**21,905**	21,043

19. Employee stock compensation expense: -

Restricted stocks/restricted units of the Bank's Ultimate Controlling Enterprise, Bank of America Corporation (BAC), are granted to the eligible employees of the Bank in terms of the global long-term incentive compensation plans of the Ultimate Controlling Enterprise. These restricted stocks/restricted units vest in three equal annual installments beginning one year from the grant date. During the year ended March 31, 2019, 264,636 numbers of restricted stocks/restricted units were granted (*Previous Year ended March 31, 2018– 249,243 numbers*) and the average estimated fair value per unit on the date of grant was US$ 27.09 (*Previous year – US$ 32.18*). Payments to and provisions for employees for the year includes Rs. 770,979 ('000) (*Previous year – Rs. 972,800 ('000)*) towards these awards. The liability towards restricted stocks/restricted units recognized as at March 31, 2019 is Rs. 71,281 ('000) (*as at March 31, 2018 – Rs. 99,417 ('000)*).

20. Floating Provisions

The Bank has not created nor it holds any floating provision as at March 31, 2019 (*as at March 31, 2018 – Nil*).

21. Draw down from Reserves

During the year ended March 31, 2019, there has been no drawdown from Reserves *(Previous year ended March 31, 2018: Nil)*.

22. Disclosure of Complaints/Unimplemented awards of Banking Ombudsmen

In accordance with RBI Master Circular on Customer Services in Banks DBR No.Leg.BC.21/09.07.006/2015-16 dated July 1, 2015, details of customer complaints and awards passed by Banking Ombudsman are as follows:

A. Customer complaints

Sr. no.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a)	No. of complaints pending at the beginning of the year	**Nil**	Nil
b)	No. of complaints received during the year	**12**	14
c)	No. of complaints redressed during the year	**12**	14
d)	No. of complaints pending at the end of the year	**Nil**	Nil

B. Awards passed by the Banking Ombudsmen

Sr. no.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a)	No. of unimplemented awards at the beginning of the year	**Nil**	**Nil**
b)	No. of awards passed by the Banking Ombudsmen during the year	**Nil**	**Nil**
c)	No. of awards implemented during the year	**Nil**	**Nil**
d)	No. of unimplemented awards at the end of the year	**Nil**	**Nil**

23. Letters of Comfort issued

The Bank has not issued any Letter of Comfort during the year ended March 31, 2019 *(Previous year ended March 31, 2018: Nil)*.

24. Provision Coverage ratio

In accordance with RBI guidelines, the Bank's Provision Coverage Ratio as at March 31, 2019 was NIL (*as at March 31, 2018 – Nil*).

25. Bancassurance Business

The Bank is not into the business of Bancassurance and has not received any fees/remuneration in respect of the same during the year ended March 31, 2019. *(Previous year ended March 31, 2018: Nil)*.

26. Concentration of Deposits, Advances, Exposures and NPAs

1) Concentration of Deposits

(Rs. '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Deposits of twenty largest depositors	**113,694,944**	96,343,793
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	**50.25%**	50.51%

2) Concentration of Advances*

(Rs. '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Advances to twenty largest borrowers	**180,652,728**	148,172,620
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	**38.46%**	59.06%

* Advances represent Credit Exposure including derivatives as mentioned in Master Circular on Exposure Norms DBR.No.Dir. BC.12/13.03.00/2015-16 dated July 1, 2015

3) Concentration of Exposures

(Rs. '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure of twenty largest borrowers/customers	**187,806,085**	155,626,625
Percentage of Exposure to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	**38.08%**	56.47%

4) Concentration of NPAs

(Rs. '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure of top four NPA accounts	**NIL**	NIL

27 a. **Sector-wise advances**

(Rs. '000)

SI NO.	Sector	As at March 31, 2019		
		Outstanding Total Advances #	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
	Priority Sector			
1	Agriculture and allied activities	**Nil**	**Nil**	**Nil**
2	Advances to industries sector eligible as priority sector lending	**40,541,349**	**Nil**	**Nil**
3	Services	**8,562,800**	**Nil**	**Nil**
4	Personal loans	**Nil**	**Nil**	**Nil**
	Sub-Total (A)	**49,104,149**	**Nil**	**Nil**
	Non-Priority Sector			
1	Agriculture and allied activities	**Nil**	**Nil**	**Nil**
2	Industry	**74,203,753**	**Nil**	**Nil**
3	Services	**71,209,574**	**Nil**	**Nil**
4	Personal loans	**Nil**	**Nil**	**Nil**
	Sub-Total (B)	**145,413,327**	**Nil**	**Nil**
	Total (A+B)	**194,517,476**	**Nil**	**Nil**

Represent gross advances

(Rs. '000)

SI NO.	Sector	As at March 31, 2018		
		Outstanding Total Advances #	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
	Priority Sector			
1	Agriculture and allied activities	Nil	Nil	Nil
2	Advances to industries sector eligible as priority sector lending	40,397,676	Nil	Nil
3	Services	8,372,900	Nil	Nil
4	Personal loans	Nil	Nil	Nil
	Sub-Total (A)	48,770,576	Nil	Nil
	Non-Priority Sector			
1	Agriculture and allied activities	Nil	Nil	Nil
2	Industry	47,029,278	Nil	Nil
3	Services	57,662,548	Nil	Nil
4	Personal loans	Nil	Nil	Nil
	Sub-Total (B)	104,691,826	Nil	Nil
	Total (A+B)	153,462,402	Nil	Nil

Represent gross advances

27 b. **Investment in Priority Sector Lending Certificate**

(Rs. '000)

Particulars	As at March 31, 2019	As at March 31, 2018
General	**Nil**	Nil
Small and Marginal Farmer	**Nil**	Nil
Agriculture	**Nil**	Nil
Micro Enterprises	**9,580,000**	3,010,000

28. Movement of NPAs **(Rs. '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
Gross NPAs as on April 01 (Opening Balance)	**Nil**	1,100,000
Additions (Fresh NPAs during the year)	**Nil**	Nil
Sub-total (A)	**Nil**	1,100,000
Less: -		
(i) Upgradations	**Nil**	Nil
(ii) Recoveries (excluding recoveries made from upgraded accounts)	**Nil**	990,000
(iii) Write-offs	**Nil**	110,000
Sub-total (B)	**Nil**	Nil
Gross NPAs as on March 31 (Closing balance) (A-B)	**Nil**	Nil

29. Overseas Assets, NPAs and Revenue **(Rs. '000)**

Particulars	March 31, 2019	March 31, 2018
Total Assets	**Nil**	Nil
Total NPAs	**Nil**	Nil
Total Revenue	**Nil**	Nil

30. Off-Balance sheet SPVs (Domestic & Overseas) sponsored – There were no Off Balance sheet SPVs (Domestic & Overseas) sponsored as at March 31, 2019 *(as at March 31, 2018: Nil).*

31. Unamortised Pension and Gratuity Liabilities – There were no Unamortised Pension and Gratuity Liabilities as at March 31, 2019 *(as at March 31, 2018: Nil).*

32. Disclosures on Remuneration

The Bank's compensation policies including that of CEO's, is in conformity with the Financial Stability Board principles and standards. In accordance with the requirements of RBI Circular No. DBOD No.BC.72/29.67/001/2011-12 dated January 13, 2012; the Regional Office of the Bank has submitted a declaration to RBI confirming the aforesaid matter.

33. Corporate Social Responsibility (CSR) expenditure –

The Bank's CSR approach in India is aligned to the global strategy, adapted to focus on local priorities. This year, the grants focused on community investments which benefit children (especially adolescent girls), women and disadvantaged communities. Accordingly, the Bank extended support to non-governmental organizations (NGOs) in the areas of Sanitation and Hygiene, Education and Skills Development including supporting programs that enhance employability skills for differently abled. Further, it continued to support projects that provide renewable energy access to remote households and enhance livelihoods. The Bank also continued its support as a strategic partner for the Dasra Adolescent Collaborative aimed at addressing development issues for adolescent girls, aims to reach 3 million adolescents in 3 years. This year saw the opening of Mumbai's first Children's Museum created with philanthropic support from the Bank given its focus on Arts & Culture. In the thought leadership space, the Bank also launched a report promoting the social, political and economic inclusion of persons with intellectual and developmental disability in collaboration with Dasra. **(Rs. '000)**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(1) Gross amount required to spent by the Bank during the year	**257,970**	249,570
(2) Amount spent during the year on:		
i) Construction/acquisition of any asset		
– in cash	–	–
– Yet to be paid in cash	–	–
ii) any other purpose		
– in cash	**257,975**	249,616
– Yet to be paid in cash	–	–
Total	**257,975**	249,616

34. Disclosure relating to securitization

There are no securitization transactions which were originated by the Bank during the year ended March 31, 2019 (*Previous Year ended March 31, 2018: Nil).*

35. Disclosures pertaining to Micro and Small Enterprises

Following disclosure is made as per the requirement of The Micro, Small and Medium Enterprises Development Act, 2006.

(Rs. '000)

Particulars	As at March 31, 2019	As at March 31, 2018
The principal amount remaining unpaid to any supplier	**4,183**	Nil
The interest due thereon (above principal amount) remaining unpaid to any supplier	**571**	Nil
The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day for the year ended	**NIL**	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	**NIL**	Nil
The amount of interest accrued and remaining unpaid at the end of the year	**571**	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	**NIL**	Nil

36. Credit Default Swaps

The Bank has not transacted in credit default swaps during the year ended March 31, 2019 (*Previous year ended March 31, 2018: Nil*).

37. Intra Group Exposures: - **(Rs. '000)**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Total amount of intra-group exposures	**2,669,571**	344,518
(b) Total amount of top-20 intra-group exposures	**2,669,571**	344,518
(c) Percentage of intra-group exposures to total exposure of the Bank on borrowers/customers	**0.45%**	0.10%

38. Transfers to Depositor Education and Awareness Fund (DEAF): - **(Rs. '000)**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance of amounts transferred to DEAF	**241,303**	145,669
Add: Amounts transferred to DEAF during the year	**33,346**	99,057
Less: Amounts reimbursed by DEAF towards claims	**3,467**	3,423
Closing balance of amounts transferred to DEAF	**271,182**	241,303

39. Unhedged Foreign Currency Exposure ("UFCE") of borrowers: -

UFCE of the borrowers is an area of risk for the individual entity as well as the entire financial system. Entities who do not hedge their exposures may incur significant losses due to exchange rate movements, which in turn can reduce their capability to service the loans taken from banks.

