Bank of America

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

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

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

1. We have audited the accompanying financial statements of Bank of America N.A. (India Branches) (the "Bank"), which comprise the Balance Sheet as at March 31, 2017, and the Profit and Loss Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Bank's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to preparation of these financial statements to give a true and fair view of the financial position, financial performance 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 Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time as applicable to banks. 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder, including the accounting standards, provisions of section 29 of the Banking Regulation Act, 1949, circulars and guidelines issued by RBI as applicable to banks and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Management, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements together with the notes thereon give the information required by provisions of section 29 of the Banking Regulation Act, 1949 as well as the Act and circulars and guidelines issued by the RBI, 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 March 31, 2017 and its profit and its cash flow for the year then ended.

Report on Other Legal and Regulatory Requirements

9. In our opinion, the Balance Sheet, the Profit and Loss Account, and the Cash Flow Statement dealt with by this report have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 read with applicable provisions of section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
10. 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 during the course of our audit, have been within the powers of the Bank.
    c) During the course of our audit we have visited 3 branches to examine the books of accounts and other records maintained at the branch and performed other relevant audit procedures. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally at Mumbai Branch as all the necessary records and data required for the purposes of our audit are available therein.
11. 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting policies prescribed by RBI;
    e) The requirements of section 164 (2) of the Companies Act, 2013 are not applicable to the Bank considering it is a branch of Bank of America N.A which is incorporated with limited liability in the United States of America;
    f) With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
    g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
        i. The Bank has disclosed the impactof pending litigations as at March 31, 2017 on its financial position in its financial statements–Refer Schedule 12 andSchedule 18 - Note (V) (18);
        ii. The Bank has made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts – Refer Schedule 17 and Schedule 18 - Note (V) (5);
        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank during the year ended March 31, 2017;
        iv. The disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March 2017 is not applicable to the Bank - Refer Schedule 18 - Note (V) (44).

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N / N500016
Chartered Accountants

Sd/-
Sharad Vasant
Partner
Membership Number: 101119

Place : Mumbai
Date : June 22, 2017

Bank of America

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

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

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the Chief Executive Officer of Bank of America N.A (India Branches) on the financial statements for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Bank of America N.A. (India Branches) ("the Bank") as at March 31, 2017 in conjunction with our audit of financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (ICAI). 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 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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 system overfinancial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A Bank's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control over financial reporting includes 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 authorisations of management and Chief Executive Officer of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting 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.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sd/-
Sharad Vasant
Partner
Membership Number: 101119

Place : Mumbai
Date : June 22, 2017

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

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

BALANCE SHEET AS AT MARCH 31, 2017

	Schedule	As at March 31, 2017 (Rs. '000)	As at March 31, 2016 (Rs. '000)
CAPITAL AND LIABILITIES			
Capital	1	**9,853,492**	9,853,492
Reserves and Surplus	2	**62,541,202**	55,382,621
Deposits	3	**191,514,804**	130,386,277
Borrowings	4	**12,986,588**	114,523,159
Other Liabilities and Provisions	5	**71,555,165**	43,391,029
TOTAL		**348,451,251**	353,536,578
ASSETS			
Cash and balances with Reserve Bank of India	6	**11,603,391**	8,620,135
Balances with banks and money at call and short notice	7	**64,733,051**	15,169,467
Investments	8	**76,171,038**	159,522,829
Advances	9	**136,507,736**	123,463,754
Fixed Assets	10	**1,073,825**	725,474
Other Assets	11	**58,362,210**	46,034,919
TOTAL		**348,451,251**	353,536,578
Contingent Liabilities	12	**3,567,403,882**	3,761,585,367
Bills for Collection		**217,745,724**	181,621,098

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, 2017

	Schedule	Year Ended March 31, 2017 (Rs. '000)	Year Ended March 31, 2016 (Rs. '000)
I. INCOME			
Interest earned	13	**18,253,482**	20,249,051
Other income	14	**9,561,398**	5,747,300
TOTAL		**27,814,880**	25,996,351
II. EXPENDITURE			
Interest expended	15	**7,111,884**	7,997,392
Operating expenses	16	**6,371,388**	5,854,209
Provisions and contingencies	17	**7,173,027**	5,046,041
TOTAL		**20,656,299**	18,897,642
III. PROFIT			
Net profit for the year		**7,158,581**	7,098,709
Profit brought forward		**22,308,603**	16,984,571
TOTAL		**29,467,184**	24,083,280
IV. APPROPRIATIONS			
Transfer to Statutory Reserves		**1,789,645**	1,774,677
Amount retained in India for meeting Capital to Risk-weighted Asset ratio (CRAR)		**10,000,000**	–
Balance carried over to Balance Sheet		**17,677,539**	22,308,603
TOTAL		**29,467,184**	24,083,280

Significant accounting policies and notes to the Financial Statements 18

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

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Sd/-
Sharad Vasant
Partner
Membership Number: 101119

Mumbai: June 22, 2017

This is the Profit and Loss Account referred to in our report of even date

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

Sd/-
Kaku Nakhate
Chief Executive Officer

Mumbai: June 22, 2017

Sd/-
Kumar Shah
Chief Financial Officer

Mumbai: June 22, 2017

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, 2017

PARTICULARS	Year Ended March 31, 2017 (Rs. '000)	Year Ended March 31, 2016 (Rs. '000)
Cash flow from operating activities		
Net profit before taxation	**13,228,842**	12,003,310
Adjustments for:		
Depreciation	**246,490**	204,688
Loss on sale of fixed assets	**53,441**	1,239
Other (write backs) provisions	**(274,400)**	275,000
Provisions for unhedged foreign currency exposure	**274,765**	(86,804)
Provision for Non Performing Assets / (Writeback of provision)	**1,100,000**	(46,756)
Provision for leave enchashment and sick leave	**22,889**	24,771
Provision for gratuity	**34,356**	685
Provision for Country risk	**2,401**	–
Operating profit before working capital changes	**14,688,784**	12,376,133
Adjustments for:		
(Increase) / Decrease in investments	**83,351,791**	(20,656,147)
(Increase) / Decrease in advances	**(14,143,982)**	(30,781,353)
(Increase) / Decrease in other assets	**(13,417,552)**	(11,257,024)
Increase / (Decrease) in deposits	**61,128,527**	34,514,176
Increase / (Decrease) in other liabilities and provisions	**28,104,126**	9,045,183
Cash Generated from Operations	**159,711,694**	(6,759,033)
Less: Taxes Paid (net of refunds received)	**(4,980,000)**	(5,186,518)
Net Cash (used in) Operating Activities (A)	**154,731,694**	(11,945,551)
Cash flow from investing activities		
Purchase of fixed assets	**(663,921)**	(464,464)
Proceeds from sale of fixed assets	**15,638**	16,319
Net Cash (used in) Investing Activities (B)	**(648,283)**	(448,145)
Cash flow from Financing Activities		
Increase in borrowings (net)	**(101,536,571)**	22,423,445
Net Cash generated from Financing Activities (C)	**(101,536,571)**	22,423,445
Net increase in cash and cash equivalents (A+B+C)	**52,546,840**	10,029,749
Cash and Cash equivalents at the beginning of the year as per Schedule 6 and 7	**23,789,602**	13,759,853
Cash and Cash equivalents at the end of the year as per Schedule 6 and 7	**76,336,442**	23,789,602
Net increase in cash and cash equivalents	**52,546,840**	10,029,749

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 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2) Previous year figures have been regrouped and reclassified wherever necessary to conform to current year's presentation.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Sd/-
Sharad Vasant
Partner
Membership Number: 101119

Mumbai: June 22, 2017

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

Sd/-
Kaku Nakhate
Chief Executive Officer

Mumbai: June 22, 2017

Sd/-
Kumar Shah
Chief Financial Officer

Mumbai: June 22, 2017

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, 2017 (Rs. '000)	As at March 31, 2016 (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.	**15,100,000**	13,358,600
II. Amount brought in as start-up capital	**2,000**	2,000
Tier I Capital augmented by Head Office	**9,851,492**	9,851,492
TOTAL	**9,853,492**	9,853,492
Note: Capital infused during the year: Rs. Nil (Previous Year Rs. Nil)		
SCHEDULE 2 - Reserves and Surplus		
I. Statutory Reserves		
Opening balance	**14,710,561**	12,935,884
Add: Transfer from Profit and Loss Account	**1,789,645**	1,774,677
	16,500,206	14,710,561
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	**14,875,501**	14,875,501
Add: Transfer from Profit and Loss Account	**10,000,000**	–
	24,875,501	14,875,501
IV. Investment Reserve Account		
Opening balance	**30,299**	30,299
Add: Transfer from Profit and Loss Account	**–**	–
	30,299	30,299
V. Balance in Profit and Loss Account	**17,677,539**	22,308,603
TOTAL (I, II, III, IV and V)	**62,541,202**	55,382,621
SCHEDULE 3 - Deposits		
A. I. Demand Deposits		
i) From Banks	**4,529,597**	3,107,179
ii) From Others	**73,563,119**	58,442,960
II. Savings Bank Deposits	**965,578**	886,776
III. Term Deposits		
i) From Banks	**–**	–
ii) From Others	**112,456,510**	67,949,362
TOTAL (I, II and III)	**191,514,804**	130,386,277
B. i) Deposits of Branches in India	**191,514,804**	130,386,277
ii) Deposits of Branches outside India	**–**	–
TOTAL	**191,514,804**	130,386,277

	As at March 31, 2017 (Rs. '000)	As at March 31, 2016 (Rs. '000)
SCHEDULE 4 - Borrowings		
I. Borrowings in India		
i) Reserve Bank of India	**450,000**	98,400,000
ii) Other Banks	**–**	–
iii) Other Institutions and Agencies	**1,599,922**	–
	2,049,922	98,400,000
II. Borrowings outside India	**10,936,666**	16,123,159
TOTAL (I and II)	**12,986,588**	114,523,159
Secured borrowings in I and II above	**2,049,922**	98,400,000
SCHEDULE 5 - Other Liabilities and Provisions		
I. Bills payable	**629,256**	697,101
II. Inter-office adjustments - net	**20,724**	–
III. Interest accrued	**654,116**	652,006
IV. Deferred Tax Liability [Refer Note 14 - Schedule 18(V)]	**–**	166,379
V. Others [including provisions] [Refer Note 5(iv) - Schedule 18(V)]	**70,251,069**	41,875,543
TOTAL	**71,555,165**	43,391,029
SCHEDULE 6 - Cash and Balances with Reserve Bank of India		
I. Cash in hand (including foreign currency notes)	**25,542**	46,293
II. Balances with Reserve Bank of India		
(i) In Current account	**11,577,849**	8,573,842
(ii) In Other accounts	**–**	–
TOTAL (I and II)	**11,603,391**	8,620,135
SCHEDULE 7 - Balances with Banks and Money at Call and Short Notice		
I. In India		
i) Balances with banks		
a) In Current accounts	**82,928**	123,401
b) In Other deposit accounts	**–**	–
ii) Money at call and short notice		
a) with banks	**25,000,000**	–
b) with other institutions	**34,524,732**	14,131,135
TOTAL (i and ii)	**59,607,660**	14,254,536
II. Outside India		
i) In Current accounts	**5,125,391**	914,931
ii) In Other deposit accounts	**–**	–
iii) Money at call and short notice	**–**	–
	5,125,391	914,931
TOTAL (I and II)	**64,733,051**	15,169,467

