

**BANK OF AMERICA, N.A.
(INDIA BRANCHES)**
(Incorporated in U.S.A. With Limited Liability)

Independent Auditor's Report

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bank of America N.A. (India Branches) (the 'Bank'), which comprise the Balance Sheet as at 31 March 2021, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (the 'Act') in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2021, and its profit, and its cash flows for the year ended on that date.

Basis for opinion

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

Emphasis of matter

As more fully described in Note 18 (V) (6) (vii) to the financial statements, the extent to which the COVID-19 pandemic will have an impact on the Bank's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Other information

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

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

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

Management's responsibility for the financial statements

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

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

The Bank's management is also responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Report on other legal and regulatory requirements

The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act.

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

- (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
- (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- (c) since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit we have visited three branches.

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

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

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- (b) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
- (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
- (e) the requirements of Section 164 (2) of the Act are not applicable to the Bank considering the Bank is a branch of Bank of America N.A., which is incorporated in the United States of America; and
- (f) with respect to the adequacy of the internal financial controls with reference to the financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- C. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- the Bank has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements – Refer Note 18 (V) (18) to the financial statements;
 - the Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 18 (V) (18) to the financial statements;
 - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank; and
 - The disclosures required on holdings as well as dealing in Specified bank notes during the period from 8 November 2016 to 30 December 2016 as envisaged in notification G.S.R. 308(E) dated 30 March 2017 issued by the Ministry of Corporate Affairs is not applicable to the Bank.
- D. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act: In our opinion and to the best of our information and according to the explanations given to us, being a banking company, Section 35B (2A) of the Banking Regulation Act, 1949 regarding managerial remuneration applies to the Bank and Section 197 (16) of the Act is not applicable.

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

sd/-
Sameer Mota
Partner
Membership No: 109928
UDIN No. 21109928AAAAPF8070

Place: Mumbai
Date: 29 June 2021

Annexure A to the Independent Auditor's Report of even date on the financial statements of Bank of America N.A. (India Branches) for the year ended 31 March 2021

Bank of America N.A. (India Branches)

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (Referred to in paragraph B (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to the financial statements of Bank of America N.A. (India Branches) (the 'Bank') as of 31 March 2021 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to the financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Management's responsibility for internal financial controls

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

Auditor's responsibility

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

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

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

Meaning of internal financial controls over financial reporting

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

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

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

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

sd/-
Sameer Mota
Partner
Membership No: 109928
UDIN No. 21109928AAAAPF8070

Place: Mumbai
Date: 29 June 2021

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
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BALANCE SHEET AS AT MARCH 31, 2021			PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021		
Schedule	As at March 31, 2021 (Rs. '000)	As at March 31, 2020 (Rs. '000)	Schedule	Year Ended March 31, 2021 (Rs. '000)	Year Ended March 31, 2020 (Rs. '000)
CAPITAL AND LIABILITIES			I. INCOME		
Capital 1	31,882,612	31,882,612	Interest earned 13	28,228,665	36,462,888
Reserves and Surplus 2	102,729,093	90,460,773	Other income 14	11,773,513	10,712,461
Deposits 3	363,005,042	396,381,927	TOTAL	40,002,178	47,175,349
Borrowings 4	2,558,850	58,922,059	II. EXPENDITURE		
Other Liabilities and Provisions 5	133,546,130	148,535,364	Interest expended 15	8,511,202	16,576,407
TOTAL	633,721,727	726,182,735	Operating expenses 16	8,426,353	7,947,549
			Provisions and contingencies 17	10,796,303	10,652,813
ASSETS			TOTAL	27,733,858	35,176,769
Cash and balances with Reserve Bank of India 6	16,055,937	13,571,642	III. PROFIT		
Balances with Banks and Money at Call and Short Notice 7	114,446,280	104,920,736	Net profit for the year	12,268,320	11,998,580
Investments 8	231,283,001	256,565,160	Profit brought forward	8,693,086	6,503,151
Advances 9	181,859,619	235,890,650	TOTAL	20,961,406	18,501,731
Fixed Assets 10	1,067,732	1,131,267	IV. APPROPRIATIONS		
Other Assets 11	89,009,158	114,103,280	Transfer to Statutory Reserves	3,067,080	2,999,645
TOTAL	633,721,727	726,182,735	Transfer (From) / to Investment Reserve Account	(30,025)	(112,046)
Contingent Liabilities 12	9,605,896,627	9,019,277,713	Transfer to Investment Fluctuation Reserve Account	1,232,569	1,921,046
Bills for Collection	413,095,348	445,596,481	Amount retained in India for meeting Capital to Risk-weighted Asset ratio (CRAR)	1,500,000	5,000,000
			Balance carried over to Balance Sheet	15,191,782	8,693,086
			TOTAL	20,961,406	18,501,731
Significant accounting policies and notes to the Financial Statements 18			Significant accounting policies and notes to the Financial Statements 18		
Schedules referred to above form an integral part of the Balance Sheet			Schedules referred to above form an integral part of the profit and loss account		

As per our report of even date

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

Sd/-
Sameer Mota
Partner
Membership Number: 109928

Place: Mumbai;
Date: June 29, 2021

As per our report of even date

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

Sd/-
Kaku Nakhate
Chief Executive Officer

Sd/-
Viral Damania
Chief Financial Officer

BANK OF AMERICA, N.A.
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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	Year Ended March 31, 2021 (Rs. '000)	Year Ended March 31, 2020 (Rs. '000)
Cash flow from operating activities		
Net profit before taxation	22,088,937	21,427,316
Adjustments for:		
Depreciation and amortisation	301,912	309,623
Profit on sale of fixed assets	(1,196)	(2,174)
Provision for Enhancing Credit Supply	164,053	351,429
(Writeback of) / Provision for Standard Assets and unhedged foreign currency exposure	(564,985)	624,353
Provision for Compensated Absences	130,856	75,098
Provision for gratuity	82,159	86,365
Provision for / (Writeback of) country risk	76,146	(16,964)
Provision for depreciation on investments	1,300,472	265,259
Operating profit before working capital changes	23,578,354	23,120,305
Adjustments for:		
Decrease / (Increase) in investments	23,981,687	(31,326,524)
Decrease / (Increase) in advances	54,031,031	(41,373,174)
Decrease / (Increase) in other assets	24,280,196	(48,306,767)
(Decrease) / Increase in deposits	(33,376,885)	170,129,042
(Decrease) / Increase in other liabilities and provisions	(14,877,463)	71,645,080
Cash generated from Operations	77,616,920	143,887,962
Taxes Paid (net of refunds received)	(9,006,691)	(10,176,842)
Net Cash generated from Operating Activities (A)	68,610,229	133,711,120
Cash flow from investing activities		
Purchase of fixed assets	(260,077)	(277,857)
Proceeds from sale of fixed assets	22,896	18,184
Net Cash used in Investing Activities (B)	(237,181)	(259,673)
Cash flow from Financing Activities		
Decrease in borrowings (net)	(56,363,209)	(69,413,182)
Net Cash used in Financing Activities (C)	(56,363,209)	(69,413,182)
Net Increase in cash and cash equivalents (A+B+C)	12,009,839	64,038,265
Cash and Cash equivalents at the beginning of the year	118,492,378	54,454,113
Cash and Cash equivalents at the end of the year	130,502,217	118,492,378
Net Increase in cash and cash equivalents	12,009,839	64,038,265
Cash and cash equivalents include the following:		
Cash and balances with Reserve Bank of India as per Schedule 6	16,055,937	13,571,642
Balances with banks and money at call and short notice as per Schedule 7	114,446,280	104,920,736
Total Cash and Cash equivalents	130,502,217	118,492,378