The Bank recognizes the importance of the risk of adverse fluctuation of foreign exchange rates on the profitability and financial position of borrowers, who are exposed to currency risk. In this regard, the Bank, in line with RBI circular on UFCE dated January 15, 2014 has put in place requisite procedures for monitoring and mitigation of currency induced credit risk of borrowers. These include the following:

- Details of UFCE sought from the borrower at the time of granting fresh credit facilities.
- Periodic monitoring of un-hedged foreign currency exposures of existing borrowers.
- Incremental provisioning (over and above provision applicable for standard assets) is made in the Bank's Profit and Loss Account, on borrower counterparties having UFCE, depending on the likely loss/EBID# ratio. Incremental capital is maintained in respect of borrower counterparties in the highest risk category. These requirements are given below.

Likely Loss/EBID# (%)	Incremental provisioning requirement on total credit exposure over & above standard asset provisioning	Incremental capital requirement
Upto 15%	NIL	NIL
More than 15% and upto 30%	20 bps	NIL
More than 30% and upto 50%	40 bps	NIL
More than 50% and upto 75%	60 bps	NIL
More than 75% or data unavailable	80 bps	25% increase in the risk weight

#EBID, as defined for purposes of computation of Debt Service Coverage Ratio = Profit After Tax + Depreciation + Interest on debt + Lease Rentals, if any.

- In case of borrowers exposed to currency risk where declarations are not submitted, provision for currency induced credit risk and incremental capital are maintained as per highest risk category, i.e. 80bps and 25% increase in the risk weight respectively.

Provision held for currency induced credit risk as at March 31, 2019 was Rs. 830,745 ('000) *(as at March 31, 2018: Rs. 567,125 ('000))*. Incremental Risk weighted assets value considered for the purpose of CRAR calculation in respect of currency induced credit risk is Rs. 30,341,418 ('000) *(as at March 31, 2018: Rs. 23,457,535 ('000))*.

40. i) Liquidity Coverage Ratio (LCR):

The Bank has been computing its LCR on a daily basis since January 2017 in line with the extant RBI guidelines. The following table sets forth, the quarterly average of unweighted and weighted values of the LCR of the Bank. The simple average has been computed based on daily values for the three months ended June 30, 2018, September 30, 2018, December 31, 2018 and March 31, 2019. **(Rs. in Crores)**

	Q1 FY 18-19		Q2 FY 18-19		Q3 FY 18-19		Q4 FY 18-19	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)	7,857	7,857	10,774	10,774	13,727	13,727	9,790	9,790
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	1	0	1	0	1	0	1	0
(i) Stable deposits								
(ii) Less stable deposits	1	0	1	0	1	0	1	0
3 Unsecured wholesale funding, of which:	18,392	6,892	18,785	7,081	22,348	8,291	20,747	7,751
(i) Operational deposits (all counterparties)	6,076	1,518	6,572	1,642	7,396	1,848	7,650	1,912
(ii) Non-operational deposits (all counterparties)	12,316	5,374	12,213	5,439	14,952	6,444	13,097	5,839
(iii) Unsecured debt								

		Q1 FY 18-19		Q2 FY 18-19		Q3 FY 18-19		Q4 FY 18-19	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
4	Secured wholesale funding	**975**	**–**	**358**	**–**	**75**	**–**	**3,753**	**–**
5	Additional requirements, of which	**2,693**	**1,784**	**2,708**	**1,729**	**2,525**	**1,827**	**2,864**	**2,074**
	(i) Outflows related to derivative exposures and other collateral requirements	**1,600**	**1,600**	**1,553**	**1,553**	**1,685**	**1,685**	**1,864**	**1,864**
	(ii) Outflows related to loss of funding on debt products								
	(iii) Credit and liquidity facilities	**1,092**	**183**	**1,155**	**175**	**840**	**142**	**1,000**	**210**
6	Other contractual funding obligations	**420**	**420**	**597**	**597**	**1,067**	**1,067**	**957**	**957**
7	Other contingent funding obligations	**17,042**	**763**	**19,133**	**853**	**19,390**	**866**	**20,496**	**925**
8	Total Cash Outflows	**39,524**	**9,859**	**41,581**	**10,260**	**45,406**	**12,051**	**48,818**	**11,707**
Cash Inflows									
9	Secured lending (e.g.reverse repos)	**2,446**	**–**	**3,955**	**–**	**5,362**	**–**	**1,884**	**–**
10	Inflows from fully performing exposures	**5,688**	**3,964**	**5,677**	**3,876**	**4,277**	**4,626**	**6,695**	**4,756**
11	Other cash inflows	**1,030**	**710**	**1,123**	**803**	**835**	**714**	**1,248**	**998**
12	Total Cash Inflows	**9,164**	**4,674**	**10,754**	**4,679**	**10,474**	**5,340**	**9,826**	**5,754**
13	**TOTAL HQLA**	**7,857**	**7,857**	**10,774**	**10,774**	**13,727**	**13,727**	**9,790**	**9,790**
14	**Total Net Cash Outflows**	**30,359**	**5,185**	**30,827**	**5,581**	**34,932**	**6,711**	**38,992**	**5,953**
15	**Liquidity Coverage Ratio (%)**		**151.53**		**193.05**		**204.54**		**164.46**

For the year ended March 31, 2018

The LCR positions of the Bank based on simple average of month-end values for the three months ended June 30, 2017, September 30, 2017, December 31, 2017 and March 31, 2018.

		Q1 FY 17-18		Q2 FY 17-18		Q3 FY 17-18		Q4 FY 17-18	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	9,658	9,658	11,613	11,613	11,373	11,373	10,043	10,043
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	38	4	24	2	1	0	1	0
	(i) Stable deposits								
	(ii) Less stable deposits	38	4	24	2	1	0	1	0
3	Unsecured wholesale funding, of which:	16,032	6,079	17,868	6,781	19,569	7,442	19,237	7,349
	(i) Operational deposits (all counterparties)	4,310	1,076	4,490	1,121	5,007	1,251	5,548	1,386
	(ii) Non-operational deposits (all counterparties)	11,722	5,003	13,378	5,660	14,562	6,191	13,689	5,963
	(iii) Unsecured debt								
4	Secured wholesale funding	29	–	14	–	5	–	766	–
5	Additional requirements, of which	3,145	1,884	2,943	1,670	3,146	1,740	3,064	1,817
	(i) Outflows related to derivative exposures and other collateral requirements	1,691	1,691	1,469	1,469	1,522	1,522	1,615	1,615
	(ii) Outflows related to loss of funding on debt products								
	(iii) Credit and liquidity facilities	1,454	1,923	1,474	201	1,624	218	1,449	202
6	Other contractual funding obligations	758	758	789	789	729	729	653	653
7	Other contingent funding obligations	16,164	748	16,480	762	16,731	773	16,497	753
8	Total Cash Outflows	36,166	9,473	38,118	10,004	40,181	10,684	40,218	10,572
Cash Inflows									
9	Secured lending (e.g.reverse repos)	3,344	–	5,810	–	5,022	–	3,600	–
10	Inflows from fully performing exposures	5,261	3,466	5,142	3,570	6,013	4,421	5,648	3,989
11	Other cash inflows	1,443	1,104	955	616	1,015	676	1,069	749
12	Total Cash Inflows	10,048	4,570	11,907	4,186	12,050	5,097	10,317	4,738
13	**TOTAL HQLA**	9,658	9,658	11,613	11,613	11,373	11,373	10,043	10,043
14	**Total Net Cash Outflows**	26,118	4,903	26,211	5,818	28,131	5,587	29,901	5,834
15	**Liquidity Coverage Ratio (%)**		196.93		199.59		203.60		172.13

40. **ii) Qualitative disclosure around LCR:**

The Bank measures and monitors LCR in line with RBI's guidelines on "BASEL III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards" dated June 09, 2014 as amended by "Prudential Guidelines on Capital Adequacy and Liquidity Standards" dated March 31, 2015 along with the subsequent amendments issued by RBI.

The LCR guidelines aim at measuring and promoting short term resilience of banks to potential liquidity disruptions, by ensuring that banks maintain an adequate level of unencumbered High Quality Liquid Assets (HQLAs) to meet net cash outflows over next 30 days in a severe liquidity stress scenario.

The minimum LCR requirement effective January 1, 2019 was 100% compared to 90% in 2018. The Bank has incorporated LCR as part of its risk appetite metric and has maintained LCR above the regulatory threshold for every month end from April 2018 to March 2019.

The Bank has been maintaining HQLA in the form of excess CRR balance and SLR investments over and above mandatory requirement apart from regulatory dispensation allowed in the form of borrowing limit available through Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR). The Bank's HQLA consists mostly of Level 1 assets which are the most liquid assets as indicated by RBI. The main drivers of the LCR computation consist of outflows from eligible deposits and inflows from eligible advances, computed on the basis of run-off rates prescribed by RBI.

The Bank's Asset Liability Committee (ALCO) is the primary governing body for the oversight of the Bank's liquidity risk management, while the day-to-day management of liquidity risk is the responsibility of Corporate Treasury.

41. Other expenditure in 'Schedule 16 – Operating Expenses' includes Head office administration Expenditure of Rs. 460,192 ('000) for the year ended March 31, 2019 *(Previous year ended March 31, 2018: Rs. 482,365 ('000))* and expenses for Information Technology Support Services amounting to Rs. 523,978 ('000) for the year ended March 31, 2019 (*Previous Year ended March 31, 2018: 409,718 ('000)*) attributable to the Banks Operations in India.

42. Miscellaneous Income includes service fee income of Rs. 1,085,247 ('000) for the year ended March 31, 2019 *(Previous year ended March 31, 2018: Rs. 862,465 ('000))* from overseas branches and affiliates accounted as per contractual terms.