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, 2017 (Rs. '000)	As at March 31, 2016 (Rs. '000)
SCHEDULE 8 - Investments		
I. Investments in India		
(i) Government securities*	**75,934,983**	149,853,290
(ii) Other approved securities	–	–
(iii) Shares	–	600
(iv) Debentures and bonds	–	–
(v) Subsidiaries and/or joint ventures	–	–
(vi) Others (including Certificate of Deposits)	**236,055**	9,668,939
Gross Investments	**76,171,038**	159,522,829
Less: Provision for depreciation	–	–
	76,171,038	159,522,829
II. Investments outside India	–	–
TOTAL (I and II)	**76,171,038**	159,522,829

* Includes securities of Face Value Rs. 17,400,000,000/- deposited with Clearing Corporation of India Limited (CCIL) as margin deposit (Previous Year: Rs. 3,500,000,000/-), Rs. 462,360,000/- pledged with Reserve Bank of India for funds borrowed under liquidity adjustment facility/marginal standing facility (Previous year: Rs. 102,336,000,000/-) and securities dealt in the repo market through CCIL Rs. 1,564,000,000/- (Previous year : Rs. NIL)

	As at March 31, 2017 (Rs. '000)	As at March 31, 2016 (Rs. '000)
SCHEDULE 9 - Advances		
A. (i) Bills purchased and discounted	**42,784,103**	41,656,937
(ii) Cash credits, overdrafts and loans repayable on demand	**88,183,575**	77,209,039
(iii) Term loans	**5,540,058**	4,597,778
TOTAL	**136,507,736**	123,463,754
B. (i) Secured by tangible assets (including book debts)	**3,905,436**	1,628,086
(ii) Covered by Bank/ Government guarantees	–	–
(iii) Unsecured	**132,602,300**	121,835,668
TOTAL	**136,507,736**	123,463,754
C. I. Advances in India		
(i) Priority sector	**39,747,771**	29,987,957
(ii) Public sector	–	–
(iii) Banks	**21,522,781**	25,127,774
(iv) Others	**75,237,184**	68,348,023
	136,507,736	123,463,754
II. Advances outside India	–	–
TOTAL (I and II)	**136,507,736**	123,463,754

	As at March 31, 2017 (Rs. '000)	As at March 31, 2016 (Rs. '000)
SCHEDULE 10 - Fixed Assets		
I. Premises	–	–
II. Other Fixed Assets (including Furniture and Fixtures)*		
At Cost on March 31 of preceding year	**1,594,672**	1,510,110
Additions during the year	**953,510**	150,687
	2,548,182	1,660,797
Deductions during the year	**569,251**	66,124
	1,978,931	1,594,673
Accumulated depreciation/ amortization	**932,411**	1,186,093
	1,046,520	408,580
Capital Work in Progress	**27,305**	316,894
	1,073,825	725,474
TOTAL (I and II)	**1,073,825**	725,474
*[Refer Note 17- Schedule 18(V)]		
SCHEDULE 11 - Other Assets		
I. Interest Accrued	**2,934,687**	3,899,569
II. Advance tax and tax deducted at source [net of Provision for taxation of Rs. 53,179,205 thousand (Previous Year Rs. 46,105,451 thousand)]	**1,057,120**	3,103,422
III. Inter-office adjustments - net	–	265,950
IV. Deferred tax assets [Refer Note 14 - Schedule 18(V)]	**837,114**	–
V. Others [Refer Note 5(iv) - Schedule 18(V)]	**53,533,289**	38,765,978
TOTAL	**58,362,210**	46,034,919
SCHEDULE 12 - Contingent Liabilities		
I. Claims against the Bank not acknowledged as Debts (including tax related matters)	**2,093,763**	1,571,180
II. Liability for partly paid investments	–	–
III. Liability on account of outstanding forward exchange contracts	**2,045,833,294**	2,132,412,503
IV. Liability on account of outstanding derivative contracts	**1,477,588,410**	1,583,455,634
V. Guarantees given on behalf of constituents		
(a) in India	**19,162,963**	18,673,745
(b) outside India	**4,883,234**	3,994,911
VI. Acceptances, endorsements and other obligations	**4,010,234**	5,806,379
VII. Other items for which the Bank is contingently liable		
– Committed Lines of credit	**13,603,942**	15,304,004
– Capital Commitments	**82,373**	250,643
– Depositor Education and Awareness Fund (DEAF) [Refer Note 38 - Schedule 18(V)]	**145,669**	116,368
TOTAL	**3,567,403,882**	3,761,585,367

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

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

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Year Ended March 31, 2017 (Rs. '000)	Year Ended March 31, 2016 (Rs. '000)
SCHEDULE 13 - Interest Earned		
I. Interest/discount on advances/bills	**9,651,292**	9,950,575
II. Income on investments	**8,425,769**	9,618,807
III. Interest on balances with Reserve Bank of India and other inter-bank funds	**36,395**	29,226
IV. Others	**140,026**	650,443
TOTAL	**18,253,482**	20,249,051
SCHEDULE 14 - Other Income		
I. Commission, exchange and brokerage	**751,487**	651,754
II. Profit on sale of investments (net)	**2,941,444**	577,940
III. Profit on revaluation of investments (net)	–	–
IV. (Loss) on sale of land, buildings and other assets (net)	**(53,441)**	(1,239)
V. Profit on exchange / derivative transactions (net)	**4,893,711**	3,553,042
VI. Miscellaneous Income [Refer Note 42 - Schedule 18(V)]	**1,028,197**	965,803
TOTAL	**9,561,398**	5,747,300
SCHEDULE 15 - Interest Expended		
I. Interest on deposits	**5,095,585**	3,889,390
II. Interest on Reserve Bank of India/inter-bank borrowings	**347,773**	1,174,848
III. Others	**1,668,526**	2,933,154
TOTAL	**7,111,884**	7,997,392

	Year Ended March 31, 2017 (Rs. '000)	Year Ended March 31, 2016 (Rs. '000)
SCHEDULE 16 - Operating Expenses		
I. Payments to and provisions for employees	**3,550,134**	3,001,976
II. Rent, taxes and lighting	**433,653**	571,432
III. Printing and stationery	**32,876**	38,141
IV. Advertisement and publicity	**319**	6,572
V. Depreciation on Bank's property	**246,490**	204,688
VI. Directors' fees, allowances and expenses	–	–
VII. Auditors' fees and expenses	**9,630**	10,336
VIII. Law Charges	**18,252**	15,312
IX. Postages, Telegrams, Telephones, etc	**172,373**	191,433
X. Repairs and maintenance	**231,967**	190,573
XI. Insurance	**164,405**	117,381
XII. Other expenditure [Refer Note 33 and 41 - Schedule 18(V)]	**1,511,289**	1,506,365
TOTAL	**6,371,388**	5,854,209
SCHEDULE 17 - Provisions and Contingencies		
I. Provision for unhedged foregin currency exposure / (Write-back of provision)	**274,765**	(86,804)
II. Provision for country risk	**2,401**	–
III. Provision for Non Performing Assets/(Write-back of provision)	**1,100,000**	(46,756)
IV. Provision for Taxation [Refer Note 15 - Schedule 18(V)]	**7,073,754**	4,226,699
V. Deferred tax [Refer Note 14 - Schedule 18(V)]	**(1,003,493)**	678,097
VI. (Write-back of provision) [Refer Note 15 - Schedule 18(V)]	–	(195)
VII. Other provisions [including write off of Rs 600 thousands (Previous year Nil)]	**(274,400)**	275,000
TOTAL	**7,173,027**	5,046,041

Bank of America

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

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

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

I) Background

The financial statements for the year ended March 31, 2017 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, statutory provisions prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and Accounting Standards (AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounts) Amendment Rules, 2016, Companies (Accounting Standard) Rules, 2006, as amended 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 the 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 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 advances which is recognized as income upon receipt in accordance with the prudential norms issued by RBI.

Interest income on discounted instruments is recognized over the tenor of the instrument on a constant effective yield basis.

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 foreign exchange transactions settled during the year are recognized in the Profit and Loss Account.

Monetary assets and liabilities denominated in foreign currencies are translated 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 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 effectively 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 are disclosed at the year-end 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 the Primary Dealers Association of India (PDAI) jointly with the Fixed Income Money Market and Derivatives Association of India (FIMMDA) and in accordance with the 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 & 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.

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

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

Repo and reverse repo 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 accumulated impairment losses, if any. Assets, which are not under active use and held for disposal, are stated at lower of 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 properties 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 Company 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), based on management's estimate of useful lives of the fixed assets as stated in the table below:

Category	Useful Life
Server, networking 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

ii) The Company 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 Company 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) 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

In accordance with AS-28 on 'Impairment of Assets', an asset is considered as impaired when at the balance sheet date, there are indications of impairment 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 reduction is recognized as an impairment loss 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 is made in accordance with the norms prescribed by the 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 charged to the Profit and Loss Account. 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 in respect of taxable income for the year in accordance with the Income tax-Act, 1961.

The tax effect of timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. These are measured 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. 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. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can 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 and contingent liabilities

A provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

The 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.

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V) Other Disclosures

1. Capital to risk weighted assets ratio (CRAR)

The Bank's capital adequacy ratio as on March 31, 2017 computed under Basel III framework is given below:

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
i)	Common Equity Tier I capital ratio (%)	**19.24%**	14.58%
ii)	Tier 1 capital ratio (%)	**18.76%**	14.58%
iii)	Tier 2 capital ratio (%)	**0.48%**	0.39%
iv)	Total Capital to Risk Weighted Assets ratio [CRAR] (%)	**19.24%**	14.97%
v)	Percentage of the shareholding of the Government of India in public sector banks	**Nil**	Nil
vi)	Amount of equity capital raised	**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:	**Nil**	Nil
	Preference Share Capital Instruments: *[Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]*	**Nil**	Nil

2. Investments

(Rs. '000)

Particulars	As at March 31, 2017	As at March 31, 2016
1) Value of Investments		
i) Gross Value of Investments		
(a) In India	**76,171,038**	159,522,829
(b) Outside India	**Nil**	Nil
ii) Provisions for Depreciation on Investments		
(a) In India	**Nil**	Nil
(b) Outside India	**Nil**	Nil
iii) Net Value of Investments		
(a) In India	**76,171,038**	159,522,829
(b) Outside India	**Nil**	Nil
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	**Nil**	Nil
ii) Add: Provisions made during the year	**Nil**	Nil
iii) Less: Write-back of excess provision during the year	**Nil**	Nil
iv) Closing balance	**Nil**	Nil

3. Information on Repo and Reverse Repo Transactions (in face value terms)

(Rs. '000)

Year ended March 31, 2017*	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Balance Outstanding during the year	Outstanding as at March 31, 2017
Securities sold under repo				
• Government securities	**Nil**	**102,336,000**	**9,662,127**	**2,026,360**
• Corporate debt securities	**Nil**	**Nil**	**Nil**	**Nil**
Securities purchased under reverse repo				
• Government securities	**850,000**	**74,338,760**	**25,185,758**	**56,628,640**
• 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 Reserve Bank of India

(Rs. '000)

Year ended March 31, 2016*	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Balance Outstanding during the year	Outstanding as at March 31, 2016
Securities sold under repo				
• Government securities	Nil	112,064,600	27,394,947	102,336,000
• Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo				
• Government securities	Nil	17,496,000	4,368,433	13,863,300
• 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 Reserve Bank of India.