Notes to the Cash Flow Statement

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

As per our report of even date

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

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

Sd/-
Sameer Mota
Partner
Membership Number: 109928
Place: Mumbai
Date: June 29, 2021

Sd/-
Kaku Nakhate
Chief Executive Officer

Sd/-
Viral Damania
Chief Financial Officer

BANK OF AMERICA, N.A.
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SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2021 (Rs. '000)	As at March 31, 2020 (Rs. '000)		As at March 31, 2021 (Rs. '000)	As at March 31, 2020 (Rs. '000)
SCHEDULE 1 - Capital			SCHEDULE 4 - Borrowings		
I. Deposit kept with Reserve Bank of India under Section 11(2)(b)(ii) of the Banking Regulation Act, 1949	24,000,000	20,800,000	I. Borrowings in India		
II. Amount brought in as start-up capital	2,000	2,000	i) Reserve Bank of India	-	-
Tier I Capital augmented by Head Office	31,880,612	31,880,612	ii) Other Banks	-	-
TOTAL	31,882,612	31,882,612	iii) Other Institutions and Agencies	-	33,277,217
SCHEDULE 2 - Reserves and Surplus				-	33,277,217
I. Statutory Reserve			II. Borrowings outside India	2,558,850	25,644,842
Opening balance	23,480,099	20,480,454	TOTAL (I and II)	2,558,850	58,922,059
Add : Transfer from Profit and Loss Account	3,067,080	2,999,645	Secured borrowings in I and II above	-	33,277,217
	26,547,179	23,480,099	SCHEDULE 5 - Other Liabilities and Provisions		
II. Capital Reserve			I. Bills payable	362,306	524,679
Opening balance	3,457,657	3,457,657	II. Inter-office adjustments - net	-	32,848
Add : Transfer from Profit and Loss Account	-	-	III. Interest accrued	1,025,643	1,511,986
	3,457,657	3,457,657	IV. Others [including provisions]	132,158,181	146,465,851
III. Amount Retained in India for meeting Capital to Risk-Weighted Asset Ratio (CRAR)			TOTAL	133,546,130	148,535,364
Opening balance	51,375,501	46,375,501	SCHEDULE 6 - Cash and Balances with Reserve Bank of India		
Add : Transfer from Profit and Loss Account	1,500,000	5,000,000	I. Cash in hand		
	52,875,501	51,375,501	(including foreign currency notes)	44,455	41,296
IV. Revenue and Other Reserves			II. Balances with Reserve Bank of India		
Investment Reserve			(i) In Current account	16,011,482	13,530,346
Opening balance	30,025	142,071	(ii) In Other accounts	-	-
Less : Transfer to Profit and Loss Account	(30,025)	(112,046)	TOTAL	16,055,937	13,571,642
	-	30,025	SCHEDULE 7 - Balances with Banks and Money at Call and Short Notice		
Investment Fluctuation Reserve			I. In India		
Opening balance	3,424,405	1,503,359	i) Balances with banks		
Add : Transfer from Profit and Loss Account	1,232,569	1,921,046	a) In Current accounts	99,688	136,698
	4,656,974	3,424,405	b) In Other deposit accounts	-	-
V. Balance in Profit and Loss Account	15,191,782	8,693,086	ii) Money at call and short notice		
TOTAL (I, II, III, IV and V)	102,729,093	90,460,773	a) with banks	71,000,000	68,500,000
SCHEDULE 3 - Deposits			b) with other institutions	38,962,919	33,728,156
A. I. Demand Deposits			TOTAL (i and ii)	110,062,607	102,364,854
i) From Banks	8,761,339	13,327,261	II. Outside India		
ii) From Others	176,119,747	148,889,426	i) In Current accounts	4,383,673	2,555,882
II. Savings Bank Deposits	621,906	1,136,537	ii) In Other deposit accounts	-	-
III. Term Deposits			iii) Money at call and short notice	-	-
i) From Banks	-	-		4,383,673	2,555,882
ii) From Others	177,502,050	233,028,703	TOTAL (I and II)	114,446,280	104,920,736
TOTAL (I, II and III)	363,005,042	396,381,927			
B. i) Deposits of Branches in India	363,005,042	396,381,927			
ii) Deposits of Branches outside India	-	-			
TOTAL	363,005,042	396,381,927			