43. Outstanding commitments as of March 31, 2019 relating to securities purchase and sale contracts stood at Rs. 11,801,143 ('000) and Rs. 16,330,706 ('000) respectively *(as at March 31, 2018: Rs. 23,975,243 ('000) and Rs. 30,652,422 ('000) respectively).*

44. The disclosures required on holdings as well as dealing in Specified bank notes during the period from 8 November 2016 to 30 December 2016 as envisaged in notification G.S.R. 308(E) dated 30 March 2017 issued by the Ministry of Corporate Affairs is not applicable to the Bank.

As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sameer Mota
Partner
Membership Number: 109928

Place: Mumbai
Date: June 24, 2019

For **BANK OF AMERICA, N.A. (INDIA BRANCHES)**

Kaku Nakhate
Chief Executive Officer

Viral Damania
Chief Financial Officer

Bank of America

BANK OF AMERICA, N.A. (INDIA BRANCHES)

(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2019

Table DF-1: Scope of Application

Name of the entity to which the framework applies: **Bank of America N.A. (India branches)**

The Basel III Pillar 3 disclosures contained herein relate to Bank of America, N.A. – India Branches (hereafter referred to as the "the Bank" or "BANA India") for the year ended March 31, 2019. Bank of America Corporation ("BAC" or "the Company") has a subsidiary, Bank of America, N.A. ("BANA U.S.") into which BANA India is consolidated. The Pillar 3 disclosures are compliant with Reserve Bank of India (the "RBI") Master circular DBOD. No. BP.BC. 1/21.06.201/2015-16 dated July 1, 2015 on BASEL III Capital Regulations along with Master circular DBOD. No. BP.BC. 5/21.06.001/2014-15 dated July 1, 2014 on Prudential Guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy Framework.

RBI has implemented Basel III capital regulations effective April 1, 2013 with transitional arrangements as below:

Transitional Arrangements - BASEL III Capital Regulations

		(% of RWAs)			
Minimum capital ratios		**March 31, 2019**	**March 31, 2020**	**March 31, 2021**	**March 31, 2022**
Minimum Common Equity Tier 1 (CET1)	A	5.5000	5.5000	5.5000	5.5000
Capital conservation buffer (CCB)	B	1.8750	2.5000	2.5000	2.5000
Global Systemically Important Banks buffer (GSIB)(^)	C	2.5000	2.5000	2.5000	2.5000
Minimum Tier 1 capital	D	7.0000	7.0000	7.0000	7.0000
Minimum Total Capital (*)	E	9.0000	9.0000	9.0000	9.0000
Minimum Regulatory Capital Requirement	F = E + B+ C	13.3750	14.0000	14.0000	14.0000

^ GSIB percentage as applicable currently for Bank of America (prescribed by Federal Reserve Board)

*The difference between the minimum total capital requirement of 9% and Tier I requirement can be met with Tier 2 and higher forms of capital.

Under BASEL III norms - transitional arrangements, the bank is required to maintain a minimum total capital to risk weighted assets ratio ("CRAR") of 13.3750% (including CCB and G SIB requirement) and a minimum Common Equity Tier 1 CRAR of 5.5% and minimum Tier 1 CRAR of 7.0% as at March 31, 2019.

I. **Qualitative disclosures:**

The provisions of Accounting Standard ("AS") 21 - Consolidated Financial statements, AS 23 Accounting for Investments in Associates in Consolidated Financial statements & AS 27 - Financial Reporting of Interest in Joint Ventures, issued by The Institute of Chartered Accountants of India ("ICAI") and notified by the Companies (Accounting Standards) Rules 2006 do not apply to the Bank. BANA India has not invested its capital in any of the entities operating in India and owned by BAC. Further, the Bank does not have any interest in insurance entities. Hence the qualitative disclosures are only made for BANA India as a standalone entity.

a. **List of group entities considered for consolidation**

Name of the entity/Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes/no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes/no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
Not Applicable						

b. **List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation**

Name of the entity/Country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity) INR mm*	% of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity) INR mm
DSP Merrill Lynch Limited/India *	Securities Broker/ Dealer and Merchant Banker	22,883	NIL	Not Applicable	33,070

** Amounts are as per last audited financial statements (F.Y. ending March 31, 2018)*

II. **Quantitative disclosures**

c. **List of group entities considered for consolidation**

Name of the entity/ country of incorporation (as indicated in (i)a. above)	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity
Not Applicable			

d. The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

Name of the subsidiaries/country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Capital deficiencies
Not Applicable				

e. The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk-weighted:

Name of the insurance entities/ country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity/ proportion of voting power	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
Not Applicable				

f. Any restrictions or impediments on transfer of funds or regulatory capital within the banking group: Disclosures for BANA India are given as a standalone entity and therefore this disclosure requirement is not applicable.

Table DF-2: Capital Adequacy

I. Qualitative disclosures

The Bank is required to comply with all applicable laws and regulations in India including guidelines issued by RBI and other relevant regulatory bodies.

The Internal Capital Adequacy Assessment Process ("ICAAP") document assesses the capital adequacy for the Bank and details the process by which this assessment is made based on a reference date and looking forward, over a three-year planning horizon ("ICAAP Planning Horizon").

ICAAP establishes a framework for banks to perform a comprehensive assessment of the risks they face and relate capital to those risks. The capital analysis performed by the Bank is expected to encompass all risks, not just the risks captured by the Basel III Pillar 1 minimum regulatory capital calculation. Successful risk identification and measurement requires having a comprehensive process to quantify measure and aggregate these various risks in order to ensure that the Bank's capital resources are sufficient to cushion volatility in earnings due to unexpected losses.

The authority to develop the ICAAP document is delegated to the Finance department. The Bank's Chief Financial Officer ("CFO") is responsible for the production of ICAAP with inputs from Front Line Units ("Businesses "or "Business"), Independent Risk Management and Control Functions. Enterprise-wide functions, including Enterprise Financial and Strategic (EFAS) Risk and International Capital Management and Advocacy ("ICMA") also review the ICAAP to ensure adequate challenge and consistency with Enterprise practices.

The Bank has established an Internal Capital Guideline ("IGL") and maintains capital levels in excess of this guideline. IGL is set above minimum regulatory requirements to serve as an early warning signal to prompt action and avoid a capital breach.

The ICAAP document is presented to the Asset Liability Committee ("ALCO") and the Local Management Team ("LMT") for final review and approval on an annual basis. The ICAAP is also validated by Corporate Audit periodically, as required under RBI guidelines.

ICAAP is an integral management tool for determining the adequacy of the Bank's capital resources throughout the ICAAP planning horizon. It is also utilized to assess the risks being faced by the Bank and assess the adequacy of BANA India's capital under Baseline as well as Stress Scenarios over the ICAAP Planning Horizon. The ALCO and the LMT are responsible for acting at an early stage to prevent capital from falling below the minimum levels required to support risk characteristics.

Capital Requirements for Pillar 1 risks (i.e. Credit Risk, Market Risk and Operational Risk)

The Bank has adopted Standardized Approach ("SA") for credit risk, Standardized Duration Approach ("SDA") for market risk and Basic Indicator Approach ("BIA") for operational risk for computing its capital requirement.

Under the SA for credit risk, the Bank relies upon the ratings issued by the external credit rating agencies specified by the RBI for assigning risk weights for capital adequacy purposes under the Basel III guidelines. The risk weights applicable for claims against banks, sovereign, corporate and other Assets are as per the Basel III guidelines. In compiling the credit exposures, the Bank does not reduce cash collateral received if any, against credit exposures as eligible credit mitigants, as permitted by the RBI.

Under the SDA for computing the capital requirement for market risk, the Bank has adopted the "duration" method.

The minimum capital requirement for market risk is computed in terms of:

a. "Specific risk" charge for each security, to protect against an adverse movement in the price of an individual security owing to factors related to the individual issuer.

b. "General market risk" charge towards interest rate risk in the portfolio, where long and short positions in different securities or instruments can be offset.

Under the BIA, the Bank holds capital for operational risk equal to 15% of average positive gross annual income for the previous three financial years.

II. Quantitative disclosures

Capital Structure as on March 31, 2019

INR mm

Common Equity Tier 1*	102,158
Additional Tier 1	–
Tier 2	3,482
Total Capital Funds	**105,640**

Capital Structure as on March 31, 2018

INR mm

Common Equity Tier 1	66,461
Additional Tier 1	–
Tier 2	1,374
Total Capital Funds	67,835

*The Bank received additional capital of Rs 22,029.12 mm from Head Office during the year ended March 31, 2019 (*Previous year ended March 31, 2018: NIL*), eligible for Common Equity Tier I Capital treatment in accordance with the requirements prescribed in para 4.2.3.2 (A) of Master Circular – Basel III Capital Regulations (DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015).

Capital requirement and CRAR INR mm

	31-Mar-19	31-Mar-18
Capital requirements for credit risk:		
– Portfolios subject to standardized approach	37,255	30,705
– Securitization exposures	–	–
Capital requirements for market risk:		
Interest rate risk		
– General market risk	11,353	7,462
– Specific risk	2004	458
Equity risk		
– General market risk	–	–
– Specific risk	–	–
– Foreign exchange risk (including gold)	1,396	1,331
Capital requirements for operational risk: (Basic indicator approach)	5,244	4,585
Total Capital Requirements	**57,252**	44,541
Common Equity Tier I capital ratio	23.87%	19.02%
Tier I capital ratio	23.87%	19.02%
Tier II capital ratio	0.81%	0.40%
Total capital ratio	**24.68%**	19.42%

Risk Exposure and Assessment

Risk management is a disciplined approach to identify, analyze, assess and control unacceptable risk to minimize the volatility of financial results, drive sustainable earnings and protect the Bank's brand and reputation. The Bank takes a comprehensive approach to risk management, integrating it with strategic, capital and financial operating plans. Risk management and capital utilization are integral parts of the strategic planning process and are considered throughout the process to align the Business strategies with capital considerations. This holistic approach promotes the risk versus reward analysis needed to make informed strategic and business decisions.

Risk Framework integrates risk management activities in key strategic, capital and financial planning processes, day-to-day business processes and model risk management processes across Businesses.

The front line units have primary responsibility for managing risks inherent in their businesses. The bank employs an effective risk management process, referred to as Identify, Measure, Monitor and Control ("IMMC"), as part of its daily activities.