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4. Non-SLR Investment Portfolio

(i) Issuer Composition of Non-SLR Investments

As at March 31, 2017

(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	600,000	600,000	Nil	600,000	600,000
2)	Financial Institutions	236,055	Nil	Nil	Nil	236,055
3)	Banks	Nil	Nil	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	**836,055**	**600,000**	**Nil**	**600,000**	**836,055**

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

As at March 31, 2016

(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	Nil	Nil	Nil	Nil	Nil
2)	Financial Institutions	Nil	Nil	Nil	Nil	Nil
3)	Banks	9,668,939	5,154,359	Nil	Nil	9,668,939
4)	Private corporate	Nil	Nil	Nil	Nil	Nil
5)	Subsidiaries/Joint ventures	Nil	Nil	Nil	Nil	Nil
6)	Others	600	600	Nil	600	600
7)	Provision held towards depreciation	Nil	Nil	Nil	Nil	Nil
	Total	9,669,539	5,154,959	Nil	600	9,669,539

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, 2017. (Previous year Nil)

5. Derivatives

(i) Forward Rate Agreements/Interest Rate Swaps

(Rs. '000)

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
i)	The notional principal value of interest rate swaps	**1,378,925,349**	1,418,617,443
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	**4,701,377**	6,628,794
iii)	Collateral required by the bank upon entering into swaps	**Nil**	Nil
iv)	Concentration of credit risk arising from the swaps (in the banking industry)	**98%**	96%
v)	The fair value of interest rate swaps – Gains/(Losses)	**411,279**	1,560,671

Notes:

a) Swaps undertaken with counterparties are based on established market benchmarks.

b) The counterparties for the swaps undertaken are Banks/Corporates and are within approved credit exposure limits.

c) There are no forward rate agreements as at March 31, 2017. (Previous year Rs. Nil)

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

(ii) Nature and terms of interest rate swaps:

(Rs. '000)

Nature	Benchmark	No. of trades as at March 31, 2017	Notionals as at March 31, 2017	No. of trades as at March 31, 2016	Notionals as at March 31, 2016
Trading	MIBOR*	**1,481**	**1,124,285,869**	1,476	1,070,011,654
Trading	MIFOR**	**327**	**168,160,853**	421	221,890,853
Trading	INBMK***	**16**	**9,600,000**	29	16,100,000
Trading	Others	**79**	**76,878,627**	62	110,614,936
	Total	**1,903**	**1,378,925,349**	1,988	1,418,617,443

* Mumbai Interbank Offer Rate;

** Mumbai Interbank Forward Rate

***India Benchmark

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(iii) Exchange Traded Interest Rate Derivatives

(Rs. '000)

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year,		
	– Interest rate futures	**198,280,200**	256,036,200
2)	Notional principal amount of exchange traded interest rate derivatives outstanding as at March 31,		
	– Interest rate futures	**950,200**	3,013,200
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. The 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, 2017		As at March 31, 2016	
	Asset (+)	Liability (-)	Asset (+)	Liability (-)
Forward exchange contracts	**42,543,525**	**(43,404,778)**	20,961,033	(21,136,208)
Interest rate swap	**4,701,377**	**(4,290,098)**	6,628,794	(5,068,123)
Cross-currency interest rate swap	**1,902,858**	**(1,548,002)**	6,607,372	(6,922,691)
Interest rate futures	**Nil**	**(2,622)**	6,697	Nil
Currency futures	**Nil**	**(1,350)**	Nil	(29,399)
Options	**413,463**	**(1,229,344)**	198,349	(341,851)
Total	**49,561,223**	**(50,476,194)**	34,402,245	(33,498,272)

b. Quantitative Disclosure

(Rs. '000)

Sr. No.	Particulars	Currency Derivatives* As at March 31, 2017	Interest Rate Derivatives** As at March 31, 2017
1)	Derivatives (Notional Principal Amount)		
	a) For hedging	**Nil**	**Nil**
	b) For trading	**97,712,861**	**1,379,875,549**
2)	Marked to Market Positions		
	a) Asset (+)	**2,316,321**	**4,701,377**
	b) Liability (-)	**(2,778,696)**	**(4,292,720)**
3)	Credit Exposure#	**7,292,979**	**15,491,680**
4)	Likely impact of one percentage change in interest rate (100*PV01) ***		
	a) on hedging derivatives	**Nil**	**Nil**
	b) on trading derivatives	**371,593**	**312,973**
5)	Maximum and Minimum of 100*PV01 observed during the year ***		
	a) on hedging		
	b) on trading (Maximum)	**386,939**	**745,205**
	c) on trading (Minimum)	**251,315**	**2,172**

The notional principal amount of outstanding foreign exchange contracts classified as trading and hedging as at March 31, 2017 amounted to Rs. 2,045,833,295 thousand and Rs. 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, 2016	Interest Rate Derivatives** As at March 31, 2016
1)	Derivatives (Notional Principal Amount)		
	a) For hedging	Nil	Nil
	b) For trading	161,824,991	1,421,630,643
2)	Marked to Market Positions		
	a) Asset (+)	6,805,721	6,635,491
	b) Liability (-)	(7,293,941)	(5,068,123)
3)	Credit Exposure#	14,031,601	17,268,153
4)	Likely impact of one percentage change in interest rate (100*PV01) ***		
	a) on hedging derivatives	Nil	Nil
	b) on trading derivatives	258,044	444,267
5)	Maximum and Minimum of 100*PV01 observed during the year ***		
	a) on hedging		
	b) on trading (Maximum)	506,252	756,242
	c) on trading (Minimum)	148,787	7,049

The notional principal amount of outstanding foreign exchange contracts classified as trading and hedging as at March 31, 2016 amounted to Rs. 2,118,369,138 thousand and Rs. 14,043,365 thousand 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, 2017**	**As at March 31, 2016**
1)	Net NPAs to Net Advances (%)	**Nil**	Nil
2)	Movement of NPAs (Gross)		
	(a) Opening balance	**Nil**	144,838
	(b) Additions during the year	**1,100,000**	Nil
	(c) Reductions during the year	**Nil**	144,838
	(d) Closing balance	**1,100,000**	Nil
3)	Movement of Net NPAs		
	(a) Opening balance	**Nil**	98,082
	(b) Additions during the year	**Nil**	Nil
	(c) Reductions during the year (recoveries)	**Nil**	98,082
	(d) Closing balance	**Nil**	Nil
4)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	**Nil**	46,756
	(b) Provisions made during the year	**1,100,000**	Nil
	(c) Write-off	**Nil**	Nil
	(d) Write-back of excess provisions	**Nil**	46,756
	(e) Closing balance	**1,100,000**	Nil

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6 (ii) Particulars of accounts restructured

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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	Doubt ful	Loss	Total	Standard	Sub-Standard	Doubt ful	Loss	Total
	Details																					
1	Restructured Accounts as on 1st April, 2016	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Fresh re-structuring during the financial year 2016-17	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	1	–	–	1	–	1	–	–	1
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	110.00	–	–	110.00	–	110.00	–	–	110.00
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	110.00	–	–	110.00	–	110.00	–	–	110.00
3	Upgradation to restructured standard category during the financial year 2016-17	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 the next year	No. of borrowers	–				–	–				–	–				–	–				–
		Amount outstanding	–				–	–				–	–				–	–				–
		Provision thereon	–				–	–				–	–				–	–				–
5	Down gradations of restructured accounts during the financial year 2016-17	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–		–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–								
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Write-offs of restructured accounts during the financial year 2015-16	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	Restructured Accounts as on 31st March, 2017	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	1	–		1	–	1	–	–	1
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	110.00	–		110.00	–	110.00	–	–	110.00
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	110.00	–		110.00	–	110.00	–	–	110.00

For previous year ended March 31, 2016, the Bank did not have any accounts that were subject to restructuring and accordingly the disclosures were not applicable.

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(iii) 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 current year or the previous year.

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

There were no non-performing financial assets that were purchased or sold during the current year or the previous year.

(v) Provision on standard assets

(Rs. '000)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision on standard assets	**767,415**	767,415

7. Business Ratios

Sr. No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a)	Interest income as a percentage to working funds*	**5.91%**	7.35%
b)	Non-interest income as a percentage to working funds*	**3.09%**	2.09%
c)	Operating Profit as a percentage to working funds*	**4.65%**	4.41%
d)	Return on assets@	**2.32%**	2.58%
e)	Business (Deposits plus Advances) per employee (Rs. '000)#	**717,279**	576,420
f)	Profit per employee (Rs. '000)	**15,873**	16,319

* 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.

8. Asset Liability Management

Maturity Pattern of certain items of assets and liabilities

(Rs. Crores)

As at March 31, 2017	Advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	465	3,315	2,693	210	–	54
2 to 7 days	1,363	–	2,201	–	56	54
8 to 14 days	647	–	891	–	109	54
15 to 30 days	1,778	1,191	1,030	110	140	110
31 days and upto 2 months	2,029	265	569	979	654	979
Over 2 months and upto 3 months	2,023	394	494	–	1,178	–
Over 3 months and upto 6 months	1,832	255	1,487	–	993	–
Over 6 months and upto 1 year	1,505	647	2,744	–	8	–
Over 1 year and upto 3 years	1,918	1,210	7,039	–	–	1,316
Over 3 years and upto 5 years	90	340	3	–	–	–
Over 5 Years and upto 7 years	–	–	–	–	–	–
Over 7 Years and upto 10 years	–	–	–	–	–	–
Over 10 Years and upto 15 years	–	–	–	–	–	–
Over 15 Years	–	–	–	–	–	–
Total	**13,650**	**7,617**	**19,151**	**1,299**	**3,138**	**2,567**

Note: Foreign currency assets include balances in respect of advances and overseas lending. Foreign currency liabilities include balances in respect of deposits and borrowings.

(Rs. Crores)

As at March 31, 2016	Advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	292	2,925	309	104	3	115
2 to 7 days	1,547	7,406	2,230	7,417	124	70
8 to 14 days	754	2,415	965	2,440	5	53
15 to 30 days	1,509	797	601	–	391	–
31 days and upto 2 months	1,352	151	643	166	34	166
Over 2 months and upto 3 months	1,058	276	380	–	463	–
Over 3 months and upto 6 months	2,461	65	293	–	868	–
Over 6 months and upto 1 year	1,446	639	2,090	1,325	35	1,325
Over 1 year and upto 3 years	1,669	1,178	5,512	–	–	1,166
Over 3 years and upto 5 years	258	80	16	–	–	–
Over 5 Years and upto 7 years	–	20	–	–	–	–
Over 7 Years and upto 10 years	–	–	–	–	–	–
Over 10 Years and upto 15 years	–	–	–	–	–	–
Over 15 Years	–	–	–	–	–	–
Total	**12,346**	**15,952**	**13,039**	**11,452**	**1,923**	**2,895**

Note: Foreign currency assets include balances in respect of advances and overseas lending. Foreign currency liabilities include balances in respect of deposits and borrowings.