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SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2021 (Rs. '000)	As at March 31, 2020 (Rs. '000)		As at March 31, 2021 (Rs. '000)	As at March 31, 2020 (Rs. '000)
SCHEDULE 8 - Investments			SCHEDULE 10 - Fixed Assets		
I. Investments in India			I Premises		
(i) Government securities *	203,606,219	256,830,419	II Other Fixed Assets (including Furniture and Fixtures)*	-	-
(ii) Other approved securities	-	-	At Cost on March 31		
(iii) Shares	-	-	of preceding year	2,639,093	2,480,015
(iv) Debentures and bonds	-	-	Additions during the year	119,058	317,142
(v) Subsidiaries and/or joint ventures	-	-		2,758,151	2,797,157
(vi) Others	-	-	Deductions during the year	78,173	158,064
Gross Investments in India	203,606,219	256,830,419		2,679,978	2,639,093
Less : Provision for depreciation	1,565,731	265,259	Accumulated depreciation/ amortization	1,797,363	1,551,924
	202,040,488	256,565,160	Capital Work in Progress	882,615	1,087,169
				185,117	44,098
II. Investments outside India			TOTAL (I and II)	1,067,732	1,131,267
(i) Government securities	29,242,513	-	*[Refer Note 17- Schedule 18(V)]		
Gross Investments outside India	29,242,513	-	SCHEDULE 11 - Other Assets		
Less : Provision for depreciation	-	-	I. Interest accrued	4,505,436	4,797,222
Total	29,242,513	-	II. Advance tax and tax deducted at source	563,134	1,240,043
TOTAL (I and II)	231,283,001	256,565,160	[net of Provision for Taxation of Rs. 83,914,795 ('000) (Previous Year Rs. 74,231,114 ('000))]		
* Includes securities of Face Value Rs. 15,620,000 ('000) deposited with Clearing Corporation of India Limited (CCIL) as margin deposit [Previous Year: Rs. 56,020,000 ('000)], Rs. 19,600,000 ('000) pledged with Reserve Bank of India for funds borrowed under liquidity adjustment facility/marginal standing facility [Previous year: Rs. 20,000,000 ('000)] and securities pledged in the repo market through CCIL Nil [Previous year : Rs. 30,990,000 ('000)].			III. Inter-office adjustments - net	1,595	-
SCHEDULE 9 - Advances			IV. Deferred tax assets	1,389,731	1,526,667
A			[Refer Note 14 - Schedule 18(V)]		
(i) Bills purchased and discounted	31,084,352	39,513,637	V. Others	82,549,262	106,539,348
(ii) Cash credits, overdrafts and loans repayable on demand	137,624,021	185,441,143	TOTAL	89,009,158	114,103,280
(iii) Term loans	13,151,246	10,935,870	SCHEDULE 12 - Contingent Liabilities		
TOTAL	181,859,619	235,890,650	I. Claims against the Bank not acknowledged as Debts (including tax related matters)	1,522,233	1,337,296
B.			II. Liability for partly paid investments	-	-
(i) Secured by tangible assets (including book debts)	2,152,500	22,087,683	III. Liability on account of outstanding foreign exchange contracts	5,370,725,206	3,175,750,196
(ii) Covered by Bank/ Government guarantees	-	-	IV. Liability on account of outstanding derivative contracts	4,174,477,113	5,781,711,976
(iii) Unsecured	179,707,119	213,802,967	V. Guarantees given on behalf of constituents *		
TOTAL	181,859,619	235,890,650	(a) in India	37,381,524	36,680,967
C. I. Advances in India			(b) outside India	4,038,915	4,298,055
(i) Priority sector	61,793,499	59,771,721	VI. Acceptances, endorsements and other obligations	2,142,106	4,513,349
(ii) Public sector	-	-	VII. Other items for which the Bank is contingently liable		
(iii) Banks	3,497,328	8,028,978	- Committed Lines of credit	15,230,820	14,648,373
(iv) Others	116,568,792	168,089,951	- Capital Commitments	18,053	23,388
TOTAL	181,859,619	235,890,650	- Depositor Education and Awareness Fund (DEAF) [Refer Note 39 - Schedule 18(V)]	360,657	314,113
II. Advances outside India	-	-	TOTAL	9,605,896,627	9,019,277,713
TOTAL (I and II)	181,859,619	235,890,650	* Guarantees outstanding on the balance sheet have been shown after deducting therefrom any cash margin.		

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, 2021 (Rs. '000)	Year Ended March 31, 2020 (Rs. '000)		Year Ended March 31, 2021 (Rs. '000)	Year Ended March 31, 2020 (Rs. '000)
SCHEDULE 13 - Interest earned			SCHEDULE 16 - Operating expenses		
I. Interest/discount on advances/bills	9,818,178	15,081,085	I. Payments to and provisions for employees	3,638,628	3,600,636
II. Income on investments	15,109,842	17,966,696	II. Rent, taxes and lighting	444,823	448,505
III. Interest on balances with Reserve Bank of India and other inter-bank funds	2,442,986	1,902,805	III. Printing and stationery	60,179	79,026
IV. Others	857,659	1,512,302	IV. Advertisement and publicity	255	330
TOTAL	28,228,665	36,462,888	V. Depreciation on Bank's property	301,912	309,623
SCHEDULE 14 - Other income			VI. Directors' fees, allowances and expenses	-	-
I. Commission, exchange and brokerage	1,957,046	1,134,401	VII. Auditors' fees and expenses	18,981	15,673
II. Profit on sale of investments (net)	3,293,482	3,115,404	VIII. Law Charges	19,679	15,947
III. Profit on sale of land, buildings and other assets (net)	1,196	2,174	IX. Postages, Telegrams, Telephones, etc	310,695	185,121
IV. Profit on exchange / derivative transactions (net)	5,638,321	5,483,948	X. Repairs and maintenance	263,572	210,112
V. Miscellaneous income [Refer Note 43 - Schedule 18(V)]	883,468	976,534	XI. Insurance	433,798	282,946
TOTAL	11,773,513	10,712,461	XII. Other expenditure [Refer Note 34 and 42 - Schedule 18(V)]	2,933,831	2,799,630
SCHEDULE 15 - Interest expended			TOTAL	8,426,353	7,947,549
I. Interest on deposits	5,962,053	11,597,688	SCHEDULE 17 - Provisions and contingencies		
II. Interest on Reserve Bank of India/inter-bank borrowings	14,623	362,536	I. (Write back of) / Provision for Standard Assets and unhedged foreign currency exposure	(564,985)	624,353
III. Others	2,534,526	4,616,183	II. Provision for / (Write back of) country risk	76,146	(16,964)
TOTAL	8,511,202	16,576,407	III. Provision for Taxation [Refer Note 15 - Schedule 18(V)]	9,683,681	10,033,362
			IV. Provision for / (Write back of) Deferred Tax [Refer Note 14 - Schedule 18(V)]	136,936	(604,626)
			V. Provision for depreciation on investments	1,300,472	265,259
			VI. Other provisions [Provision for Enhancing Credit Supply]	164,053	351,429
			TOTAL	10,796,303	10,652,813

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, 2021

SCHEDULE 18 - Significant accounting policies and notes to the Financial Statements

I) Background

The financial statements for the year ended March 31, 2021 comprise the accounts of the India branches of Bank of America, N.A. (the Bank), which is incorporated in the United States of America with limited liability.

II) Basis of preparation

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

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

III) Use of Estimates

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

IV) Significant Accounting Policies

1) Revenue recognition

- i. Interest income is recognized in the Profit and Loss Account on an accrual basis, except in case of interest on non-performing assets which is recognized as income upon receipt in accordance with the income recognition and asset classification norms of RBI. Interest income on discounted instruments is recognized over the tenor of the instrument.
- ii. Commission on guarantees and letters of credit is recognized upon receipt except commission exceeding the rupee equivalent of USD 50,000, which is recognized on a straight line basis over the life of the contract.