Some of the risks that the Bank is exposed to are described below:

- Credit risk is the risk of loss arising from the inability or failure of a borrower or counterparty to meet its obligations. BANA India manages credit risk to a borrower or counterparty based on its risk profile, which includes assessing repayment sources, underlying collateral, if any, and the expected effects of the current and forward-looking economic environment on the borrowers or counterparties. Underwriting, credit management and credit risk limits are proactively reassessed as a borrower's or counterparty's risk profile changes.
- Market risk is the risk of loss due to changes in the market values of the Bank's assets and liabilities caused by changing interest rates, currency exchange rates, and security prices. Market risk is inherent in the Bank's operations and arises from both trading and non-trading positions. Trading exposures represent positions taken in a wide range of financial instruments and markets which expose the Bank to various risks, such as interest rate risk, foreign exchange risk, etc. The Bank manages these risks by using trading strategies and other hedging actions which encompass a variety of financial instruments in both the cash and derivatives markets. Key market risk exposures are assessed at both specific and aggregate levels. At the specific level, market risk sensitivities are assessed by evaluating the impact of individual risk factors such as interest rates and foreign exchange. At the aggregate level, market risk is assessed using two key measures, which are Value-at-Risk ("VaR") and Bi-Weekly Maximum Observed Loss ("MoL").
- Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk. Operational losses have remained low.
- Strategic risk is the risk resulting from incorrect assumptions about external or internal factors, inappropriate business plans (e.g., too aggressive, wrong focus, ambiguous); ineffective business strategy execution; or failure to respond in a timely manner to changes in the

regulatory, macroeconomic or competitive environments in the geographic locations in which we operate (such as competitor actions, changing customer preferences, product obsolescence and technology developments).

- Liquidity risk is the inability to meet expected or unexpected cash flow and collateral needs while continuing to support our businesses and customers under a range of economic conditions. The primary objective of liquidity risk management is to ensure that BANA India can meet expected or unexpected cash flow and collateral needs while continuing to support our businesses and customers with the appropriate funding sources, under a range of economic conditions.BANA India maintains a Branch Liquidity Risk Policy and Contingency Funding Plan for managing its asset and liability position in accordance with the RBI guidelines.
- Reputational risk is the risk that negative perceptions regarding BANA India's conduct or business practices may adversely impact its profitability or operations. Reputational risk may result from many of the bank's activities, including those related to the management of strategic, operational, compliance and credit risks. As a result, the potential impact to the bank's reputation of all our activities and all risks we face is evaluated. Reputational risk may arise from negative perception on the part of key stakeholders (e.g., customers, counterparties, investors, regulators, rating agencies), scrutiny from external parties (e.g., politicians, consumer groups, media organizations) and the ongoing threat of litigation. These reputational risk events could adversely impact the bank's financial standing through an inability to maintain or establish business relationships.
- Compliance risk is the risk of legal or regulatory sanctions, material financial loss or damage to the reputation of the Company arising from the failure of the Company to comply with the requirements of applicable laws, rules, regulations, related self-regulatory organizations' standards and codes of conduct.
- Interest Rate Risk in Banking Book (IRRBB) refers to the potential adverse financial impact on the Bank's net interest income from changes in interest rates. Due to the fundamental nature of its business, the bank carries various interest sensitive assets and liabilities in its balance sheet. This exposes the Bank to risk on from changes in interest rates. These assets and liabilities essentially reside in banking book. In other words, IRRBB refers to risk associated with interest rate sensitive instruments that are not held in the trading book of the Bank. Interest rate risk in the trading book is covered in the market risk section.
- Credit concentration risk arises due to imperfect diversification of credit exposures in two ways. One, by having very large exposures to a small set of obligors due to which, default by a big customer could result in a huge loss. This is known as name (single/group) concentration risk. Second type of concentration is due to excessive exposure to a particular industry sector. It is observed that defaults in a particular industry sector are generally correlated. Hence, if an industry is under a severe recession, it could result in multiple defaults leading to huge losses.
- Other Risks
  - **Securitization Risk**
    The Bank, as of Mar 31, 2019, does not have any such investments. The bank has also not securitized any of its assets
  - **Settlement Risk** arises out of exposures on counterparties during the settlement of a deal when the Bank has performed its obligation in the contract and the counterparty is yet to perform its part (either delivery or payment). It is of transient nature; and may arise from counterparty default, operational problems, market liquidity constraints and other factors.
  - **Pension obligation risk** is the risk of a shortfall of pension funds available in the future to meet pension obligations for its eligible employees. The Bank provides for its pension liability which is a defined contribution scheme, for all its eligible employees.

Risk Governance

BANA India has the following senior management level local committees or groups for risk governance.

Local Management Team ("LMT")

The LMT is chaired by the Country Executive Officer of the Bank. It is the primary body which provides strategic direction to the Bank and ensures compliance with regulatory requirements and the internal policies of the Bank. It is responsible for branch governance and oversight of branch operations. It is also responsible for reviewing and approving new business and products. It reviews the country performance with respect to strategic objectives. The LMT holds meetings six times in a financial year or more frequently if required. The LMT reviews and approves the ICAAP on an annual basis or upon any revision in the interim.

Asset Liability Committee ("ALCO")

The ALCO is chaired by the Country Executive Officer of the Bank. The ALCO is responsible for establishing policies and providing directives to manage the structural balance sheet risks arising over time, resulting from the Bank's business activities originating from the changing asset-liability mix. It provides management oversight of balance sheet, capital and liquidity management activities of the Bank. The ALCO holds meetings four times in a financial year or more frequently if required. The ALCO reviews and approves the ICAAP on an annual basis or upon any revision in the interim.

Risk Management Committee ("RMC")

RMC is chaired by the Chief Risk Officer. RMC serves as an oversight body to provide strategic direction for a progressive risk management system and policies & strategy to be followed to mitigate the risks associated with the business. RMC comprises senior management of the Bank and representatives from front line units and relevant control & support functions. RMC meets at least on a quarterly basis.

Customer Service Committee ("CSC")

Customer Service Committee ('CSC') is responsible for activities relating to customer service and client services issues. CSC meets four times in a year. The committee is chaired by Head - Banking Operations.

Audit Council

The Audit Council assists LMT in exercising oversight of the effectiveness of the Bank's system of internal controls and policies and procedures for managing and accessing risk, integrity of the financial statements of the Bank, and compliance by the Bank with legal and regulatory requirements. The Council also provides direct oversight over the audit function. The Audit Council meets at least four times in a year.

The Audit council is mainly responsible for:

- Providing direction and overseeing the operation of the audit function in the Bank,
- Obtaining and reviewing half-yearly reports from the Compliance Officers, and
- Following up on issues raised in Long Form Audit Report ("LFAR") and discussing the financial statements

Technology Steering Committee ("TSC")

The TSC is chaired by the Chief Information Officer ("CIO"). The Technology Steering Committee (TSC) oversees projects in partnership with the Regional/Global Technology and other Functional teams across the Bank including common infrastructure or other projects cutting across businesses or support groups. The TSC meets at least six times in a year or more frequent, if required.

The TSC is mainly responsible for:

- To assist the Executive Management in implementing Information technology ("IT") Strategy that has been approved by the by global/ regional and local management forums,
- Setting project priorities, reviewing critical project status and milestones,
- Monitoring IT governance, risk and controls, and
- Providing regular updates to the India LMT on significant Technology matters.

Returns Governance Group ("RGG")

Returns Governance Group (RGG) was formed based on guidance by RBI in 'Approach Paper on Automated Data Flow from Banks' and guidance on Supervisory Program for Assessment of Risk and Capital (SPARC). RGG is the governance body responsible for providing oversight to all regulatory submissions, including Risk Based Supervision. RGG, as required by RBI shall inter-alia comprise of representatives from Compliance, Business, Technology, etc. and perform inter-alia the following roles.

- Act as the owner of all the layers indicated in the end state from the process perspective and in the context of automated submission systems ensure governance around Data Acquisition, Data conversion and Data submission.
- Provide oversight and guidance to Technology Steering Committee, which is currently managing the automation of regulatory reports, etc.
- Review and escalation point for Technology Steering Committee for handling change request for any new requirement by Reserve Bank and also handling ad-hoc queries.
- Ensuring governance that the metadata is as per the regulatory definitions.

Table DF-3: Credit Risk: General Disclosures

I. Qualitative disclosures

Robust risk management policies and procedures are laid out in the Global Banking and Markets Core policy. It is supplemented by the Credit Compliance Manual. Written policies, procedures, standards, and guidelines are updated on a regular basis to provide a clear direction to officers for meeting the requirements for which they are accountable. Approval authority is vested via an Approval Grid which takes into account the quantum, internal risk rating and nature of exposure and the position/experience of the approver.

The Bank manages credit risk based on the risk profile of the borrower or counterparty, repayment sources, the nature of underlying collateral, and other support given current events, conditions and expectations. Credit risk management begins with an assessment of the credit risk profile of the borrower or counterparty based on an analysis of their financial position. As part of the overall credit risk assessment of a borrower or counterparty, credit exposures are assigned a risk rating and are subject to approval based on defined credit approval standards. Subsequent to loan origination, risk ratings are monitored on an ongoing basis. If necessary, risk ratings are adjusted to reflect changes in the financial condition and cash flow of a borrower or counterparty.

The Bank has a policy of internal rating on a scale of Risk Rating ("RR") 1-11, and the RR is continuously monitored with a change in RR as and when it is warranted. Exposures with RR of 8 or more (criticized assets) are subject to intensive scrutiny by the senior management.

Unhedged Foreign Currency Exposure ("UFCE") of the borrower is an area of risk for the individual entity as well as for the entire financial system; as entities who do not hedge their exposure may incur significant losses due to exchange rate movements, which in turn can reduce their capability to service the loans taken from the banks. In line with the RBI circular dated January 15, 2014, BANA India has put in place a process to ascertain the amount of UFCE, estimate the extent of likely loss and riskiness due to UFCE, and provide for incremental capital & make incremental provision, as warranted.

In order to address concentration risk in banking industry the RBI has issued 'Guidelines of Enhancing Credit Supply' requiring banks to create additional provision and also apply additional risk weights on specified borrowers effective April 01, 2018. BANA India has put in place a process to ensure compliance with requirements of the said guidelines/directions.

Definitions

- **Overdue:** Any amount due to Bank under any credit facility is 'overdue' if it is not paid by the due date.