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9. Exposures

(i) Exposure to Real Estate Sector

(Rs.'000)

Category	As at March 31, 2017	As at March 31, 2016
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;	**1,849**	2,102
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	**1,411,324**	7,323,141
Total Exposure to Real Estate Sector	**1,413,173**	7,325,243

(ii) Exposure to Capital Market

(Rs. '000)

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016
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**	600
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	**351,145**	330,000
	Total Exposure to Capital Market	**351,145**	**330,600**

(iii) Risk Category-wise Country Exposure

(Rs. '000)

Risk Category	Exposure (net) as at March 31, 2017	Provision held as at March 31, 2017	Exposure (net) as at March 31, 2016	Provision held as at March 31, 2016
Insignificant	**5,315,629**	**2,401**	967,594	Nil
Low	**92,406**	**Nil**	189,148	Nil
Moderate	**Nil**	**Nil**	138,991	Nil
High	**Nil**	**Nil**	Nil	Nil
Very High	**Nil**	**Nil**	Nil	Nil
Restricted	**Nil**	**Nil**	Nil	Nil
Off-Credit	**Nil**	**Nil**	Nil	Nil
Total	**5,408,035**	**2,401**	1,295,733	Nil

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(iv) Single and Group Borrower limits

During the year ended March 31, 2017, the Bank did not exceed the single and group borrower limits in respect of any of its clients.

(v) Unsecured Advances

Unsecured advances have been appropriately classified under 'Schedule 9 – Advances'. During the year ended March 31, 2017, the Bank has not given loans against intangible securities such as rights, licenses, authority etc.

10. Penalties levied by RBI

The RBI imposed monetary penalty of Rs. 10,000/- under Section 11(3) of the Foreign Exchange Management Act, 1999, for violation of the reporting requirements of the said Act.

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, the Bank has recognized Rs. 46,414 thousand (Previous year Rs. 48,880 thousand) in the Profit and Loss account as Employers' Contribution to Pension Fund.

b) Defined Benefit Plan – Contribution to Gratuity Fund

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the defined benefit plan based on the following assumptions:

Principal actuarial assumptions:

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Discount rate (per annum)	**7.15%**	7.55%
Basic salary increases allowing for price inflation	**9.00%**	9.00%
Employee Turnover	**8.50%**	8.50%
Normal retirement age	**60 years**	60 years

Reconciliation of projected benefit obligation: (Rs.'000)

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Projected Benefit Obligation at the beginning of the year	**516,062**	459,181
Current Service Cost	**61,756**	55,900
Interest Cost	**37,091**	35,064
Contribution by plan participation	**Nil**	Nil
Actuarial Losses / (Gains)	**28,556**	(9,069)
Acquisition/Business combination/Divestiture	**4,871**	Nil
Benefits Paid	**(49,570)**	(25,014)
Past service cost	**Nil**	Nil
Amalgamations	**Nil**	Nil
Curtailments	**Nil**	Nil
Settlements	**Nil**	Nil
Projected Benefit Obligation at the end of year	**598,766**	516,062

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

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Plan Asset at beginning of year	**408,242**	352,047
Expected Return on Plan Asset	**32,477**	28,471
Employer Contribution	**55,300**	54,700
Employee Contribution	**Nil**	Nil
Benefits Payment	**(49,570)**	(25,014)
Asset Gains / (Losses)	**10,141**	(1,962)
Amalgamations	**Nil**	Nil
Settlements	**Nil**	Nil
Ending Asset	**456,590**	408,242

Amounts recognized in Balance Sheet: (Rs. '000)

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Projected Benefit Obligation at the end of year	**598,766**	516,062
Ending Asset	**456,590**	408,242
Fund Status asset/(liability)	**(142,176)**	(107,820)
Unrecognized past service cost - non vested benefits	**Nil**	Nil
Liability recognized in the Balance sheet	**(142,176)**	(107,820)

Amounts recognized in Profit and Loss Account: (Rs. '000)

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Current Service Cost	**61,756**	55,900
Interest Cost	**37,091**	35,064
Expected return on plan asset	**(32,477)**	(28,471)
Net Actuarial losses /(gains) recognized in the year	**18,416**	(7,108)
Past Service Cost	**Nil**	Nil
Effect of Curtailments	**Nil**	Nil
Expenses recognized in the statement of Profit and Loss account	**84,786**	55,385

Experience Adjustments (Rs. '000)

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Present Value of defined benefit obligation	**598,766**	516,062	459,181	308,646	251,435
Fair Value of plan assets	**456,590**	408,242	352,047	287,632	228,620
(Surplus)/deficit in the plan	**142,176**	107,820	107,134	21,014	22,815
Experience Adjustment					
Liability					
Experience (Gain) / Loss	**28,556**	(9,070)	81,862	(2,148)	174
Asset					
Asset (Gain) / Loss	**10,141**	(1,962)	14,754	(4,104)	9,679

Investment details of plan assets

Majority of the plan assets are invested in Government securities and corporate bonds.

c) Provident Fund Contribution

Bank's contribution to provident fund **Rs. 80,016** thousand *(previous year Rs. 74,461 thousand).*

d) Compensated Absences

The Bank has provided for sick leave and privilege leave for all its eligible employees, based on valuation carried out by an independent actuary.

Sick Leave

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done based on the following assumptions

Principal actuarial assumptions:

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Discount rate (per annum)	**7.15%**	7.55%
Basic salary increases allowing for price inflation	**9.00%**	9.00%
Employee Turnover	**8.50%**	8.50%
Normal retirement age	**60 years**	60 years

The provision for sick leave as on March 31, 2017 is Rs. 97,653 thousand *(Previous year Rs. 84,734 thousand).* The increase in the provision of Rs. 12,919 thousand is debited to Profit and Loss account for the year ended March 31, 2017. *(Previous year Rs. 10,726 thousand debited to Profit and Loss account).*

Privilege Leave

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the defined benefit plan based on the following assumptions:-

Principal actuarial assumptions:

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Discount rate (per annum)	**7.15%**	7.55%
Basic salary increases allowing for price inflation	**9.00%**	9.00%
Employee Turnover	**8.50%**	8.50%
Normal retirement age	**60 years**	60 years

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Reconciliation of projected benefit obligation: (Rs.'000)

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Projected Benefit Obligation at the beginning of the year	**126,756**	112,711
Current Service Cost	**50,601**	33,148
Interest Cost	**8,976**	8,373
Contribution by plan participation	**Nil**	Nil
Net Actuarial (Gains) / Losses	**(33,871)**	(15,368)
Benefits Paid	**(15,737)**	(12,108)
Past service cost	**Nil**	Nil
Amalgamations	**Nil**	Nil
Curtailments	**Nil**	Nil
Settlements	**Nil**	Nil
Projected Benefit Obligation at the end of year	**136,725**	126,756

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

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Plan Asset at beginning of year	**Nil**	Nil
Expected Return on Plan Asset	**Nil**	Nil
Employer Contribution	**Nil**	Nil
Employee Contribution	**Nil**	Nil
Benefits Payment	**Nil**	Nil
Asset Gains / (Losses)	**Nil**	Nil
Amalgamations	**Nil**	Nil
Settlements	**Nil**	Nil
Ending Asset	**Nil**	Nil
Total actuarial gain/(loss) recognized immediately	**Nil**	Nil

Amounts recognized in Balance Sheet: (Rs. '000)

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Projected Benefit Obligation at the end of year	**136,725**	126,756
Ending Asset	**Nil**	Nil
Funded Status asset / (liability)	**(136,725)**	(126,756)
Unrecognized past service cost - non vested benefits	**Nil**	Nil
Liability recognized in Balance Sheet	**(136,725)**	(126,756)

Amounts recognized in Profit and Loss Account: (Rs. '000)

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Current Service Cost	**50,601**	33,148
Interest Cost	**8,976**	8,373
Expected return on plan asset	**Nil**	Nil
Net Actuarial (gains)/losses recognized in the year	**(33,871)**	(15,368)
Past Service Cost	**Nil**	Nil
Effect of Curtailments	**Nil**	Nil
Income (-) / Expenses (+) recognized in the statement of Profit and Loss account	**25,706**	26,153

Experience Adjustments (Rs.'000)

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Present Value of defined benefit obligation	**136,725**	126,756	112,710	102,522	160,813
Fair Value of plan assets	**Nil**	Nil	Nil	Nil	Nil
(Surplus)/ deficit in the plan	**136,725**	126,756	112,710	102,522	160,813
Experience Adjustment					
Liability					
Experience (Gain) / Loss	**(33,871)**	(15,368)	(19,471)	(102,576)	(29,601)
Asset					
Asset (Gain) / Loss	**Nil**	Nil	Nil	Nil	Nil

12. **Segmental Reporting**

In accordance with the 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.

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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, 2017**				For the year ended March 31, 2016			
	Treasury	**Corporate Banking**	**Unallocated**	**Total**	Treasury	Corporate Banking	Unallocated	Total
Segment Revenue	**16,446,203**	**11,231,383**	**137,294**	**27,814,880**	13,865,387	11,354,470	776,494	25,996,351
Segment Result (Operating Profit)	**12,591,224**	**1,906,912**	**(166,528)**	**14,331,608**	8,332,127	3,291,830	520,793	12,144,750
Provisions and Contingencies	**(21,561)**	**(1,078,804)**	**(2,401)**	**(1,102,766)**	8,621	(150,061)	–	(141,440)
Income taxes				**(6,070,261)**				(4,904,601)
Net profit				**7,158,581**				7,098,709
Segment Assets	**189,192,877**	**140,086,558**	**19,171,816**	**348,451,251**	212,842,439	126,788,912	13,905,227	353,536,578
Total Assets				**348,451,251**				353,536,578
Segment liabilities	**79,317,822**	**195,718,899**	**1,019,836**	**276,056,557**	151,218,749	134,854,981	2,226,734	288,300,464
Capital and Reserves				**72,394,694**				65,236,114
Total Liabilities				**348,451,251**				353,536,578

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

- Banc of America Securities (India) Private Limited@
- Bank of America Singapore Limited

d) Fellow Subsidiaries of Head Office

- BA Continuum India Private Limited
- DSP Merrill Lynch Limited
- DSP Merrill Lynch Capital Limited
- DSP Merrill Lynch Trust Services Limited@
- Merrill Lynch Wealth Advisors Private Limited^
- Merrill Lynch, Pierce, Fenner & Smith Incorporated
- Merrill Lynch Capital Services Incorporated
- Merrill Lynch Global Services Pte Ltd
- Merrill Lynch International

e) Key Management Personnel*

Mrs. Kaku Nakhate, Chief Executive Officer

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Transactions with related parties are in the ordinary course of business (Current year figures are shown in bold. Previous year's figures 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	**123,238,285** (55,102,170)	**Nil** (Nil)
Purchase of Securities	**78,046,620** (26,449,105)	**Nil** (Nil)
Term Deposits (note 1)	**Nil** (Nil)	**52,155,000** (67,054,709)
Documentary Collections	**Nil** (Nil)	**288,832** (308,157)
Guarantees issued	**Nil** (Nil)	**Nil** (Nil)
Interest Paid	**Nil** (Nil)	**1,394,629** (1,261,426)
Depository Participant charges	**Nil** (Nil)	**3** (4)
Commission Received	**Nil** (Nil)	**301** (452)
Bank charges Received	**Nil** (Nil)	**561** (1,169)
Recovery / (Payment) in respect of retirement benefits of transferred employees, net	**Nil** (Nil)	**4,871** (Nil)
Reimbursement of Expense received / (paid)	**Nil** (Nil)	**10,888** (Nil)
Rendering of Services	**Nil** (1,507)	**93,307** (130,869)
Receipt of Services	**Nil** (Nil)	**70,988** (45,661)
Outstanding at the year end		
Term Deposits (note 1)	**Nil** (Nil)	**28,082,924** (22,903,085)
Demand Deposits	**Nil** (Nil)	**651,728** (788,114)
Advances	**Nil** (Nil)	**39,237** (41,180)
Other Assets	**Nil** (Nil)	**48,212** (57,178)
Other Liabilities	**Nil** (Nil)	**393,535** (336,185)
Derivatives Contracts:		
Notional Value	**Nil** (Nil)	**7,831,482** (16,219,532)
Positive Mark-to-Market value	**Nil** (Nil)	**Nil** (317,474)
Negative Mark-to-Market value	**Nil** (Nil)	**89,958** (316,400)
Guarantees	**Nil** (Nil)	**25,608** (39,062)
Maximum outstanding during the year		
Term Deposits (note 1)	**Nil** (Nil)	**30,598,085** (26,493,085)
Guarantees	**Nil** (Nil)	**39,062** (41,360)

Note 1: Includes deposits which are lien marked.