2) Foreign Exchange Transactions

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

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

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

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

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

3) Derivatives

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

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

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

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

The Bank also maintains general provision for standard assets on the current mark-to-market value of the contract, arising on account of derivative and foreign exchange transactions in accordance with 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.

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, 2021

4) Investments

Investments are accounted for in accordance with RBI Master Circular (DBR No. BPBC. 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 RBI norms. Under each of these classifications, investments are further categorized as i) Government Securities ii) Other approved securities iii) Shares iv) Debentures and Bonds v) Subsidiaries and/ or joint ventures and vi) Others.

Valuation

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

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

Treasury Bills including US 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 (to the extent as applicable to such excess provision) is appropriated to the Investment Reserve Account.

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

Investment Fluctuation Reserve

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

Transfer between classifications

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

- a) Transfer from AFS/HFT to HTM is made at the lower of book value or market value at the time of transfer.
- b) Transfer from HTM to AFS/HFT is made at acquisition price/book value if originally placed in HTM at a discount and at amortized cost if originally placed in HTM at a premium.
- c) Transfer from AFS to HFT is made at book value and the related provision for depreciation held, if any, is transferred to provision for depreciation against the HFT securities and vice-versa.

Repo transactions

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

Repurchase and reverse repurchase transactions with 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 the Profit and Loss Account.

Broken period interest

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

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

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

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

6) Intangible assets

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

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, 2021

7) Depreciation and amortization

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

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

- ii) The Bank has arrived at the above estimates of useful lives based on an internal assessment and technical evaluation and believes that the useful lives stated above represent the best estimate of the period over which it expects to use the assets. With the exception of Furniture and Fittings, the useful lives estimated by the Bank as stated in the table above are different from the useful lives prescribed under “Part C” of “Schedule II” of the Companies Act, 2013 Part C.
- iii) Tangible assets costing less than the rupee equivalent of USD 2,500 are fully depreciated in the year of purchase.
- iv) Leasehold improvements are depreciated over the lease period including the renewal periods, if any. Assets associated with premises taken on lease are depreciated on straight line basis over the lease period or the useful lives stated above, whichever is shorter.
- v) Intangible assets are amortized over their useful lives as estimated by the management commencing from the date the asset is available for use as stated in the table below:

Category	Useful Life
Software*	2 to 5 years

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

8. Impairment of Assets

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

9. Advances

Advances are classified into performing and non performing advances in accordance with RBI Master Circular (DBR.No.BP. BC.2/21.04.048/2015-16 dated July 1, 2015) on prudential norms on income recognition, asset classification and provisioning pertaining to advances. Further, non-performing assets (NPA) are classified into sub-standard, doubtful and loss assets as per RBI guidelines. Specific loan loss provisions in respect of non-performing advances are made based on management assessment of the degree of impairment, subject to the minimum provisioning norms laid down by RBI. Interest on non-performing advances is not recognized in the Profit and Loss Account until received.

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

The Bank also maintains general provisions, in accordance with RBI guidelines, 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, country risk exposure and enhancing credit supply to large borrowers is made in accordance with the norms prescribed by RBI and disclosed under Schedule 5 – ‘Other Liabilities and Provisions’.

10. Employee Benefits

Provident fund

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

Gratuity

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

During the current year, the trust transferred management of its funds to a private insurance company.

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.

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, 2021

Pension

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

During the current year, the trust transferred management of its funds to a private insurance company.

11) Taxation

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and laws in respect of taxable income for the year, in accordance with the Income tax-Act, 1961.

Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. difference that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets arising on account of carry forward losses and unabsorbed depreciation under tax laws are recognized only if there is virtual certainty of its realization, supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on account of other timing differences are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

12) Accounting for leases

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

13) Provisions, contingent liabilities and contingent assets

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

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

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

14) Employee stock compensation

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

15) Cash flow statement

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

V) Other Disclosures

1. Capital to risk weighted assets ratio (CRAR)

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

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
i)	Common Equity Tier I capital ratio (%)	18.96 %	16.72 %
ii)	Tier 1 capital ratio (%)	18.96 %	16.72 %
iii)	Tier 2 capital ratio (%)	1.09 %	0.90 %
iv)	Total Capital to Risk Weighted Assets ratio [CRAR] (%)	20.05 %	17.62 %
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

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, 2021

2. Investments		(Rs. '000)	
Particulars	As at March 31, 2021	As at March 31, 2020	
1) Value of Investments			
i) Gross Value of Investments			
(a) In India	203,606,219	256,830,419	
(b) Outside India	29,242,513	Nil	
ii) Provisions for Depreciation on Investments			
(a) In India	1,565,731	265,259	
(b) Outside India	Nil	Nil	
iii) Net Value of Investments			
(a) In India	202,040,488	256,565,160	
(b) Outside India	29,242,513	Nil	
2) Movement of provisions held towards depreciation on investments			
i) Opening balance	265,259	Nil	
ii) Add: Provisions made during the year	1,300,472	265,259	
iii) Less: Write-back of excess provision during the year	Nil	Nil	
iv) Closing balance	1,565,731	265,259	

The Bank has not held any security in Held to Maturity (HTM) category and has not sold or transferred securities to or from HTM category during the year ended March 31, 2021 and the previous year ended March 31, 2020.

3. Information on Repo and Reverse Repo Transactions (in face value terms)		(Rs. '000)		
Year ended March 31, 2021	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Balance Outstanding during the year	Outstanding as at March 31, 2021
Securities sold under repo*				
• Government securities	Nil	111,006,751	8,747,609	Nil
• Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo*				
• Government securities	37,384,920	539,440,850	96,712,168	108,002,620
• Corporate debt securities	Nil	Nil	Nil	Nil

* Includes repo and reverse repo transactions under the Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) with RBI.
(Rs. '000)

Year ended March 31, 2020	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Balance Outstanding during the year	Outstanding as at March 31, 2020
Securities sold under repo*				
• Government securities	Nil	175,579,996	53,031,987	30,990,000
• Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo*				
• Government securities	13,860,000	146,324,550	57,039,033	92,707,050
• Corporate debt securities	Nil	Nil	Nil	Nil

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

4. Non-SLR Investment Portfolio		(Rs. '000)				
(i) Issuer Composition of Non-SLR Investments		(Rs. '000)				
As at March 31, 2021		(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	Nil	Nil	Nil	Nil	Nil
4)	Private corporate	Nil	Nil	Nil	Nil	Nil
5)	Subsidiaries/Joint ventures	Nil	Nil	Nil	Nil	Nil
6)	Others	29,242,513	Nil	Nil	Nil	Nil
7)	Provision held towards depreciation	Nil	Nil	Nil	Nil	Nil
	Total	29,242,513	Nil	Nil	Nil	Nil

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

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, 2021

As at March 31, 2020

(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	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	Nil	Nil	Nil	Nil	Nil

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

(ii) Non-Performing Non-SLR Investments

There are no non-performing non-SLR Investments as at March 31, 2021 (as at March 31, 2020: Nil).