Norms for determining when to classify various types of assets as non-performing

- Term loans are treated as non-performing if the interest and/or installments of principal remain overdue for a period of more than 90 days.
- Cash credits & overdrafts are treated as non-performing if the accounts remain out of order for a period of more than 90 days.
- An account will be treated "out of order" if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In case where the outstanding balance is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on balance-sheet date or credits are not enough to cover the interest debited during the same period, these accounts will be treated as out of order.

- Bills purchased/discounted are treated as non-performing if the bill remains overdue and unpaid for a period of more than 90 days.
- Any overdue receivables representing positive mark-to-market value of a foreign exchange and interest rate derivative contracts will be treated as non- performing asset if these remain unpaid for 90 days or more, upon becoming due
- Any other facility will be treated as non-performing if any amount to be received remains overdue for a period of more than 90 days during the financial year

II. Quantitative disclosures

a. Total Gross credit exposures

INR mm	31-Mar-19	31-Mar-18
Fund Based	**300,583**	256,151
Non-Fund Based[1]	**98,729**	66,449

b. Geographic distribution

INR mm	31-Mar-19		31-Mar-18	
	Domestic	Overseas[2]	Domestic	Overseas[2]
Fund Based	**300,583**	–	256,151	–
Non-Fund Based[1]	**98,729**	–	66,449	–

[1] Includes market as well as non-market related exposures

[2] As per the clarification given in the guidelines for Pillar 3 disclosures, definition of Overseas and Domestic should be as adopted for segment reporting in compliance with Accounting Standard- 17 issued by ICAI. As the Bank does not have any overseas operations, all exposures are reported under domestic exposures.

c. Distribution of Exposures by sector/industry

INR mm

Sr.no	Particulars	31-Mar-19		31-Mar-18	
		Funded Exposure	Non Funded Exposure*	Funded Exposure	Non Funded Exposure*
1.	**Agriculture & Allied Activities**				
	Agri - Direct	–	–	–	–
	Agri - Indirect	400	–	–	–
	1. Total	**400**	**–**	–	–
2.	**Industry (Micro & Small, Medium and Large)**				
a.	Construction	5,747	816	3,703	617
b.	Gems & Jewellery				9
c.	Cement & Cement products				
d.	Infrastructure	15,388	1,210	12,401	1,241
e.	Textiles	3,174	85	4,242	7
f.	Basic metal and metal products	7,224	741	1,549	507
g.	Mining and Quarrying	671	6	656	185
h.	All Engineering	16,691	9,743	13,055	8,440
i.	Chemicals and chemical products	28,600	4,659	21,132	1,164
j.	Petroleum, coal products and nuclear fuels	6,143	1,639	4,602	1,085
k.	Vehicles, vehicle parts and transport equipments	8,447	1,822	8,797	2,213
l.	Beverage & Tobacco	11,775	62	7,460	42
m.	Food Processing	8,633	972	6,018	393
n.	Other Industries	654	59	918	81
o.	Paper & paper products	1,092	18	1,718	60
p.	Rubber, plastic & their products	1,119	81	1,168	71
q.	Infrastructure	–	–	8	–
r.	Beverage & Tobacco	–	–	–	–
s.	Other Industries	–	–	–	–
	2. Total	**115,357**	**21,915**	87,427	16,115
3.	**Services**				
a.	Aviation	–	609	–	–
b.	Shipping	–		–	–
c.	Commercial Real Estate				
d.	Banks	35,856	49,591	28,385	34,785
e.	Non Banking Financial Companies	30,962	5,621	17,229	463
f.	Computer Software	10,018	7,227	8,957	7,259
g.	Trade	18,307	1,044	17,386	789
h.	Other Services	79,372	9,910	89,740	4,508
i.	Professional and Other services	3,444	1,987	2,346	2,020
j.	Transport Operators	6,495	795	4,665	482
k.	Tourism Hotels and Restaurants	372	29	16	28
	3. Total	**184,826**	**76,814**	168,724	59,334
4	**Sovereign**	–	–	–	–
5	**Employee Loans**	–	–	–	–
	Grand Total	**300,583**	**98,729**	256,151	66,449

** Includes market as well as non-market related exposures*

Note: Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation

d. Residual contractual maturity pattern for assets.

As of March 31, 2019 **INR mm**

Particulars	Cash	Advances	Balance with RBI	Balances with other Banks	Fixed Assets	Investments	Other Assets
Next Day	38	4,647	2,831	41,652	–	110,710	952
2-7 days	–	12,605	–	–	–	49,009	1
8-14 days	–	20,158	–	–	–	15,621	65
15-30 days	–	24,523	3,840	–	–	13,318	–
31 days to 2 month	–	23,103	511	–	–	6,567	–
2-3 months	–	20,941	878	–	–	4,015	57,409
3-6 months	–	41,078	551	–	–	2,518	3,591
6 months to 1 year	–	17,291	337	–	–	1,541	–
1-3 years	–	27,060	3,810	–	–	21,154	–
3-5 years	–	3,114	5	–	–	1,050	–
5-7 years	–	–	0	–	–	1	–
7-10 years	–	–	0	–	–	0	–
10-15 years	–	–	–	–	–	–	–
Over 15 years	–	–	–	–	1,179	–	3,030
TOTAL	**38**	**194,517**	**12,764**	**41,652**	**1,179**	**225,504**	**65,048**

As of March 31, 2018 **INR mm**

Particulars	Cash	Advances	Balance with RBI	Balances with other Banks	Fixed Assets	Investments	Other Assets
Next Day	39	11,818	2,446	37,210	–	81,604	2,389
2-7 days	–	14,085	–	–	–	23,827	–
8-14 days	–	15,339	–	–	–	–	0
15-30 days	–	19,565	2,631	–	–	11,508	–
31 days to 2 month	–	16,750	1,643	–	–	7,187	–
2-3 months	–	19,111	765	–	–	3,347	20,332
3-6 months	–	28,478	212	–	–	929	2,194
6 months to 1 year	–	8,468	678	–	–	4,198	–
1-3 years	–	19,848	2780	–	–	17,127	–
3-5 years	–	–	4	–	–	20	–
5-7 years	–	–	0	–	–	0	–
7-10 years	–	–	0	–	–	0	–
10-15 years	–	–	–	–	–	–	–
Over 15 years	–	–	–	–	1,180	–	3,274
TOTAL	39	153,462	11,160	37,210	1,180	149,748	28,189

e. **Amount of NPAs (Gross) – NIL** (March 31, 2018 – NIL)

f. **Net NPAs –NIL** (March 31, 2018 – NIL)

g. **NPA Ratios**

– Gross NPA to Gross Advances – **NIL** (March 31, 2018 – NIL)

– Net NPA to Net Advances –**NIL** (March 31, 2018 – NIL)

h. **Movement of NPAs (Gross)**

INR mm	**31-Mar-19**	31-Mar-18
Opening balance	–	1,100
Additions during the year	–	–
Reductions during the period	–	1,100
Closing balance	–	–

i. **Movement of provision for NPAs**

INR mm	**31-Mar -19**	31-Mar-18
Opening balance	–	1,100
Provisions made during the year	–	–
Write-off	–	110
Write-back of excess provisions*	–	990
Closing balance	–	–

For the year ended March 31, 2018 the bank (BANA India) entered into a compromise/settlement arrangement with a client whereby INR 990 mm was recovered and INR 110 mm was written off.

k. **Non-Performing Investments: NIL** (March 31, 2018 – NIL).

l. **Provisions for Non-Performing Investments – NIL** (March 31, 2018 – NIL).

m. **Movement of provision for Depreciation on Investments**

INR mm	31-Mar-19	31-Mar-18
Opening balance	**265**	–
Provisions made during the year*	**–**	265
Write-off	**–**	–
Write-back of excess provisions	**265**	–
Closing balance	**–**	265

** The bank (BANA India) has not availed of the option to spread provisioning for mark to market losses on investments held in AFS and HFT category for quarters ended Jun 30, 2018, Sep 30, 2018, Dec 31, 2018 and Mar 31, 2019 as per RBI circulars DBR No. BP.BC. 102/21.04.048/2017-18 and DBR.No.BP.BC.113 /21.04.048/2017-18*

Table DF-4 - Credit Risk: Disclosures for Portfolios Subject to the Standardised Approach

I. Qualitative disclosures

The Bank adopts the following basis for assignment of risk weights for different categories of counterparties:

a. **Scheduled Banks including foreign bank branches in India:**

The bank has applied risk weights on exposures to scheduled banks for the purpose of Pillar 1 calculation in line with Basel III regulations as prescribed by RBI.

b. **Foreign Banks:**

Ratings for foreign banks have been sourced from websites of Fitch, Moody's and Standard & Poor's. The bank has applied risk weights relevant to the ratings assigned by international credit rating agencies as prescribed by RBI.

c. **Corporates:**

Where the obligors have obtained rating of the facility from any of the accredited credit rating agencies viz. Brickwork Ratings India Pvt. Limited, Credit Analysis & Research Limited (CARE), CRISIL Limited, ICRA Limited (ICRA), India Ratings and Research Private Limited (Fitch), SME Rating Agency of India Ltd. (SMERA) as specified by the RBI, the Bank has applied the risk weights relevant to the ratings assigned by the credit rating agencies. Where the obligors have not obtained a rating, the exposures are taken as unrated and 100% risk weights applied.

In accordance with the RBI circular dated August 25, 2016 and mailbox clarification of RBI issued on Dec 29, 2017 in relation to review of "Prudential norms – Risk Weighted Assets for Exposures to Corporates, AFC's and NBFC-IFC's" claims on corporates, AFCs, and NBFC-IFCs having aggregate exposure from banking system of more than INR 100 crore which were rated earlier and subsequently have become unrated will attract a risk weight of 150% with immediate effect. Thus the bank has applied risk weights of 150% in such cases.

II. Quantitative disclosures

a. **Total Gross credit exposures**

INR mm	31-Mar-19	31-Mar-18
Fund Based		
Below 100% risk weight	**188,795**	118,182
100% risk weight	**108,533**	128,610
More than 100% risk weight	**3,255**	9,359
Deducted	–	–
Total	**300,583**	256,151

INR mm	31-Mar-19	31-Mar-18
Non-Fund Based [5]		
Below 100% risk weight	**60,943**	37,376
100% risk weight	**37,637**	26,722
More than 100% risk weight	**149**	2,351
Deducted	–	–
Total	**98,729**	66,449

5 Includes market as well as non-market related exposures.

Table DF-5: Credit Risk Mitigation: Disclosures for Standardized Approaches

I. Qualitative disclosures

In determining credit risk capital, the Bank has not reduced the facility amounts by any corresponding eligible collateral amount in the form of cash margins.