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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	**123,238,285** (55,102,170)	**Nil** (Nil)
Purchase of Securities		
Bank of America Singapore Limited	**78,046,620** (26,449,105)	**Nil** (Nil)
Depository Participant Charges		
DSP Merrill Lynch Limited	**Nil** (Nil)	**3** (4)
Recovery in respect of retirement benefits of transferred employees, net		
DSP Merrill Lynch Limited	**Nil** (Nil)	**3,262** (Nil)
DSP Merrill Lynch Capital Limited	**Nil** (Nil)	**1,609** (Nil)
Rendering of Services		
DSP Merrill Lynch Limited	**Nil** (Nil)	**93,307** (115,013)
BA Continuum India Private Limited	**Nil** (Nil)	**Nil** (15,856)
Receipt of Services		
DSP Merrill Lynch Limited	**Nil** (Nil)	**36,369** (45,727)
Merrill Lynch Global Services Pte Ltd	**Nil** (Nil)	**34,103** (Nil)

* 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.

@ Related party till September 19, 2015

^ Related party with effect from June 27, 2014 to April 12, 2015

\# 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

The Deferred Tax Asset (DTA) as at March 31, 2017 amounting to Rs. 837,114 thousand (Previous year Deferred Tax Liability (DTL) Rs. 166,379 thousand) represents timing difference on account of depreciation on fixed assets, disallowances under section 43B of Income-tax Act, 1961 and unrealized gains on foreign exchange forward & derivatives contracts.

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, 2017**	As at March 31, 2016
Deferred tax assets / (Deferred tax liability)		
Depreciation on fixed assets	**86,278**	92,085
Disallowances under section 43B of Income-tax Act 1961	**331,058**	275,200
Others	**419,778**	(533,664)
Total	**837,114**	(166,379)

15. Provision for Current Taxation

(Rs. '000)

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016
Income Tax for the year	**6,016,200**	4,142,600
Wealth Tax for the year	**Nil**	Nil
Income tax adjustments for prior years	**1,057,554**	84,099
Wealth tax adjustments for prior years	**Nil**	(195)
Total	**7,073,754**	4,226,504

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, 2017	As at March 31, 2016
1)	Up to 1 year	**169,009**	214,725
2)	More than 1 year and up to 5 years	**30,822**	199,828
3)	More than 5 years	**Nil**	Nil

- The lease payments, recognized in the Profit and Loss account: Rs. 311,751 thousand *(Previous year Rs. 365,930 thousand).*
- 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, 2017	For the year ended March 31, 2016
At Cost as at March 31, of preceding year	**154,857**	135,714
Additions during the year	**10,300**	19,143
Deductions during the year	**12**	Nil
At Cost as at March 31	**165,145**	154,857
Accumulated amortization	**(139,087)**	(123,547)
Written down value as at March 31	**26,058**	31,310

18. Provisions, Contingent Liabilities and Contingent Assets

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 forward exchange and derivative contracts

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

Forward 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.

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 a) Committed Lines of Credit and b) Capital Commitments.

e) Movement in Provision for Contingencies

(Rs. '000)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Provision	**20,392**	20,630
Additions	**651**	Nil
Reversals	**Nil**	238
Closing Provision	**21,043**	20,392

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, 2017, 376,408 numbers of restricted stocks / restricted units were granted (*Previous Year* – 626,490 *numbers*) and the estimated fair value per unit on the date of grant was US$ 24.58 (*Previous year* – US$ 11.95). Payments to and provisions for employees for the year includes Rs. 846,477 thousands (*Previous year* – Rs. 416,976 thousands) towards these awards. The liability towards restricted stocks / restricted units recognized as at March 31, 2017 is Rs. 93,623 thousands (as at March 31, 2016 – Rs. 62,347thousand).

20. Floating Provisions

(Rs. '000)

Sr. No.	**Particulars**	**As at March 31, 2017**	As at March 31, 2016
1)	Opening balance in the floating provisions account	**Nil**	Nil
2)	The quantum of floating provisions made in the accounting year	**Nil**	Nil
3)	Amount of draw down made during the accounting year	**Nil**	Nil
4)	Closing balance in the floating provision account	**Nil**	Nil

21. Draw down from Reserves

During the year ended March 31, 2017, there has been no drawdown from Reserves (Previous year Rs. Nil). Also refer Schedule 2 – Reserves and Surplus.

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, 2017**	For the year ended March 31, 2016
a)	No. of complaints pending at the beginning of the year	**Nil**	Nil
b)	No. of complaints received during the year	**15**	9
c)	No. of complaints redressed during the year	**15**	9
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, 2017**	For the year ended March 31, 2016
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, 2017 *(Previous year Rs. Nil)*.

24. Provision Coverage ratio

In accordance with the RBI guidelines, the Bank's Provision Coverage Ratio as at March 31, 2017 was 100% (Previous year – 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, 2017 *(Previous year Rs. Nil)*.

26. Concentration of Deposits, Advances, Exposures and NPAs

1) Concentration of Deposits

(Rs. '000)

Particulars	**As at March 31, 2017**	As at March 31, 2016
Total Deposits of twenty largest depositors	**112,548,519**	67,684,562
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	**58.77%**	51.91%

2) Concentration of Advances*

(Rs. '000)

Particulars	**As at March 31, 2017**	As at March 31, 2016
Total Advances to twenty largest borrowers	**149,909,842**	124,386,654
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	**59.46%**	57.02%

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

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3) Concentration of Exposures

(Rs. '000)

Particulars	**As at March 31, 2017**	As at March 31, 2016
Total Exposure of twenty largest borrowers/customers	**149,909,842**	124,386,654
Percentage of Exposure to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	**59.46%**	57.02%

4) Concentration of NPAs

(Rs. '000)

Particulars	**As at March 31, 2017**	As at March 31, 2016
Total Exposure of top four NPA accounts	**1,100,000**	NIL

27 a. Sector-wise advances

(Rs. '000)

SI NO.	**Sector**	**As at March 31, 2017**		
		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	**29,556,077**	**Nil**	**Nil**
3	Services	**10,191,694**	**Nil**	**Nil**
4	Personal loans	**Nil**	**Nil**	**Nil**
	Sub- Total (A)	**39,747,771**	**Nil**	**Nil**
	Non-Priority Sector			
1	Agriculture and allied activities	**Nil**	**Nil**	**Nil**
2	Industry	**48,646,961**	**1,100,000**	**2.26%**
3	Services	**48,107,688**	**Nil**	**Nil**
4	Personal loans	**5,316**	**Nil**	**Nil**
	Sub- Total (B)	**96,759,965**	**1,100,000**	**1.14%**
	Total (A+B)	**136,507,736**	**1,100,000**	**0.81%**

(Rs. '000)

SI NO.	Sector	As at March 31, 2016		
		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	22,083,213	Nil	Nil
3	Services	7,904,743	Nil	Nil
4	Personal loans	Nil	Nil	Nil
	Sub- Total (A)	29,987,956	Nil	Nil
	Non-Priority Sector			
1	Agriculture and allied activities	Nil	Nil	Nil
2	Industry	36,667,246	Nil	Nil
3	Services	56,803,774	Nil	Nil
4	Personal loans	4,778	Nil	Nil
	Sub- Total (B)	93,475,798	Nil	Nil
	Total (A+B)	123,463,754	Nil	Nil

* Does not include investments in Pass Through Certificates (PTC)

27 b. Investment in Priority Sector Lending Certificate

During the FY 2016-17, the Bank had invested in Priority Sector Lending Certificate (PSLC) of Agriculture category for Rs. 150,000 thousands *(Previous year NIL).*

28. Movement of NPAs

(Rs. '000)

Particulars	As at March 31, 2017	As at March 31, 2016
Gross NPAs as on April 01 (Opening Balance)	**Nil**	144,838
Additions (Fresh NPAs during the year)	**1,100,000**	Nil
Sub-total (A)	**1,100,000**	144,838
Less: -		
(i) Upgradations	**Nil**	Nil
(ii) Recoveries (excluding recoveries made from upgraded accounts)	**Nil**	144,838
(iii) Write-offs	**Nil**	Nil
Sub-total (B)	Nil	144,838
Gross NPAs as on March 31 (Closing balance) (A-B)	**1,100,000**	Nil

29. Overseas Assets, NPAs and Revenue

(Rs. '000)

Particulars	March 31, 2017	March 31, 2016
Total Assets	**Nil**	Nil
Total NPAs	**Nil**	Nil
Total Revenue	**Nil**	Nil

30. Off-balance sheet SPVs (Domestic & Overseas) sponsored – Rs. Nil *(Previous year Rs. Nil)*.

31. Unamortised Pension and Gratuity Liabilities – Rs. Nil *(Previous year Rs. 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 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.

33. Corporate Social Responsibility (CSR) expenditure

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. Further, it continued to support NGOs which provide renewable energy access to remote households and enhance livelihoods. As a first, given the global focus on disability, it has supported an NGO that focuses on enhancing employability skills for the differently abled. The bank also continued to support Art & Culture.

(Rs. '000)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
(1) Gross amount required to be spent by the Bank during the year	**234,933**	204,986
(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	**235,063**	205,163
– Yet to be paid in cash	–	–
Total	**235,063**	205,163

34. Disclosure relating to securitization

There are no securitization transactions which are originated by the bank hence these disclosures are not applicable.

35. Disclosures pertaining to Micro and Small Enterprises

There are no delays in payments to micro and small enterprises as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006. The determination has been made to the extent such parties were identified based on the information available.

36. Credit Default Swaps

The Bank has not transacted in credit default swaps during the current year or the previous year.