5. Derivatives

(i) Interest Rate Swaps

(Rs. '000)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
i)	The notional principal value of interest rate swaps	3,954,797,455	5,602,542,148
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	27,686,776	45,342,672
iii)	Collateral required by the bank upon entering into swaps	6,730,815	7,089,797
iv)	Concentration of credit risk arising from the swaps (in the banking industry)	98.2 %	99.6 %
v)	The fair value of interest rate swaps – Gains/(Losses)	1,781,051	(2,316,599)

Notes:

a) There are no forward rate agreements outstanding as at March 31, 2021 (as at March 31, 2020: Nil).

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

(ii) Nature and terms of interest rate swaps

As of March 31, 2021

(Rs. 000's)

Nature	No. of Contracts	Notional Principal	Benchmark	Term
Trading	1	350,000	INBMK	Fixed Payable vs Floating Receivable
Trading	250	191,210,000	MIFOR	Fixed Payable vs Floating Receivable
Trading	215	173,150,000	MIFOR	Floating Payable vs Fixed Receivable
Trading	1,142	1,082,421,872	MIBOR	Fixed Payable vs Floating Receivable
Trading	1,495	878,070,655	MIBOR	Floating Payable vs Fixed Receivable
Trading	147	584,668,579	LIBOR	Fixed Payable vs Floating Receivable
Trading	332	629,530,409	LIBOR	Floating Payable vs Fixed Receivable
Trading	58	382,955,739	LIBOR	Floating Payable vs Floating Receivable
Trading	14	11,833,500	EURIBOR	Fixed Payable vs Floating Receivable
Trading	14	11,833,500	EURIBOR	Floating Payable vs Fixed Receivable
Trading	2	4,386,600	SOFR	Floating Payable vs Fixed Receivable
Trading	2	4,386,600	SOFR	Fixed Payable vs Floating Receivable
Total	3,672	3,954,797,455		

MIFOR : Mumbai Interbank Forward Offer Rate MIBOR : Mumbai Interbank Offered Rate INBMK : India Benchmark

LIBOR : London Interbank offered rate EURIBOR : Euro Interbank Offered Rate SOFR : Secured Overnight Financing Rate

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, 2021

As of March 31, 2020

(Rs. 000's)

Nature	No. of Contracts	Notional Principal	Benchmark	Term
Trading	2	850,000	INBMK	Fixed Payable vs Floating Receivable
Trading	238	118,280,000	MIFOR	Fixed Payable vs Floating Receivable
Trading	176	100,550,000	MIFOR	Floating Payable vs Fixed Receivable
Trading	2,805	2,365,341,142	MIBOR	Fixed Payable vs Floating Receivable
Trading	2,383	1,839,318,527	MIBOR	Floating Payable vs Fixed Receivable
Trading	297	483,948,504	LIBOR	Fixed Payable vs Floating Receivable
Trading	286	450,050,585	LIBOR	Floating Payable vs Fixed Receivable
Trading	66	193,702,402	LIBOR	Floating Payable vs Floating Receivable
Trading	16	14,733,059	EURIBOR	Fixed Payable vs Floating Receivable
Trading	16	14,733,059	EURIBOR	Floating Payable vs Fixed Receivable
Trading	4	18,083,935	FEDFUNDS	Fixed Payable vs Floating Receivable
Trading	2	2,950,935	FEDFUNDS	Floating Payable vs Fixed Receivable
Total	6,291	5,602,542,148		

MIFOR : Mumbai Interbank Forward Offer Rate MIBOR : Mumbai Interbank Offered Rate INBMK : India Benchmark

LIBOR : London Interbank offered rate EURIBOR : Euro Interbank Offered Rate

(iii) Exchange Traded Interest Rate Derivatives

(Rs. '000)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year, – Interest rate futures (Government bond)	33,368,681	121,403,674
2)	Notional principal amount of exchange traded interest rate derivatives outstanding as at March 31, – Interest rate futures (Government bond)	Nil	2,872,600
3)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	Nil	2,872,600
4)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective"	Nil	51,204

(iv) Disclosure on Risk Exposure in Derivatives

a. Qualitative Disclosure

- The Bank enters into derivative contracts for the purposes of market-making 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.
 - 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.
 - 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.
 - 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.

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, 2021

- Treasury front-office, mid-office and back-office are managed by officials with necessary systems support and clearly defined responsibilities.
- There exist policies for recording derivative transactions, recognition of income, valuation of outstanding contracts, provisioning and credit risk mitigation. The gains or losses are reported under the head 'Profit on exchange/derivative transactions' in the Profit and Loss account. On the Balance Sheet, unrealized gains are reported under "Other Assets" in Schedule 11 and unrealized losses are reported under "Other Liabilities" in Schedule 5. Outstanding amounts in respect of unrealized gains and losses summarized by major product types forming part of "Other Assets" and "Other Liabilities" respectively are as under:

(Rs. '000)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Asset (+)	Liability (-)	Asset (+)	Liability (-)
Forward exchange contracts	49,385,897	(50,783,213)	53,228,368	(48,917,967)
Interest rate swap	27,686,776	(25,905,725)	45,342,673	(47,659,271)
Cross-currency interest rate swap	629,841	(1,630,443)	920,482	(3,340,738)
Interest rate futures	-	-	51,204	Nil
Currency futures	-	-	Nil	(8,889)
Options	419,197	(1,107,355)	472,228	(1,061,174)
Total	78,121,711	(79,426,736)	100,014,955	(100,988,039)

b) Quantitative Disclosure

(Rs. '000)

Sr. No.	Particulars	Currency Derivatives ^{\$} As at March 31, 2021	Interest Rate Derivatives** As at March 31, 2021
1)	Derivatives (Notional Principal Amount)		
	a) For hedging	Nil	Nil
	b) For trading	219,679,657	3,954,797,455
2)	Marked to Market Positions		
	a) Asset (+)	1,049,038	27,686,776
	b) Liability (-)	(2,737,798)	(25,905,725)
3)	Credit Exposure [#]	10,290,928	59,973,467
4)	Likely impact of one percentage change in interest rate (100*PV01)***		
	a) on hedging derivatives	Nil	Nil
	b) on trading derivatives	826,083	655,643
5)	Maximum and Minimum of 100*PV01 observed during the year ***		
	a) on hedging	Nil	Nil
	b) on trading (Maximum)	1,213,854	2,593,910
	c) on trading (Minimum)	703,152	5,808

Notional principal amount of outstanding foreign exchange contracts classified as trading and hedging as at March 31, 2021 amounted to Rs. 5,370,725,206 ('000) and NIL respectively.