The risk weighted assets are computed based on the gross outstanding facility amount.

II. Quantitative disclosures

The Bank has not availed Credit Risk Mitigation Techniques ("CMT") as at Mar 31, 2019

Table DF-6: Securitization Exposures: Disclosure for Standardized Approach

I. Qualitative disclosures

There are no securitization transactions originated by the Bank.

II. Quantitative disclosures

A. Banking Book

Total amount of exposures securitized by the Bank: Nil (March 31, 2018: Nil)
Amount of assets intended to be securitized within a year: Nil (March 31, 2018: Nil)
Total amount of assets securitized and unrecognized gain or losses on sale: Nil (March 31, 2018: Nil)

Aggregate amount of on-balance sheet and off-balance sheet securitization exposures purchased and break-up by exposure type

INR mm	31-Mar-19		31-Mar-18	
	Exposure Type	Exposure Amount	Exposure Type	Exposure Amount
On Balance Sheet	–	–	–	–
Off Balance Sheet	–	–	–	–
Total	–	–	–	–

Securitization exposures purchased and the associated capital charge by different risk weight bands

INR mm	As at 31-Mar 2019			As at 31-Mar-2018		
	Exposure	Risk Weighted Assets	Capital Requirement	Exposure	Risk Weighted Assets	Capital Requirement
Below 100% risk weight	–	–	–	–	–	–
100% risk weight	–	–	–	–	–	–
More than 100% risk weight	–	–	–	–	–	–
Total	–	–	–	–	–	–

Securitization Exposures deducted entirely from Tier 1 capital, credit enhancing Interest Only Strips (I/Os) deducted from total capital, and other exposures deducted from total capital: Nil (March 31, 2018: Nil)

B. Trading book

- Aggregate amount of exposures securitised by Bank for which bank has retained some exposures and which is subject to market risk approach: Nil (March 31, 2018: Nil)
- Aggregate amount of on-balance sheet securitisation exposures retained or purchased: Nil (March 31, 2018: Nil)
- Aggregate amount of off-balance sheet securitisation exposures: Nil (March 31, 2018: Nil)
- Aggregate amount of securitization exposures retained or purchased subject to Comprehensive Risk Measure for specific risk: Nil (March 31, 2018: Nil)
- Aggregate amount of securitization exposures retained or purchased subject to securitization framework for specific risk broken into different risk weight bands: Nil (March 31, 2018: Nil)
- Aggregate amount of capital requirements for the securitisation exposures subject to securitisation framework: Nil (March 31, 2018: Nil)
- Securitisation Exposures deducted entirely from Tier 1 capital, credit enhancing Interest Only Strips (I/Os) deducted from total capital, and other exposures deducted from total capital: Nil (March 31, 2018: Nil)

Table DF-7: Market Risk in Trading Book

I. Qualitative disclosures

Market risk is the risk of loss due to changes in the market values of the Bank's assets and liabilities caused by changing interest rates, currency exchange rates, and security prices. Market risk is inherent in the Bank's operations and arises from both trading and non-trading positions. Trading exposures represent positions taken in a wide range of financial instruments and markets which expose the Bank to various risks, such as interest rate risk, foreign exchange risk, etc. The Bank manages these risks by using trading strategies and other hedging actions which encompass a variety of financial instruments in both the cash and derivatives markets.

Key market risk exposures are assessed at both specific and aggregate levels. At the specific level, market risk sensitivities are assessed by evaluating the impact of individual risk factors such as interest rates and foreign exchange. At the aggregate level, market risk is assessed using two key measures, which are Value-at-Risk ("VaR") and Bi-Weekly Maximum Observed Loss ("MoL").

VaR is a statistical measure of potential portfolio market value loss resulting from changes in market variables, during a given holding period, measured at a specified confidence level. The Branch uses historical simulation approach for VaR and it is calculated over a one-day holding period at a 99% confidence level, using three years of historical data. The performance of VaR model is monitored through daily back-testing and is performed at both Entity and Line of Business (LoB) level. MOL is the potential market value loss on a portfolio over a 10-day holding period using historical data with start date anchored to January 1st, 2007.

VaR and MOL are supplemented with stress tests, which are performed to assess extreme tail events or shocks. The stress tests are designed to highlight exposures to unlikely but plausible events or extremely volatile conditions, both hypothetically and historically.

Market Risk Management Architecture

The market risk function is independent of the front office and monitors all prudential limits governing trading activities and reports exceptions to senior management.

Market Risk Management Control

Market risk of the Branch is primarily managed through establishing and monitoring limits. Investment policy and FX/derivatives policy of the Branch (or BANA Mumbai) lists the applicable limits and approval processes.

Market Risk Management utilizes a suite of reports which assess risk on a daily basis. These reports are distributed to Senior Management on daily basis. Limit excesses, limit changes (temporary, or permanent) are communicated to Senior Management, as well as to relevant forum such as the LMT, Risk management Committee and the ALCO where applicable.

Market Risk Management Policies and Procedures

The Market Risk Management is guided by market risk policies and guidelines. Global market risk management policy is in place and is followed. The policy describes how market risk is managed by establishing the key market risk measures, defining roles and responsibilities and describing key monitoring processes in place. In addition, the Investment policy and FX/derivatives policy of the Branch lists the applicable limits and approval processes.

The market risk capital requirement is expressed in terms of two separately calculated charges:

- General market risk charge from the interest rate risk in the portfolio in different securities or instruments.
- Specific risk charge for each security, which is designed to protect against an adverse movement in the price of an individual security owing to factors related to the individual issuer.

For regulatory capital, the requirements for general market risk are designed to capture the risk of loss arising from changes in market prices and interest rates. The capital charge is the sum of four components:

- the net short or long position in the whole trading book.
- a small proportion of the matched positions in each time-band - vertical disallowance.
- a larger proportion of the matched positions across different time bands - horizontal disallowance.
- a net charge for positions in options.

The general market risk charge is measured by using the modified duration method. Foreign exchange open positions (higher of limit or actual) are risk-weighted at 100%.

II. Quantitative disclosures

INR mm	**31-Mar-18**	31-Mar-17
Capital requirements for:		
Interest rate risk		
– general market risk	**11,353**	7,462
– specific risk	**2,004**	458
Equity position risk	**–**	–
– general market risk	**–**	–
– specific risk	**–**	–
Foreign exchange risk	**1,396**	1,331
Total	**14,753**	9,251

Table DF-8: Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk.

Operational Risk Events: inadequate or failed internal processes, people, systems and external events may result in unexpected or undesired consequences including a financial loss, an unexpected gain, a near miss and/or an opportunity cost (lost future revenue). The events associated with these unintended and/or undesired consequences are termed as operational risk events.

Operational Loss: an operational loss is the recorded financial consequence (excluding insurance reimbursements or tax effects) resulting from an operational loss event, including all expenses associated with an operational loss event except for opportunity costs, foregone revenue, and costs related to risk management and control enhancements implemented to prevent future operational losses. Operational loss events can also result in unintended financial gains. BAC classifies operational losses using the Basel II categories and definitions: Internal Fraud; External Fraud; Employment Practices and Workplace Safety; Clients, Products, and Business Practices; Damage to Physical Assets; Business Disruption and System Failures; and Execution, Delivery, and Process Management.

BANA India manages the operational risks of its business activities using the enterprise-wide Operational Risk Framework. Enterprise Operational Risk policies, processes, tools, and standards are implemented by the Businesses/ECFs with oversight from the Independent Business/ECF Risk Teams (Regional Function). Each have a quality assurance role and through direct action or oversight, these stakeholders are collectively responsible for execution of the Operational Risk Program requirements, achievement of risk management objectives, and ensuring timely action is taken in response to concerns and issues.

Governance of Operational Risk

Operational risk is managed by all employees as part of our day-to-day activities. Front line units and control functions own operational risk and are responsible for monitoring, assessing and testing the effectiveness of controls, while continuing to identify, escalate, debate and report operational risks. Front line units/control functions may have business oversight or control teams that support business leaders in the implementation of the program.

The Operational Risk management function at Bank of America (BAC) is independent of front line unit/control function, and is responsible for designing the program and overseeing its implementation and execution in accordance with the Policy and its supporting Standards. Operational Risk Teams are also responsible for objectively assessing, challenging and advising the front line units/control functions on operational risk.

Risk Management Process

BAC's Operational Risk Management Program has been built around ten interrelated requirements that are set out in the Operational Risk Management - Enterprise Policy, which also specifies the responsibilities and accountabilities of the first and second lines of defense. These requirements work together to drive a comprehensive risk-based approach for the proactive identification, management, mitigation and escalation of operational risks throughout the Company. These ten core requirements are 1) Operational risk appetite 2) Key Risk Indicators 3) Risk and Control Self-Assessment 4) Scenario Analysis 5) Internal Operational Loss Event Data 6) External Operational Loss Event Data 7) Quality Assurance (QA) Program 8) Operational Risk Coverage Plans 9) Operational Risk Reporting and Escalation 10) Operational Risk Capital Model Oversight.

Table DF-9: Interest Rate Risk in the Banking Book (IRRBB)

I. Qualitative disclosures

Interest Rate Risk in the Banking Book (IRRBB) refers to the potential adverse financial impact on the Bank's net interest income from changes in interest rates. Due to the fundamental nature of its business, the bank carries various interest sensitive assets and liabilities in its balance sheet. This exposes the Bank to risk on from changes in interest rates. These assets and liabilities essentially reside in banking book. In other words, IRRBB refers to risk associated with interest rate sensitive instruments that are not held in the trading book of the Bank. Interest rate risk in the trading book is covered in the market risk section.