37. Intra Group Exposures:

(Rs. '000)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Total amount of intra-group exposures	**952,653**	1,857,488
(b) Total amount of top-20 intra-group exposures	**952,653**	1,857,488
(c) Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	**0.29%**	0.65%

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38. Transfers to Depositor Education and Awareness Fund (DEAF):

(Rs.'000)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening balance of amounts transferred to DEAF	**116,368**	98,069
Add : Amounts transferred to DEAF during the year	**29,424**	18,325
Less : Amounts reimbursed by DEAF towards claims	**123**	26
Closing balance of amounts transferred to DEAF	**145,669**	116,368

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 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 is 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 31st March, 2017 is Rs. 60.66 crores (Previous year Rs. 33.19 crores). Incremental Risk weighted assets value considered for the purpose of CRAR calculation in respect of currency induced credit risk is INR 2,348.09 crores (Previous year Rs. 1,075.00 crores).

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 March 31, 2017 and on month-end values for the three months ended December 31, 2016, September 30, 2016, June 30, 2016.:

(Rs. Crores)

	Q1 FY 16-17		Q2 FY 16-17		Q3 FY 16-17		Q4 FY 16-17	
	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)	5,602.20	5,602.20	6,775.30	6,775.30	8,926.06	8,926.06	9,045.26	9,045.26
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	9.96	1.00	14.97	1.50	35.84	3.58	42.00	4.20
(i) Stable deposits								
(ii) Less stable deposits	9.96	1.00	14.97	1.50	35.84	3.58	42.00	4.20
3 Unsecured wholesale funding, of which:	13,029.95	4,943.45	12,769.24	4,795.81	14,367.20	5,411.93	14,931.35	5,737.98
(i) Operational deposits (all counterparties)	3,690.01	922.50	3,961.06	990.26	4,418.95	1,104.74	4,111.58	1,027.14
(ii) Non-operational deposits (all counterparties)	9,339.94	4,020.95	8,808.18	3,805.55	9,948.25	4,307.19	10,819.77	4,710.84
(iii) Unsecured debt								
4 Secured wholesale funding	4,825.22	–	2,701.55	–	–	–	24.06	–

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

		Q1 FY 16-17		Q2 FY 16-17		Q3 FY 16-17		Q4 FY 16-17	
		Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)
5	Additional requirements, of which	2,328.53	960.26	2,402.27	1,113.94	2,921.91	1,317.43	3,341.53	1,831.89
	(i) Outflows related to derivative exposures and other collateral requirements	690.56	690.56	905.50	905.50	1,027.82	1,027.82	1,537.04	1,537.04
	(ii) Outflows related to loss of funding on debt products								
	(iii) Credit and liquidity facilities	1,637.97	269.70	1,496.77	208.44	1,894.09	289.61	1,804.49	294.85
6	Other contractual funding obligations	308.51	308.51	279.94	279.94	908.54	908.54	436.18	436.18
7	Other contingent funding obligations	14,564.11	673.74	15,157.68	705.58	15,393.24	717.79	14,996.47	690.59
8	Total Cash Outflows	35,066.28	6,886.96	33,325.65	6,896.77	33,626.73	8,359.27	33,771.59	8,700.84
	Cash Inflows								
9	Secured lending (e.g. reverse repos)	944.39	–	1,265.81	–	4,464.17	–	5,241.85	–
10	Inflows from fully performing exposures	5,184.05	3,748.91	4,562.41	3,125.86	4,804.70	3,107.74	4,825.19	3,205.46
11	Other cash inflows	570.86	238.86	822.84	490.84	1,113.56	781.56	1,147.98	956.11
12	Total Cash Inflows	6,699.30	3,987.77	6,651.06	3,616.70	10,382.43	3,889.30	11,215.02	4,161.57
13	**TOTAL HQLA**	**5,602.20**	**5,602.20**	**6,775.30**	**6,775.30**	**8,926.06**	**8,926.06**	**9,045.26**	**9,045.26**
14	**Total Net Cash Outflows**	**28,366.98**	**2,899.19**	**26,674.59**	**3,280.07**	**23,244.30**	**4,469.97**	**22,556.57**	**4,539.27**
15	**Liquidity Coverage Ratio (%)**		**193.23**		**206.56**		**199.69**		**199.27**

Financial Year : 2015-2016

The LCR positions of the bank based on simple average of values for the three months ended March 31, 2016, December 31, 2015, September 30, 2015 and June 30, 2015.

		Q1 FY 15-16		Q2 FY 15-16		Q3 FY 15-16		Q4 FY 15-16	
		Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)	Total Un-weighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)	3,850.55	3,850.55	5,070.64	5,070.64	4,346.29	4,346.29	3,870.23	3,870.23
	Cash Outflows								
2	Retail deposits and deposits from small business customers, of which:	4.81	0.48	8.73	0.87	14.01	1.40	6.98	0.70
	(i) Stable deposits								
	(ii) Less stable deposits	4.81	0.48	8.73	0.87	14.01	1.40	6.98	0.70
3	Unsecured wholesale funding, of which:	9,918.46	3,975.34	12,277.88	4,779.55	11,838.00	4,501.03	11,338.89	4,260.17
	(i) Operational deposits (all counterparties)	2,935.48	733.87	3,257.74	814.43	3,421.41	855.35	3,595.65	898.91
	(ii) Non-operational deposits (all counterparties)	6,982.97	3,241.47	9,020.14	3,965.12	8,416.59	3,645.68	7,743.25	3,361.25
	(iii) Unsecured debt								
4	Secured wholesale funding	7,784.14	–	4,312.36	–	4,162.99	–	6,816.74	–
5	Additional requirements, of which	1,620.95	824.72	2,199.17	1,147.66	1,933.85	1,039.43	2,077.91	1,074.77
	(i) Outflows related to derivative exposures and other collateral requirements	679.87	679.87	866.81	866.81	784.35	784.35	868.51	868.51
	(ii) Outflows related to loss of funding on debt products								
	(iii) Credit and liquidity facilities	941.08	144.85	1,332.35	280.84	1,149.49	255.08	1,209.40	206.26
6	Other contractual funding obligations	648.29	648.29	481.51	481.51	578.64	578.64	230.15	230.15
7	Other contingent funding obligations	12,621.09	631.05	12,872.49	643.62	13,278.46	663.92	14,719.33	698.70
8	Total Cash Outflows	32,597.74	6,079.89	32,152.14	7,053.22	31,805.94	6,784.42	35,189.99	6,264.48
	Cash Inflows								
9	Secured lending (e.g. reverse repos)	340.79	–	18.67	–	467.04	–	1,444.30	–
10	Inflows from fully performing exposures	3,070.96	1,713.15	3,796.50	2,154.81	4,435.38	2,510.67	4,589.10	2,966.00
11	Other cash inflows	672.37	354.37	841.69	523.69	575.27	257.27	763.20	431.20
12	Total Cash Inflows	4,084.12	2,067.52	4,656.86	2,678.51	5,477.68	2,767.94	6,796.60	3,397.20
13	**TOTAL HQLA**	**3,850.55**	**3,850.55**	**5,070.64**	**5,070.64**	**4,346.29**	**4,346.29**	**3,870.23**	**3,870.23**
14	**Total Net Cash Outflows**	**28,513.61**	**4,012.37**	**27,495.29**	**4,374.71**	**26,328.26**	**4,016.49**	**28,393.39**	**2,867.27**
15	**Liquidity Coverage Ratio (%)**		**95.97**		**115.91**		**108.21**		**134.98**

Bank of America

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

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

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

40. ii) Qualitative disclosure around LCR :

The Bank measures and monitors the LCR in line with Reserve Bank of India'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 amendments issued on March 23, 2016.

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.

With a view to provide a transition time for banks, the LCR requirements were introduced in a phased manner with banks required to maintain minimum LCR of 60% from January 2015 onwards and the requirement increases by 10% annually to 100% by January 2019. Thus minimum LCR requirement effective January 01, 2017 was 80%.

The Bank has incorporated LCR as part of its risk appetite statement and has maintained LCR well above the regulatory threshold for every month end from April 2016 to March 2017.

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 entirely of Level 1 assets which are the most liquid assets as indicated by the 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. 499,155 thousand (Previous year Rs. 577,736 thousand).

42. Miscellaneous Income includes service fee income of Rs. 928,155 thousand (Previous year Rs. 829,031 thousand) from overseas branches and affiliates accounted as per contractual terms.

43. Outstanding commitments as of March 31, 2017 relating to securities purchase and sale contracts stood at Rs. 9,096,935 thousand & Rs. 20,986,282 thousand respectively (Previous year Rs. 17,030,095 thousand and Rs. 24,400,554 thousand respectively).

44. The Bank believes that the MCA notification G.S.R. 308(E) dated March 30, 2017 regarding holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 is not applicable to banking companies. Accordingly, the disclosures prescribed under the said notification are not required to be made by the Bank.

45. RBI vide its circular dated 18th April 2017, has directed that banks shall make suitable disclosures, wherever either (a) the additional provisioning requirements assessed by RBI exceed 15 percent of the published net profits after tax for the reference period or (b) the additional Gross NPAs identified by RBI exceed 15 percent of the published incremental Gross NPAs for the reference period, or both. There has been no divergence observed by RBI for the financial year 2015-16 in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition asset classification and provisioning (IRACP) which require such disclosures.

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

Signatures to schedules 1 to 18

For Price Waterhouse Chartered Accountants LLP	For BANK OF AMERICA, N.A. (INDIA BRANCHES)	
Firm Registration No. 012754N/N500016		
Sd/-	Sd/-	Sd/-
Sharad Vasant	**Kaku Nakhate**	**Kumar Shah**
Partner	Chief Executive Officer	Chief Financial Officer
Membership Number: 101119		

Mumbai: June 22, 2017

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

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

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2017

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, 2017. 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 full implementation targeted in a phased manner by March 31, 2019.

Transitional Arrangements - BASEL III Capital Regulations

(% of RWAs)

Minimum capital ratios		March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020
Minimum Common Equity Tier 1 (CET1)	A	5.5000	5.5000	5.5000	5.5000
Capital conservation buffer (CCB)	B	1.2500	1.8750	2.5000	2.5000
Global Systemically Important Banks buffer (GSIB)	C	1.5000	2.2500	3.0000	3.0000
Minimum Tier 1 capital	D	7.0000	7.0000	7.000	7.0000
Minimum Total Capital *	E	9.0000	9.0000	9.0000	9.0000
Minimum Regulatory Capital Requirement	F=E+B+C	11.7500	13.1250	14.5000	14.5000
Internal Capital Guideline	G=F+2%(#)	13.7500	15.1250	16.5000	16.5000

**The difference between the minimum total capital requirement of 9% and the Tier 1 requirement can be met with Tier 2 and higher forms of capital.*

\# Current internal buffer over regulatory capital requirement, subject to annual review.

Under BASEL III norms - transitional arrangements, the bank is required to maintain a minimum total capital to risk-weighted assets ratio ("CRAR") of 11.75% (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, 2017.