^{\$} Currency Derivatives include currency futures, cross-currency swaps and currency options.

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

*** absolute values considered.

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

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, 2021

(Rs. '000)

Sr. No.	Particulars	Currency Derivatives\$ As at March 31, 2020	Interest Rate Derivatives** As at March 31, 2020
1)	Derivatives (Notional Principal Amount)		
	a) For hedging	Nil	Nil
2)	b) For trading	176,297,229	5,605,414,747
	Marked to Market Positions		
	a) Asset (+)	1,392,710	45,393,877
	b) Liability (-)	(4,410,801)	(47,659,271)
3)	Credit Exposure#	10,194,288	86,461,362
4)	Likely impact of one percentage change in interest rate (100*PV01)***		
	a) on hedging derivatives	Nil	Nil
	b) on trading derivatives	1,172,424	1,030,824
5)	Maximum and Minimum of 100*PV01 observed during the year ***		
	a) on hedging	Nil	Nil
	b) on trading (Maximum)	1,380,704	3,132,903
	c) on trading (Minimum)	902,820	2,097

Notional principal amount of outstanding foreign exchange contracts classified as trading and hedging as at March 31, 2020 amounted to Rs. 3,175,750,196 ('000) and NIL respectively.

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

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

*** absolute values considered.

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

6. Asset quality

(i) Non Performing Assets (Funded)

(Rs. '000)

Sr. No.	Item	As at March 31, 2021	As at March 31, 2020
1)	Net NPAs to Net Advances (%)	Nil	Nil
2)	Movement of NPAs (Gross)		
	(a) Opening balance	Nil	Nil
	(b) Additions during the year	816	2,236
	(c) Reductions during the year	816	2,236
	(d) Closing balance	Nil	Nil
3)	Movement of Net NPAs		
	(a) Opening balance	Nil	Nil
	(b) Additions during the year	612	1,677
	(c) Reductions during the year (recoveries)	612	1,677
	(d) Closing balance	Nil	Nil
4)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	Nil	Nil
	(b) Provisions made during the year	204	559
	(c) Write-off	Nil	Nil
	(d) Write-back of excess provisions	204	559
	(e) Closing balance	Nil	Nil

(ii) Disclosure on NPA Divergence

There is no divergence in asset classification and provisioning during the current year requiring detailed disclosures pursuant to RBI/2018-19/157 circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019 and RBI/2016- 17/283 circular no. DBR. BP. BC.No.63/21.04.018/2016-17 dated 18 April 2017. Disclosure pertaining to current year and previous year are given below:

(Rs. '000)

Sr No.	Particulars	During the year March 31, 2021	During the year March 31, 2020
1	Gross NPAs as at the beginning of the year as reported by the Bank	Nil	Nil
2	Gross NPAs as at the beginning of the year as assessed by RBI	Nil	Nil
3	Divergence in Gross NPAs (2-1)	Nil	Nil
4	Net NPAs as at the beginning of the year as reported by the Bank	Nil	Nil
5	Net NPAs as at the beginning of the year as assessed by RBI	Nil	Nil
6	Divergence in Net NPAs (5-4)	Nil	Nil
7	Provisions for NPAs as at the beginning of the year as reported by the Bank	Nil	Nil
8	Provisions for NPAs as at the beginning of the year as assessed by RBI	Nil	Nil
9	Divergence in provisioning (8-7)	Nil	Nil
10	Reported Net Profit after Tax (PAT) for the previous year	11,998,580	8,577,743
11	Adjusted (notional) Net Profit after Tax (PAT) for the previous year after taking into account the divergence in provisioning	11,998,580	8,577,743

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, 2021

6 (iii) Particulars of accounts restructured for year ended March 31, 2021

Rs. crore

Sr. no	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification	Details	Stand- dard	Sub- stan- dard	Double- ful	Loss	Total	Stand- dard	Sub- stan- dard	Double- ful	Loss	Total	Stand- dard	Sub- stan- dard	Double- ful	Loss	Total	Stand- dard	Sub- stan- dard	Double- ful	Loss	Total
1	Restructured accounts as on April 1, 2020	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh re-structuring during the financial year 2020-21	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradation to restructured standard category during the financial year 2020-21	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of next year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradation of restructured accounts during the financial year 2020-21	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Writeoff of restructured accounts during the financial year 2020-21	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on March 31, 2021	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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, 2021**

6 (iii) Particulars of accounts restructured for year ended March 31, 2020

Sr. no	Type of Restructuring		Under CDR Mechanism						Under SME Debt Restructuring Mechanism						Others						Total					
			Asset Classification	Details	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total		
1	Restructured accounts as on April 1, 2019	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh re-structuring during the financial year 2019-20	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradation to restructured standard category during the financial year 2019-20	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of next year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradation of restructured accounts during the financial year 2019-20	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Writeoff of restructured accounts during the financial year 2019-20	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured accounts as on March 31, 2020	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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, 2021

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

No Financial assets were sold to Securitization/Reconstruction Company for asset reconstruction during the year ended March 31, 2021 (Previous year ended March 31, 2020: NIL).

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

There were no non-performing financial assets that were purchased or sold during the year ended March 31, 2021 (Previous year ended March 31, 2020 : NIL).

(vi) Provision on standard asset

(Rs. '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision on standard assets	1,039,925	1,343,622

(vii) COVID-19

In the first quarter of 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. In an attempt to contain the spread and impact of the COVID-19 pandemic, travel bans and restrictions, quarantines, stay-at-home orders and limitations on business activity have been implemented. Additionally, there has been a decline in economic activity, reduced economic output and a deterioration in macroeconomic conditions globally.

This has resulted in, among other things, volatility in global and Indian financial markets. Although vaccines have been approved for immunization against COVID-19 and restrictive measures have been eased in certain areas, the Bank's counterparties and clients and local economy have been negatively impacted and are likely to be so for an extended period of time, as there remains significant uncertainty about the timing and strength of an economic recovery. The Bank has taken actions to mitigate the impacts of COVID-19, which has included moving a majority of staff to a work from home posture, deep sanitisation of offices, monitoring of body temperature, providing masks and arranging medical support for employees.