Presently the Bank uses the following tools for managing interest rate risk:

- Gap analysis: The interest rate gap or mismatch risk is measured by calculating gaps over different time intervals at a given date. This static analysis measures mismatches between rate sensitive liabilities ("RSL") and rate sensitive assets ("RSA"). The report is prepared monthly by grouping rate sensitive liabilities, assets and off-balance sheet positions into time buckets according to residual maturity or next re-pricing period, whichever is earlier. The difference between RSA and RSL for each time bucket signifies the gap in that time bucket. The direction of the gap indicates whether net interest income is positively or negatively impacted by a change in interest rates and the magnitude of the gap helps in assessing the change in net interest income for any given interest rate shift. The interest rate sensitivity/gap reports are reviewed by the ALCO on a regular basis.
- Earnings at Risk (EAR): The interest rate gap reports mentioned above indicate whether the bank is in a position to benefit from rising interest rates by having a positive gap (RSA > RSL) or whether it is in a position to benefit from declining interest rate by having a negative gap (RSL > RSA). EAR measures the change in NII over a one year time horizon for various levels of parallel shift in interest rates.
- Economic value: Change in the interest rates have a long-term impact on the capital position of the Bank, as the economic value of the Bank's assets, liabilities and off-balance sheet positions get affected by these rate changes. The Bank applies a modified duration approach and monitors impact of various levels of parallel shift in interest rate curves on the capital position. The interest rate sensitivity/gap reports are reviewed by the ALCO on a regular basis.

II. Quantitative disclosures

The increase/(decline) in earnings and economic value (on a pre-tax basis) for an upward/downward rate shock broken down by currency is as below

a. Impact on net interest income over the next 12 months (earnings perspective)

INR mm	**31-Mar-2019**		31-Mar-2018	
	If interest rate were to go up by 100 basis points	**If interest rate were to go down by 100 basis points**	If interest rate were to go up by 100 basis points	If interest rate were to go down by 100 basis points
Currency				
INR	11	(11)	(85)	85
USD	65	(65)	6	(6)
Others	(1)	1	1	(1)
Total	**75**	**(75)**	(78)	78

b. Impact on market value of equity (economic value perspective):

INR mm	**31-Mar-2019**		31-Mar-2018	
	If interest rate were to go up by 200 basis points*	**If interest rate were to go down by 200 basis points***	If interest rate were to go up by 200 basis points*	If interest rate were to go down by 200 basis points*
Currency				
INR	1,448	(1,448)	1,752	(1,752)
USD	1,097	(1,097)	586	(586)
Others	108	(108)	35	(35)
Total	**2,653**	**(2,653)**	2,373	(2,373)

Table DF-10: General Disclosure for Exposures Related to Counterparty Credit Risk

I. Qualitative disclosures

Discussion of methodology used to assign economic capital and credit limits for counterparty credit exposures;

A credit approval document is used to analyze the counterparty's creditworthiness, document transaction structure and risk mitigation, and approve the Traded Products limit(s). Specific requests, including limit structure and attributes is also included in the credit approval document. BANA India adopts standardized model and does not assign economic capital for counterparty credit exposures.

Discussion of policies for securing collateral and establishing credit reserve

Collateralization is one of the key credit risk mitigation techniques available in the market. The term "Collateral" means assets pledged as security to ensure payment or performance of an obligation. When facing derivative counterparties, BAC enters into master netting arrangements and, in appropriate circumstances, collateral arrangements which provide in the event of a customer default, the right to liquidate collateral and the right to offset counterparty's rights and obligations. BAC also monitors the fair market value of the underlying securities used as collateral, including accrued interest, and, as necessary, requests additional collateral to ensure that the relevant transactions are adequately collateralized. BANA India makes appropriate provisions for credit risk as per regulatory guidelines.

Discussion of policies with respect to wrong-way risk exposures

Transactions that include significant positive correlation between the performance of the counterparty and the exposure profile of the underlying product are called Wrong Way Risk ("WWR") trades. The BAC Wrong Way Risk Policy outlines the characteristics of WWR trades, and describes the approval escalation requirements and associated monitoring and reporting of WWR exposure.

Discussion of the impact of the collateral the bank would have to provide given a credit rating downgrade

As per local contractual agreements, BANA India is not required to post any collateral given a credit rating downgrade.

II. Quantitative disclosures

As at March 31, 2019

INR mm	Forward Exchange Contracts	Interest Rate Derivative Contracts	Cross Currency Swaps	Options
Gross positive fair value of contracts	38,768	14,444	1,525	561
Netting benefits	–	–	–	–
Netted current credit exposure (positive mark-to-market)	38,768	14,444	1,525	561
Collateral held	–	–	–	–
Net derivatives credit exposure	38,768	14,444	1,525	561
Exposure at default under Current Exposure Method	105,447	36,211	6,916	2,646

INR mm

Notional value of credit derivative hedges	Not Applicable
Institution's own credit portfolio	
• Protection bought	
• Protection sold	
Institution's Intermediation activity credit portfolio	
• Protection bought	
• Protection sold	

As at March 31, 2018

INR mm	Forward Exchange Contracts	Interest Rate Derivative Contracts	Cross Currency Swaps	Options
Gross positive fair value of contracts	10,357	5,493	1,163	146
Netting benefits	–	–	–	–
Netted current credit exposure (positive mark-to-market)	10,357	5,493	1,163	146
Collateral held	–	–	–	–
Net derivatives credit exposure	10,357	5,493	1,163	146
Exposure at default under Current Exposure Method	62,395	24,552	5,354	1,640

INR mm

Notional value of credit derivative hedges	Not Applicable
Institution's own credit portfolio	
Protection bought	
Protection sold	
Institution's Intermediation activity credit portfolio	
Protection bought	
Protection sold	

Table DF-11: Composition of Capital

Sr. no	Particulars	Amt in INR mm	Amounts Subject to Pre-Basel III Treatment	Reference No.
	Common Equity Tier 1 capital: instruments and reserves			
1.	Directly issued qualifying common share capital plus related stock surplus (share premium)	31,883		A1
2.	Retained earnings	70,314		A2+A3
3.	Accumulated other comprehensive income (and other reserves)	–		
4.	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies1)	–		
	Public sector capital injections grandfathered until January 1, 2018	–		
5.	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	–		
6..	**Common Equity Tier 1 capital before regulatory adjustments**	**102,197**		
	Common Equity Tier 1 capital: regulatory adjustments			
7.	Prudential valuation adjustments	–		
8.	Goodwill (net of related tax liability)	–		
9.	Intangibles other than mortgage-servicing rights (net of related tax liability)	39		C1
10.	Deferred tax assets	–	–	A4
11.	Cash-flow hedge reserve	–		
12.	Shortfall of provisions to expected losses	–		
13.	Securitisation gain on sale	–		
14.	Gains and losses due to changes in own credit risk on fair valued liabilities	–		
15.	Defined-benefit pension fund net assets	–		
16.	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	–		
17.	Reciprocal cross-holdings in common equity	–		
18.	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–		
19.	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	–		
20.	Mortgage servicing rights (amount above 10% threshold)	–		
21.	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–		
22.	Amount exceeding the 15% threshold	–		
23.	of which: significant investments in the common stock of financial entities	–		
24.	of which: mortgage servicing rights	–		
25.	of which: deferred tax assets arising from temporary differences	–		
26.	National specific regulatory adjustments (26a+26b+26c+26d)	–		
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	–		
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	–		
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	–		
26d	of which: Unamortised pension funds expenditures Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	–		
	Regulatory adjustments applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-BASEL III Treatment	–		
	of which: [INSERT TYPE OF ADJUSTMENT]	–		
	For example: filtering out of unrealised losses on AFS debt securities (not relevant in Indian context)	–		
	of which: [INSERT TYPE OF ADJUSTMENT]	–		
	of which: [INSERT TYPE OF ADJUSTMENT]	–		
27.	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	39		
28.	**Total regulatory adjustments to Common equity Tier 1**	**39**		

Sr. no	Particulars	Amt in INR mm	Amounts Subject to Pre-Basel III Treatment	Reference No.
29.	**Common Equity Tier 1 capital (CET1)**	**102,158**		
30.	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	–		
31.	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	–		
32.	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	–		
33.	Directly issued capital instruments subject to phase out from Additional Tier 1	–		
34.	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	–		
35.	of which: instruments issued by subsidiaries subject to phase out	–		
36.	**Additional Tier 1 capital before regulatory adjustments**	**–**		
	Common Equity Tier 1 capital: instruments and reserves			
	Additional Tier 1 capital: regulatory adjustments			
37.	Investments in own Additional Tier 1 instruments	–		
38.	Reciprocal cross-holdings in Additional Tier 1 instruments	–		
39.	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–		
40.	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–		
41.	National specific regulatory adjustments (41a+41b)	–		
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	–		
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	–		
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	–		
	of which: [INSERT TYPE OF ADJUSTMENT e.g. DTAs]	–		
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 1 at 50%]	–		
	of which: [INSERT TYPE OF ADJUSTMENT]	–		
42.	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	–		
43.	**Total regulatory adjustments to Additional Tier 1 capital**	**–**		
44.	**Additional Tier 1 capital (AT1)**	**–**		
44a	**Additional Tier 1 capital reckoned for capital adequacy**	**–**		
45.	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)**	**102,158**		
	Tier 2 capital: instruments and provisions			
46.	Directly issued qualifying Tier 2 instruments plus related stock surplus	–		
47.	Directly issued capital instruments subject to phase out from Tier 2	–		
48.	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	–		
49.	of which: instruments issued by subsidiaries subject to phase out	–		
50.	Provisions	3,482		B1+B2+ B3+B4
51.	**Tier 2 capital before regulatory adjustments**	**3,482**		
52.	Investments in own Tier 2 instruments	–		
53.	Reciprocal cross-holdings in Tier 2 instruments	–		
54.	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	–		
55.	Significant investments13 in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–		
56.	National specific regulatory adjustments (56a+56b)	–		
56a	of which: Investments in the Tier 2 capital of unconsolidated subsidiaries	–		