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	28,014	NIL	Not Applicable	38,437
DSP Merrill Lynch Capital Limited / India	Non-Banking Financial Company (NBFC)	11,566	NIL	Not Applicable	11,672

** Amounts are as per audited financial statements as on March 31,2017*

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 Treasury and Control Function ("TCF") Risk and International Capital Management and Advisory ("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 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, 2017 **INR mm**

Common Equity Tier 1	54,655
Additional Tier 1	–
Tier 2	1,413
Total Capital Funds	**56,068**

Capital Structure as on March 31, 2016 **INR mm**

Common Equity Tier 1	42,862
Additional Tier 1	–
Tier 2	1,136
Total Capital Funds	**43,998**

Capital requirement and CRAR **INR mm**

	31-Mar -17	31-Mar-16
Capital requirements for credit risk:		
– Portfolios subject to standardized approach	24,299	19,758
– Securitization exposures	–	–
Capital requirements for market risk:		
Interest rate risk		
– General market risk	4,645	6,139
– Specific risk	4	132
Equity risk		
– General market risk	–	–
– Specific risk	–	0
– Foreign exchange risk (including gold)	1,227	1,083
Capital requirements for operational risk: (Basic indicator approach)	4,061	3,390
Total Capital Requirements	**34,236**	**30,502**
Common Equity Tier I capital ratio	18.76%	14.58%
Tier I capital ratio	18.76%	14.58%
Tier II capital ratio	0.48%	0.39%
Total capital ratio	**19.24%**	**14.97%**

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. The Bank defines credit exposure to a borrower or counterparty as the loss potential arising from all product classifications, including loans and leases, derivatives and other extensions of credit. The Bank's strong credit risk management system is a function of selective client base and regular monitoring. Exposure is predominantly short term.
- 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. 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"). All limit excesses are communicated to senior management for review.
- Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational losses have remained low.

- Strategic risk including business risk is the risk that results from adverse business decisions, inappropriate business plans, ineffective business strategy execution, or failure to respond in a timely manner to changes in the macroeconomic environment, such as business cycles, competitor actions, changing customer preferences, product obsolescence, technology developments and the regulatory environment. BANA India manages strategic risk through the following approaches:
    - Assessment of strategic risk in connection with its strategic and operating plans through the ICAAP process.
    - Assessing earnings and risk profile throughout the year. These are periodically discussed in various governance committees.
- Liquidity risk is the potential inability to meet expected or unexpected cash flow and collateral needs while continuing to support our business and customer needs under a range of economic conditions. The primary objective of liquidity risk management is to ensure that BANA India can meet expected and 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 Liquidity Risk Policy (Branch Supplement) and Contingency Funding Plan for managing its asset and liability position in accordance with the RBI guidelines.
- Reputational risk is the potential that negative publicity regarding an organization's business practices will adversely affect its profitability, operations or customer base or require costly litigation or other measures. It is the potential risk that negative publicity regarding an organization's conduct, or business practices, will adversely affect its profitability, operations or customer base, or require costly litigation or other defensive measures, is by its nature extremely difficult to quantify and lends itself to being mitigated by good governance controls.
- Compliance risk is the risk of legal or regulatory sanctions arising from the failure to comply with requirements of banking and financial services laws, rules and regulations. Compliance is at the core of the Company's culture and is a key component of the risk management discipline

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.

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.

Regulatory 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 RBS 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.

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 -17	31-Mar-16
Fund Based	262,179	200,217
Non-Fund Based [2]	57,579	65,256

b. Geographic distribution **INR mm**

	31-Mar -17		31-Mar-16	
	Domestic	**Overseas [3]**	Domestic	Overseas [3]
Fund Based	**262,179**	–	200,217	–
Non-Fund Based [2]	**57,579**	–	65,256	–

[2] *Includes market as well as non-market related exposures*

[3] *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.*

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b. Distribution of Exposures by sector / industry - **INR mm**

Sr.no	Particulars	31-Mar-17		31-Mar-16	
		Funded Exposure	Non Funded Exposure*	Funded Exposure	Non Funded Exposure*
1.	**Agriculture & Allied Activities**	–	–	–	–
2.	**Industry (Micro & Small, Medium and Large)**				
a	Mining and Quarrying	–	180	–	180
b	Food Processing	3,093	257	3,135	518
c	Beverage & Tobacco	10,653	4	5,009	2
d	Textiles	416	306	19	502
e	Leather & leather products	759	0	465	0
f	Wood and Wood products	–	–	–	–
g	Paper & paper products	2,433	9	2,779	25
h	Petroleum, coal products and nuclear fuels	9,084	1,035	3,565	1,462
i	Chemicals and chemical products	16,764	1,327	10,459	978
j	Rubber, plastic & their products	–	22	–	9
k	Glass and glassware	–	–	–	–
l	Cement & Cement products	–	–	–	–
m	Basic metal and metal products	3,168	557	10,462	635
n	All Engineering	12,771	7,608	13,812	7,669
o	Vehicles, vehicle parts and transport equipments	5,626	1,933	3,953	1,671
p	Gems & Jewellery	–	109	–	–
q	Construction	–	–	–	–
r	Power	58	–	544	–
s	Telecom	8,886	442	6,204	1,995
t	Infrastructure-Others	1,190	761	288	326
u	Other Industries	1,986	187	1,378	198
	2. Total	**76,887**	**14,737**	**61,568**	**16,170**
3.	**Services**				
a.	Non Banking Financial Companies	4,669	2,878	5,371	10,701
a.	Banking and Finance other than NBFCs and MFs	28,388	25,016	26,180	25,636
b	Transport Operators	4,347	292	–	298
c.	Tourism Hotels and Restaurants	60	2	760	2
d.	Trade	14,070	888	16,943	461
e.	Computer Software	1,100	4,667	1,123	3,486
f	Professional and Other services	4,568	1,170	3,557	1,089
g	Other Services	126,907	5,880	80,998	5,886
	3. Total	**184,109**	**40,794**	**134,932**	**47,559**
4.	**Sovereign**	**1,178**	**2,048**	**3,208**	**1,527**
5.	**Employee Loans**	**5**	**–**	**5**	**–**
	Grand Total	**262,179**	**57,579**	**200,217**	**65,256**

** 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, 2017 **INR mm**

Particulars	Cash	Advances	Balance with RBI	Balances with other Banks	Fixed Assets	Investments	Other Assets
Next Day	26	4,655	3,589	39,733	–	33,150	967
2 - 7 days	–	13,635	–	20,000	–	–	–
8-14 days	–	6,470	–	5,000	–	–	22
15-30 days	–	17,779	2,511	–	–	11,909	–
31 days to 2 month	–	20,286	558	–	–	2,645	–
2-3 months	–	20,233	831	–	–	3,942	52,555
3-6 months	–	18,322	538	–	–	2,551	1,507
6 months to 1 year		15,054	992	–	–	6,469	–
1-3 years	–	19,176	2,552	–	–	12,102	–
3-5 years		896	7	–	–	3,402	0
5-7 years	–	1	0	–	–	1	–
7-10 years		0	0	–	–	0	–
10-15 years	–	–	–	–	–	–	–
Over 15 years		–	–	–	1,048	–	3,337
TOTAL	**26**	**136,508**	**11,578**	**64,733**	**1,048**	**76,171**	**58,388**

As of March 31, 2016 **INR mm**

Particulars	Cash	Advances	Balance with RBI	Balances with other Banks	Fixed Assets	Investments	Other Assets
Next Day	46	2,923	2,636	1,038	–	29,254	1,332
2 - 7 days	–	15,469	–	14,131	–	74,060	–
8-14 days	–	7,536	–	–	–	24,146	3
15-30 days	–	15,088	1,635	–	–	7,970	–
31 days to 2 month	–	13,524	311	–	–	1,514	–
2-3 months	–	10,582	433	–	–	2,761	39,587
3-6 months	–	24,611	113	–	–	647	2,476
6 months to 1 year	–	14,459	1,311	–	–	6,390	–
1-3 years	–	16,689	2,126	–	–	11,776	–
3-5 years		2,580	10	–	–	802	–
5-7 years		1	–	–	–	203	–
7-10 years		1	–	–	–	–	–
10-15 years	–	–	–	–	–	–	–
Over 15 years	–	–	–	–	725	–	2,638
TOTAL	**46**	**123,464**	**8,574**	**15,169**	**725**	**159,523**	**46,035**

e. **Amount of NPAs (Gross) – INR 1,100mm** (March 31, 2016 – NIL)

f. **Net NPAs – INR NIL** (March 31, 2016 – NIL)

g. **NPA Ratios**
- Gross NPA to Gross Advances – 0.80% (March 31, 2016 – NIL)
- Net NPA to Net Advances –NIL (March 31, 2016 – NIL)

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

	31-Mar-17	31-Mar-16
Opening balance	–	–
Additions during the year	1,100	–
Reductions during the period	–	–
Closing balance	1,100	–

i. **Movement of provision for NPAs** **INR mm**

	31-Mar-17	31-Mar-16
Opening balance	–	–
Provisions made during the year	1,100	–
Write-off	–	–
Write-back of excess provisions	–	–
Closing balance	1,100	–

j. **Non-Performing Investments: NIL** (March 31, 2016 – NIL)

k. **Provisions for Non-Performing Investments – NIL** (March 31, 2016 – NIL)

l. **Movement of provision for Depreciation on Investments** **INR mm**

	31-Mar-17	31-Mar-16
Opening balance	–	–
Provisions made during the year	–	–
Write-off	–	–
Write-back of excess provisions	–	–
Closing balance	–	–

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:**
All exposures to scheduled banks for the purpose of Pillar 1 calculation, have been applied a 20% risk weight, since these exposures are made to counterparty banks having overall capital adequacy ratio of 9% and above.

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.

BANA India does not transfer public issue ratings into comparable assets in the banking book.

II. Quantitative disclosures

a. Total Gross credit exposuress

INR mm	31-Mar-17	31-Mar-16
Fund Based		
Below 100% risk weight	**70,814**	**95,404**
100% risk weight	**191,365**	**104,813**
More than 100% risk weight		
Deducted		
Total	**262,179**	**200,217**

INR mm	31-Mar-17	31-Mar-16
Non-Fund Based[5]		
Below 100% risk weight	**29,334**	**28,109**
100% risk weight	**28,169**	**37,147**
More than 100% risk weight	**76**	
Total	**57,579**	**65,256**

[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 March 31, 2017.

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, 2016: Nil)

Amount of assets intended to be securitized within a year: Nil (March 31, 2016: Nil)

Total amount of assets securitized and unrecognized gain or losses on sale: Nil (March 31, 2016: Nil)

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

	31-Mar-17		31-Mar-16	
INR mm	**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

	As at 31-Mar-2017			As at 31-Mar-2016		
INR mm	**Exposure**	**Risk Weighted**	**Capital Requirement Assets**	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, 2016: 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, 2016: Nil)
- Aggregate amount of on-balance sheet securitisation exposures retained or purchased: Nil (March 31, 2016: Nil)
- Aggregate amount of off-balance sheet securitisation exposures: Nil (March 31, 2016: Nil)
- Aggregate amount of securitization exposures retained or purchased subject to Comprehensive Risk Measure for specific risk : Nil (March 31, 2016: 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, 2016: Nil)
- Aggregate amount of capital requirements for the securitisation exposures subject to securitisation framework: Nil (March 31, 2016: 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, 2016: 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-17	31-Mar-16
Capital requirements for:		
Interest rate risk		
– general market risk	4,645	6,139
– specific risk	4	132
Equity position risk	–	–
– general market risk	–	–
– specific risk	–	0
Foreign exchange risk	1,227	1,083
Total	5,876	7,354

Table DF-8: Operational Risk

Operational Risk

It 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.