The future direct and indirect impact of COVID-19 on the Bank's businesses, results of operations and financial condition remain highly uncertain. Should current economic conditions persist or deteriorate, this macroeconomic environment will have a continued adverse effect on the Bank's businesses and results of operations.

(viii) COVID-19 Regulatory Package

As per RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020, all commercial Banks were permitted to grant a moratorium of three months on payment of all instalments falling due between March 1, 2020 and May 31, 2020 (further extended by three months till August 31, 2020). For accounts, where the moratorium was granted, the asset classification was under standstill during the moratorium period (i.e. the number of days past-due excluded the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms).

Disclosure required as part of COVID-19 Regulatory Package - Asset Classification and Provisioning:

(Rs. '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Respective amounts in SMA/overdue categories, where the moratorium / deferment was extended*	2,716,188	Nil
Respective amount where asset classification benefits is extended*	1,488,037	Nil
Provisions made as per para 5 of the COVID-19 Regulatory Package #	135,400	Nil
Provisions write back at the end of the financial year	135,400	Nil
Residual provisions in terms of paragraph 6 of the COVID-19 Regulatory Package	Nil	Nil

* As of February 29, 2020 in respect of such accounts. #Provision made during Q1FY2021.

(ix) Refund/adjustment of 'interest on interest' during moratorium period

In accordance with the instructions in RBI circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021, the Bank is required to refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. As required by RBI notification and methodology for calculation prescribed by Indian Banks' Association dated April 19, 2021, the Bank has computed the amount and created a liability towards estimated interest relief of **Rs. 7,050** ('000) and reduced the same from the interest income for the year ended March 31, 2021.

7. Business Ratios

Sr. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a)	Interest income as a percentage to working funds*	4.74 %	6.00 %
b)	Non-interest income as a percentage to working funds*	1.98 %	1.76 %
c)	Operating Profit as a percentage to working funds*	3.87 %	3.73 %
d)	Return on assets@	2.06 %	1.97 %
e)	Business (Deposits plus Advances) per employee (Rs. '000)#	1,125,086	1,329,635
f)	Profit per employee (Rs. '000)	25,747	25,776

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

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

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

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, 2021

8. Asset Liability Management

Maturity Pattern of certain items of assets and liabilities

(Rs. in Crores)

As at March 31, 2021	Advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	130	12,739	2,056	-	439	150
2 to 7 days	1,331	-	3,392	219	201	369
8 to 14 days	691	365	1,937	-	365	150
15 to 30 days	2,376	2,205	3,202	-	733	-
31 days and upto 2 months	2,463	878	2,245	37	915	36
Over 2 months and upto 3 months	2,239	1,333	2,379	-	1,999	1,481
Over 3 months and upto 6 months	5,078	1,283	1,290	-	2,079	-
Over 6 months and upto 1 year	1,796	241	1,670	-	10	-
Over 1 year and upto 3 years	1,953	3,952	18,124	-	-	4,040
Over 3 years and upto 5 years	129	1	3	-	-	-
Over 5 Years	-	131	3	-	143	-
Total	18,186	23,128	36,301	256	6,884	6,226

(Rs. in Crores)

As at March 31, 2020	Advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	388	14,373	5,127	3,660	253	435
2 to 7 days	1,470	3,169	4,382	-	10	103
8 to 14 days	1,235	-	2,851	-	30	103
15 to 30 days	4,309	2,811	4,745	-	79	1
31 days and upto 2 months	2,794	505	3,576	2,232	1,051	2,232
Over 2 months and upto 3 months	2,295	699	955	-	2,858	2,466
Over 3 months and upto 6 months	4,971	221	1,566	-	2,651	-
Over 6 months and upto 1 year	1,817	227	1,607	-	-	-
Over 1 year and upto 3 years	3,973	3,652	14,819	-	270	2,767
Over 3 years and upto 5 years	337	-	7	-	-	-
Over 5 Years	-	-	3	-	148	-
Total	23,589	25,657	39,638	5,892	7,350	8,107

9. Exposures

(i) Exposure to Real Estate Sector

(Rs. '000)

Category	As at March 31, 2021	As at March 31, 2020
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; – Of which Individual Housing Loans included in Priority Sector advances	Nil	Nil
ii) Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	Nil	Nil
iii) Investment in mortgage backed securities (MBS) and other securitized exposures a. Residential b. Commercial Real Estate.	Nil	Nil
Indirect Exposure	Nil	Nil
Fund based and non-fund based exposures to National Housing Bank and Housing Finance Companies	Nil	Nil
Total Exposure to Real Estate Sector	Nil	Nil

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, 2021

(ii) Exposure to Capital Market

(Rs. '000)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
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;	Nil	Nil
2)	Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds;	Nil	Nil
3)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
4)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	Nil	Nil
5)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
6)	Loans sanctioned to corporate against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
7)	Bridge loans to companies against expected equity flows/ issues;	Nil	Nil
8)	Underwriting commitments taken up by the Bank in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	Nil	Nil
9)	Financing to stockbrokers for margin trading;	Nil	Nil
10)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
11)	Non-fund based exposure in the nature of guarantees	Nil	Nil
	Total Exposure to Capital Market	Nil	Nil

(iii) Risk Category-wise Country Exposure

(Rs. '000)

Risk Category	Exposure (net) as at March 31, 2021	Provision held as at March 31, 2021	Exposure (net) as at March 31, 2020	Provision held as at March 31, 2020
Insignificant	38,257,108	76,146	6,882,992	Nil
Low	45,245	Nil	1,183	Nil
Moderate	26,454	Nil	5,744	Nil
High	Nil	Nil	Nil	Nil
Very High	Nil	Nil	Nil	Nil
Restricted	Nil	Nil	Nil	Nil
Off-Credit	Nil	Nil	Nil	Nil
Total	38,328,807	76,146	6,889,919	Nil

(iv) Single and Group Borrower limits

During the year ended March 31, 2021 the Bank did not exceed the single and group borrower limits in respect of any of its clients (Previous Year ended March 31, 2020 : Nil)

(v) Unsecured Advances

During the year ended March 31, 2021, the Bank has not given loans against intangible securities such as rights, licenses, authority etc (Previous Year ended March 31, 2020 : Nil).

10. Penalties levied by RBI

RBI has imposed a penalty of **Rs. 2,500** ('000) on the Bank during the year ended March 31, 2021 (Previous Year ended March 31, 2020: Rs. Nil). Penalty was imposed on account of defaults on the Bank's commitments as a Primary Dealer.