Sr. no	Particulars	Amt in INR mm	Amounts Subject to Pre-Basel III Treatment	Reference No.
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	–		
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	–		
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]	–		
	of which: [INSERT TYPE OF ADJUSTMENT]	–		
57.	**Total regulatory adjustments to Tier 2 capital**	**–**		
58.	**Tier 2 capital (T2)**	**3,482**		
58a	**Tier 2 capital reckoned for capital adequacy**	**3,482**		
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	**–**		
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	**3,482**		
59.	**Total capital (TC = T1 + T2) (45 + 58c)**	**105,640**		
	Risk Weighted Assets in respect of Amounts Subject to Pre- Basel III Treatment			
	of which: [INSERT TYPE OF ADJUSTMENT]			
	of which: …			
60.	**Total risk weighted assets (60a + 60b + 60c)**	**428,056**		
60a	of which: total credit risk weighted assets	278,545		
60b	of which: total market risk weighted assets	110,303		
60c	of which: total operational risk weighted assets	39,208		
	Capital ratios			
61.	**Common Equity Tier 1 (as a percentage of risk weighted assets)**	**23.87%**		
62.	**Tier 1 (as a percentage of risk weighted assets)**	**23.87%**		
63.	**Total capital (as a percentage of risk weighted assets)**	**24.68%**		
64.	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	**9.88%**		
65.	of which: capital conservation buffer requirement	**1.88%**		
66.	of which: bank specific countercyclical buffer requirement	–		
67.	of which: G-SIB buffer requirement	**2.50%**		
68.	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) – (Point 61 – Point 71)	**14.87%**		
	National minima (if different from Basel III)			
69.	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%		
70.	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%		
71.	National total capital minimum ratio (if different from Basel III minimum)	9.00%		
	Amounts below the thresholds for deduction (before risk weighting)			
72.	Non-significant investments in the capital of other financial entities	–		
73.	Significant investments in the common stock of financial entities	–		
74.	Mortgage servicing rights (net of related tax liability)	NA		
75.	Deferred tax assets arising from temporary differences (net of related tax liability)	–		
	Applicable caps on the inclusion of provisions in Tier 2			
76.	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	3,492		
77.	Cap on inclusion of provisions in Tier 2 under standardised approach	3,482		
78.	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	–		
79.	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	–		
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)			
80.	Current cap on CET1 instruments subject to phase out arrangements	–		
81.	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	–		
82.	Current cap on AT1 instruments subject to phase out arrangements	–		
83.	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	–		
84.	Current cap on T2 instruments subject to phase out arrangements	–		
85.	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	–		

Table DF-12: Composition of Capital- Reconciliation Requirements

INR mm		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on 31-Mar-2019	As on 31-Mar-2019
A	**Capital & Liabilities**		
i	Paid-up Capital	31,883	31,883
	Reserves & Surplus	78,462	78,462
	Minority Interest	–	–
	Total Capital	110,345	110,345
ii	Deposits	226,253	226,253
	of which: Deposits from banks	5,970	5,970
	of which: Customer deposits	220,283	220,283
	of which: Other deposits (pl. specify)	–	–
iii	Borrowings	128,335	128,335
	of which: From RBI	71,800	71,800
	of which: From banks	25,315	25,315
	of which: From other institutions & agencies	31,220	31,220
	of which: Others (pl. specify)	–	–
	of which: Capital instruments	–	–
iv	Other liabilities & provisions	75,770	75,770
	Total	**540,703**	**540,703**
B	**Assets**		
i	Cash and balances with Reserve Bank of India	12,802	12,802
	Balance with banks and money at call and short notice	41,652	41,652
ii	Investments:	225,504	225,504
	of which: Government securities	193,073	193,073
	of which: Shares	–	–
	of which: Debentures & Bonds	–	–
	of which: Subsidiaries/Joint Ventures/Associates	–	–
	of which: Others (Commercial Papers, Certificate of Deposits etc.)	32,431	32,431
iii	Loans and advances	194,517	194,517
	of which: Loans and advances to banks	8,593	8,593
	of which: Loans and advances to customers	185,924	185,924
iv	Fixed assets	1,179	1,179
v	Other assets	65,049	65,049
	of which: Goodwill and intangible assets	39	39
	of which: Deferred tax assets	922	922
vi	Goodwill on consolidation	–	–
vii	Debit balance in Profit & Loss account	–	–
	Total Assets	**540,703**	**540,703**

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference no.
		As on 31-Mar-2019	As on 31-Mar-2019	
A	**Capital & Liabilities**			
	Paid-up Capital	31,883	31,883	A1
	of which: Amount eligible for CET1	31,883	31,883	
	of which: Amount eligible for AT1	–	–	
	Reserves & Surplus	78,462	78,462	
	Statutory Reserves	20,480	20,480	A2
	Capital Reserves	49,833	49,833	A3

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference no.
		As on 31-Mar-2019	As on 31-Mar-2019	
	Investment Reserve Account	1,646	1,646	B1
	Balance in Profit & Loss A/c	6,503	6,503	
	of which:			
	Unallocated Surplus	4,818	4,818	
	Current period profits not reckoned for Capital Adequacy	1,685	1,685	
	Minority Interest	–	–	
i	**Total Capital**	110,345	110,345	
ii	**Deposits**	226,253	226,253	
	of which: Deposits from banks	5,970	5,970	
	of which: Customer deposits	220,283	220,283	
	of which: Other deposits (pl. specify)	–	–	
iii	**Borrowings**	128,335	128,335	
	of which: From RBI	71,800	71,800	
	of which: From banks	25,315	25,315	
	of which: From other institutions & agencies	31,220	31,220	
	of which: Others (pl. specify)	–	–	
	of which: Capital instruments	–	–	
iv	Other liabilities & provisions	75,770	75,770	
	of which: Provision for Standard Assets	1,830	1,830	B2
	of which: Provision for Country risk	17	17	B3
	of which: General Provision	–	–	B4
	of which: Provision for Enhancing Credit Supply	24	24	
	of which: DTLs related to goodwill	–	–	
	of which: DTLs related to intangible assets	–	–	
	Total Capital and Liabilities	**540,703**	**540,703**	
B	**Assets**			
i	**Cash and balances with Reserve Bank of India**	12,802	12,802	
	Balance with banks and money at call and short notice	41,652	41,652	
	Investments	225,504	225,504	
	of which: Government securities	193,073	193,073	
	of which: Other approved securities	–	–	
	of which: Shares	–	–	
	of which: Debentures & Bonds	–	–	
	of which: Subsidiaries/Joint Ventures/Associates	–	–	
	of which: Others (Commercial Papers, Certificate of Deposits etc.)	32,431	32,431	
	Loans and advances	194,517	194,517	
	of which: Loans and advances to banks	8,593	8,593	
	of which: Loans and advances to customers	185,924	185,924	
	Fixed assets	1,179	1,179	
	Other assets	65,049	65,049	
	of which:			
	Goodwill	–	–	
	Other intangibles (excluding MSRs)	39	39	C1
	Deferred tax assets	922	922	A4
	Goodwill on consolidation	–	–	
	Debit balance in Profit & Loss account	–	–	
	Total Assets	**540,703**	**540,703**	

Table DF-13: Main Features of Regulatory Capital Instruments

The Bank has not issued any Regulatory Capital instruments

Disclosure template for main features of regulatory capital instruments		
1	Issuer	Not Applicable
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	
3	Governing law(s) of the instrument	
	Regulatory treatment	
4	Transitional Basel III rules	
5	Post-transitional Basel III rules	
6	Eligible at solo/group/ group & solo	
7	Instrument type	
8	Amount recognised in regulatory capital (Rs. in million, as of most recent reporting date)	
9	Par value of instrument	
10	Accounting classification	
11	Original date of issuance	
12	Perpetual or dated	
13	Original maturity date	
14	Issuer call subject to prior supervisory approval	
15	Optional call date, contingent call dates and redemption amount	
16	Subsequent call dates, if applicable	
	Coupons/dividends	
17	Fixed or floating dividend/coupon	
18	Coupon rate and any related index	
19	Existence of a dividend stopper	
20	Fully discretionary, partially discretionary or mandatory	
21	Existence of step up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	
24	If convertible, conversion trigger(s)	
25	If convertible, fully or partially	
26	If convertible, conversion rate	
27	If convertible, mandatory or optional conversion	
28	If convertible, specify instrument type convertible into	
29	If convertible, specify issuer of instrument it converts into	
30	Write-down feature	
31	If write-down, write-down trigger(s)	
32	If write-down, full or partial	
33	If write-down, permanent or temporary	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	
36	Non-compliant transitioned features	
37	If yes, specify non-compliant features	

Table DF-14: Full Terms and Conditions of Regulatory Capital Instruments

Instruments	Full Terms and Conditions
The Bank has not issued any Regulatory Capital instruments	

Table DF-15: Disclosure Requirements for Remuneration

The Bank's compensation policies including that of CEO's, is in conformity with the Financial Stability Board principles and standards. In accordance with the requirements of the RBI Circular No. DBOD No.BC.72/29.67/001/2011-12 dated January 13, 2012; the Regional Office of the Bank has submitted a declaration to RBI confirming the aforesaid matter and hence this disclosure is not applicable.

Table DF-16: Equities – Disclosure for Banking Book Position

NIL

Table DF-17: Summary Comparison of Accounting Assets vs Leverage Ratio Exposure Measure

	Item	Rs. In Millions
1	Total consolidated assets as per published financial statements	507,892
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–
4	Adjustments for derivative financial instruments	95,922
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	–
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	50,409
7	Other adjustments (Asset amounts deducted in determining Basel III Tier 1 capital)	(39)
8	**Leverage ratio exposure**	**654,184**

Table DF-18: Leverage Ratio Common Disclosure Template

	Item	Rs. In Millions
1	**On-balance sheet exposures** On-balance sheet items (excluding derivatives and SFTs, but including collateral)	471,001
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(39)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**470,962**
4	**Derivative exposures** Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	22,487
5	Add-on amounts for PFE associated with all derivatives transactions	95,922
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	
8	(Exempted CCP leg of client-cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	**Total derivative exposures (sum of lines 4 to 10)**	**118,409**
12	**Securities financing transaction exposures** Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	14,404
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	
14	CCR exposure for SFT assets	
15	Agent transaction exposures	
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	**14,404**
17	**Other off-balance sheet exposures** Off-balance sheet exposure at gross notional amount	213,792
18	(Adjustments for conversion to credit equivalent amounts)	(163,383)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**50,409**
20	**Capital and total exposures** Tier 1 capital	102,158
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**654,184**
	Leverage ratio	
22	**22. Basel III leverage ratio (per cent)**	**15.62%**