BAC manages the operational risks of its business activities using the enterprise-wide Operational Risk Framework. Enterprise-wide Operational Risk policies, processes, tools, and standards are established by Corporate Operational Risk (“COR”) (Global Function) and implemented by Businesses / Enterprise Control Functions (“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

Governance of BAC operational risk is accomplished through formal oversight by the Board of Directors (“the Board”), and the Chief Risk Officer (“CRO”) and the Bank is aligned to the BAC’s overall risk governance framework and practices through the LMT and the local risk oversight groups.

Risk Management Process

The BAC Enterprise-wide Operational Risk Management Program includes processes for identification, measurement, mitigating, controlling, monitoring, testing, reviewing and reporting operational risk information to management and the Board. This is implemented through 1) Risk and Control Self Assessment (“RCSA”), 2) Operational Risk Appetite, Key Risk Indicators (“KRIs”), 3) Scenario Analysis, 4) Operational Loss Event Data, 5) External Operational Loss Events, 6) Issues Management Process, 7) Quality Assurance (“QA”) & Validation Framework. Certain elements of bank’s operational risk program may only be performed at global level and / or at regional level by local operational risk officer. The results, relevant to Bank are shared with LMT.

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

I. Qualitative disclosures

IRRBB represents the banking book’s exposure to adverse movements in interest rates. Client facing activities, primarily lending and deposit taking, create interest rate sensitive positions on the balance sheet. This exposes the Bank to risk from changes in interest rates. These assets and liabilities essentially reside in the banking book.

IRRBB is measured using both earnings perspective (traditional gap analysis) and economic value perspective (duration gap analysis) and reviewed by the ALCO on a regular basis.

Earnings perspective (traditional gap analysis): measures the sensitivity of net interest income to changes in interest rate over the next 12 months. It involves bucketing of rate sensitive assets and liabilities in the banking book as per residual maturity/re-pricing dates in various time bands and computing the change in net interest income over a one year time horizon for 100 basis points upward and downward rate shocks.

Economic value perspective (duration gap analysis): measures the changes in the Market Value of Equity of the Bank for a 200 basis points upward and downward rate shock. It involves bucketing the interest rate sensitive assets and liabilities as per residual maturity in various time bands and computing the Modified Duration Gap (“MDG”). The MDG is used to evaluate the impact of the upward and downward rate movement on the Market Value of Equity of the Bank.

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

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

INR mm	**31-March 2017**		31-March 2016	
	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	**(253)**	**253**	89	(89)
USD	**170**	**(170)**	45	(45)
Others	**0**	**(0)**	7	(7)
Total	**(83)**	**83**	**141**	**(141)**

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

INR mm	**31-March 2017**		31-March 2016	
	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	**1,697**	**(1,697)**	1280	(1280)
USD	**339**	**(339)**	257	(257)
Others	**122**	**(122)**	18	(18)
Total	**2,158**	**(2,158)**	**1555**	**(1555)**

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, 2017

INR mm	**Forward Exchange Contracts**	**Interest Rate Derivative Contracts**	**Cross Currency Swaps**	**Options**
Gross positive fair value of contracts	**42,406**	**4,701**	**1,903**	**135**
Netting benefits	–	–	–	–
Netted current credit exposure (positive mark-to-market)	**42,406**	**4,701**	**1,903**	**135**
Collateral held	–	–	–	–
Net derivatives credit exposure	**42,406**	**4,701**	**1,903**	**135**
Exposure at default under Current Exposure Method	**80,971**	**15,492**	**5,139**	**256**

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INR mm

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

As at March 31, 2016

INR mm	Forward Exchange Contracts	Interest Rate Derivative Contracts	Cross Currency Swaps	Options
Gross positive fair value of contracts	20,550	6,629	6,607	126
Netting benefits	–	–	–	–
Netted current credit exposure (positive mark-to-market)	20,550	6,629	6,607	126
Collateral held	–	–	–	–
Net derivatives credit exposure	20,550	6,629	6,607	15
Exposure at default under Current Exposure Method	59,130	17,283	13,284	214

INR mm

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

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)	9,853		A1
2.	Retained earnings	44,833		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**	**54,686**		
	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)	31		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)	–		

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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	31		
28.	**Total regulatory adjustments to Common equity Tier 1**	**31**		
29.	**Common Equity Tier 1 capital (CET1)**	**54,655**		
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)**	**54,655**		
	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	1,413		B1+B2+ B3+B4
51.	**Tier 2 capital before regulatory adjustments**	**1,413**		
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	–		
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)**	**1,413**		
58a	**Tier 2 capital reckoned for capital adequacy**	**1,413**		
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	**–**		

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58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	**1,413**		
59.	**Total capital (TC = T1 + T2) (45 + 58c)**	**56,068**		
	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)**	**291,365**		
60a	of which: total credit risk weighted assets	206,796		
60b	of which: total market risk weighted assets	50,006		
60c	of which: total operational risk weighted assets	34,563		
	Capital ratios			
61.	**Common Equity Tier 1 (as a percentage of risk weighted assets)**	**18.76%**		
62.	**Tier 1 (as a percentage of risk weighted assets)**	**18.76%**		
63.	**Total capital (as a percentage of risk weighted assets)**	**19.24%**		
64.	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	8.25%		
65.	of which: capital conservation buffer requirement	1.25%		
66.	of which: bank specific countercyclical buffer requirement	–		
67.	of which: G-SIB buffer requirement	1.50%		
68.	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) – (Point 61 – Point 71)	9.76%		
	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)	NA		
	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)	1,413		
77.	Cap on inclusion of provisions in Tier 2 under standardised approach	2,585		
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)	–		

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Table DF-12: Composition of Capital-Reconciliation Requirements

Step 1

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
INR mm		**As on 31-Mar-2017**	**As on 31-Mar-2017**
A	**Capital & Liabilities**		
i	Paid-up Capital	9,853	9,853
	Reserves & Surplus	62,541	62,541
	Minority Interest	–	–
	Total Capital	**72,394**	**72,394**
ii	Deposits	191,515	191,515
	of which: Deposits from banks	4,530	4,530
	of which: Customer deposits	186,985	186,985
	of which: Other deposits (pl. specify)	–	–
iii	Borrowings	12,987	12,987
	of which: From RBI	450	450
	of which: From banks	–	–
	of which: From other institutions & agencies	12,537	12,537
	of which: Others (pl. specify)	–	–
	of which: Capital instruments	–	–
iv	Other liabilities & provisions	71,555	71,555
	Total	**348,451**	**348,451**
B	**Assets**		
i	Cash and balances with Reserve Bank of India	11,603	11,603
	Balance with banks and money at call and short notice	64,733	64,733
ii	Investments:	**76,171**	**76,171**
	of which: Government securities	75,935	75,935
	of which: Shares	–	–
	of which: Debentures & Bonds	236	236
	of which: Subsidiaries / Joint Ventures / Associates	–	–
	of which: Others (Commercial Papers, Mutual Funds etc.)	–	–
iii	Loans and advances	136,508	136,508
	of which: Loans and advances to banks	21,643	21,643
	of which: Loans and advances to customers	114,865	114,865
iv	Fixed assets	1,048	1,048
v	Other assets	58,388	58,388
	of which: Goodwill and intangible assets	31	31
	of which: Deferred tax assets	837	837
vi	Goodwill on consolidation	–	–
vii	Debit balance in Profit & Loss account	–	–
	Total Assets	**348,451**	**348,451**

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Step 2

INR mm		Balance sheet as in financial statements As on 31-Mar-2017	Balance sheet under regulatory scope of consolidation As on 31-Mar-2017	Reference no.
A	**Capital & Liabilities**			
	Paid-up Capital	9,853	9,853	**A1**
	of which: Amount eligible for CET1	9,853	9,853	
	of which: Amount eligible for AT1	–	–	
	Reserves & Surplus	62,541	62,541	
	Statutory Reserves	16,500	16,500	A2
	Capital Reserves	28,333	28,333	A3
	Investment Reserve Account	30	30	B1
	Balance in Profit & Loss A/c	17,678	17,678	
	of which :			
	Unallocated Surplus	12,309	12,309	
	Current period profits not reckoned for Capital Adequacy	5,369	5,369	
	Minority Interest	–	–	
i	**Total Capital**	72,394	72,394	
ii	**Deposits**	191,515	191,515	
	of which: Deposits from banks	4,530	4,530	
	of which: Customer deposits	186,985	186,985	
	of which: Other deposits (pl. specify)	–	–	
iii	**Borrowings**	12,987	12,987	
	of which: From RBI	450	450	
	of which: From banks	–	–	
	of which: From other institutions & agencies	12,537	12,537	
	of which: Others (pl. specify)	–	–	
	of which: Capital instruments	–	–	
iv	Other liabilities & provisions	71,555	71,555	
	of which: Provision for Standard Assets	1,374	1,374	B2
	of which: Provision for Country risk	2	2	B3
	of which: General Provision	6	6	B4
	of which: DTLs related to goodwill	–	–	
	of which: DTLs related to intangible assets	–	–	
	Total Capital and Liabilities	**348,451**	**348,451**	
B	**Assets**			
i	**Cash and balances with Reserve Bank of India**	11,603	11,603	
	Balance with banks and money at call and short notice	64,733	64,733	
	Investments	76,171	76,171	
	of which: Government securities	75,935	75,935	
	of which: Other approved securities	–	–	
	of which: Shares	–	–	
	of which: Debentures & Bonds	–	–	
	of which: Subsidiaries / Joint Ventures / Associates	–	–	
	of which: Others (Commercial Papers, Mutual Funds etc.)	236	236	
	Loans and advances	136,508	136,508	
	of which: Loans and advances to banks	21,643	21,643	
	of which: Loans and advances to customers	114,865	114,865	
	Fixed assets	1,048	1,048	
	Other assets	58,388	58,388	
	of which:	–	–	
	Goodwill	–	–	
	Other intangibles (excluding MSRs)	31	31	C1
	Deferred tax assets	837	837	A4
	Goodwill on consolidation	–	–	
	Debit balance in Profit & Loss account	–	–	
	Total Assets	**348,451**	**348,451**	

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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

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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	348,451
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	58,675
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)	37,331
7	Other adjustments (Asset amounts deducted in determining Basel III Tier 1 capital)	(31)
8	**Leverage ratio exposure**	**444,426**

Table DF-18: Leverage Ratio Common Disclosure Template

	Item	Rs. In Millions
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	239,362
2	(Asset amounts deducted in determining Basel Ill Tier 1 capital)	(31)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**239,331**
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	49,561
5	Add-on amounts for PFE associated with all derivatives transactions	58,675
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)**	**108,236**
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	59,525
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)**	**59,525**
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	171,456
18	(Adjustments for conversion to credit equivalent amounts)	(134,125)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**37,331**
	Capital and total exposures	
20	Tier 1 capital	54,655
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**444,422**
	Leverage ratio	
22	**22. Basel III leverage ratio (per cent)**	**12.30%**