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, 2021

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

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

a) Defined Contribution Plan - Pension Fund

During the year ended March 31, 2021, the Bank has recognized **Rs. 42,597 ('000)** (Previous year ended March 31, 2020 : Rs. 41,918 ('000)) in the Profit and Loss account as Employers' Contribution to Pension Fund.

b) Defined Benefit Plan – Contribution to Gratuity Fund

Liabilities recognized in Balance Sheet in respect of funded defined benefit obligations:

(Rs. '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Projected Benefit Obligation at the end of year	796,883	677,260
Ending Asset	696,208	589,938
Fund Status asset/(liability)	(100,675)	(87,322)
Unrecognized past service cost - non vested benefits	Nil	Nil
Liability recognized in the Balance sheet	(100,675)	(87,322)

Gratuity expense recognised in the Profit and Loss Account in schedule 16.1:

(Rs. '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Service Cost	73,956	66,436
Interest Cost	43,058	40,762
Expected return on plan asset	(39,423)	(40,605)
Net Actuarial losses /(gains) recognized in the year	1,370	15,796
Past Service Cost	Nil	Nil
Effect of Curtailments	Nil	Nil
Expenses recognized in the Profit and Loss account	78,961	82,389

Actual return on plan assets:

(Rs. '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expected Return on Plan Asset	39,423	40,605
Actuarial Gains / (Losses)	6,996	8,453
Actual return on plan assets	46,419	49,058

Reconciliation of defined benefit obligations (Gratuity) during the year:

(Rs. '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Projected Benefit Obligation at the beginning of the year	677,260	590,450
Current Service Cost	73,956	66,436
Interest Cost	43,058	40,762
Contribution by plan participation	Nil	Nil
Actuarial Losses	8,366	24,249
Plan Amendments Cost/(Credit)	Nil	Nil
Acquisition/Business combination/Divestiture	3,199	3,975
Benefits Paid	(8,956)	(48,612)
Past service cost	Nil	Nil
Amalgamations	Nil	Nil
Curtailments	Nil	Nil
Settlements	Nil	Nil
Projected Benefit Obligation at the end of year	796,883	677,260

Change in fair value of plan assets:

(Rs. '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Plan Asset at beginning of year	589,938	526,283
Expected Return on Plan Asset	39,423	40,605
Employer Contribution	68,807	63,209
Employee Contribution	Nil	Nil
Benefits Payment	(8,956)	(48,612)
Actuarial Gains / (Losses)	6,996	8,453
Amalgamations	Nil	Nil
Settlements	Nil	Nil
Ending Asset	696,208	589,938

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, 2021

Investment pattern:

Particulars	As at March 31, 2021	As at March 31, 2020
Government of India securities	- %	36.53 %
High quality corporate bonds (including public sector bonds)	- %	58.78 %
Cash (Special deposit scheme)	- %	1.07 %
Schemes of insurance	100.00 %	- %
Others	- %	3.62 %

Principal actuarial assumptions:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate (per annum)	6.30 %	6.40 %
Salary escalation rate p.a	9.00 %	9.00 %
Expected rate of return on assets (p.a)	6.78 %	6.22 %
Attrition rate	10.00 %	10.00 %

Experience Adjustments

(Rs. '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Defined benefit obligation	796,883	677,261	590,450	529,485	598,766
Plan assets	696,208	589,938	526,283	486,898	456,590
(Surplus)/deficit	100,675	87,323	64,167	42,587	142,176
Experience Adjustment on plan liabilities (Gain) / Loss	8,366	24,249	12,601	(134,153)	28,556
Experience Adjustment on plan assets (Gain) / Loss	(6,996)	(8,453)	3,608	13,209	10,141

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

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

c) Provident Fund Contribution

During the year ended March 31, 2021, Bank's contribution to provident fund was **Rs. 101,764** ('000) (Previous year ended March 31, 2020 : Rs. 95,069 ('000)).

d) Compensated Absences

The provision for compensated absences as on March 31, 2021 was **Rs. 468,797** ('000) (Previous year ended March 31, 2020 : Rs. 342,993 ('000)).

12. Segmental Reporting

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

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

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

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

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

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, 2021

(Rs. '000)

Business Segments	For the year ended March 31, 2021				For the year ended March 31, 2020			
	Treasury	Corporate Banking	Unallocated	Total	Treasury	Corporate Banking	Unallocated	Total
Segment Revenue	28,380,997	11,618,945	2,236	40,002,178	30,045,243	17,127,933	2,173	47,175,349
Segment Result	22,021,661	1,055,793	(12,831)	23,064,623	21,066,450	1,582,770	2,173	22,651,393
(Operating Profit)								
Provisions and Contingencies	(1,195,741)	460,254	(240,199)	(975,686)	(463,139)	(426,473)	(334,465)	(1,224,077)
Income taxes				(9,820,617)				(9,428,736)
Net profit				12,268,320				11,998,580
Segment Assets	431,075,285	183,883,756	18,762,686	633,721,727	470,471,875	238,588,136	17,122,724	726,182,735
Total Assets				633,721,727				726,182,735
Segment liabilities	202,365,255	294,053,507	2,691,260	499,110,022	236,703,832	361,183,328	5,952,190	603,839,350
Capital and Reserves				134,611,705				122,343,385
Total Liabilities				633,721,727				726,182,735

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

13. Related Party Disclosures

- a) **Head Office***
Bank of America N.A. and its branches
- b) **Ultimate Controlling Enterprise***
Bank of America Corporation
- c) **Subsidiaries of Head Office**
 - Bank of America Singapore Limited
 - Bank of America Europe Designated Activity Company (Formerly known as Bank of America Merrill Lynch International Limited)
- d) **Fellow Subsidiaries of Head Office**
 - BA Continuum India Private Limited
 - BofA Securities India Limited (Formerly known as DSP Merrill Lynch Limited)
 - Merrill Lynch Global Services Pte Ltd
 - Merrill Lynch International
 - Merrill Lynch(Asia Pacific) Limited
 - BofA Securities Japan Co., Ltd. (Formerly known as Merrill Lynch Japan Securities Ltd.)
 - Merrill Lynch Markets Singapore Pte Ltd
 - BofA Securities S.A.

e) **Key Management Personnel***

Mrs. Kaku Nakhate, Chief Executive Officer

Transactions with related parties are in the ordinary course of business (Figures for year ended March 31, 2021 are shown in bold. Figures for Previous year ended March 31, 2020 are shown in brackets):

Items/Related Party	Subsidiaries of Head office	Fellow Subsidiaries of Head office
Transactions during the year		
Sales/Redemption of Securities	220,539,133 (384,250,230)	Nil (Nil)
Purchase of Securities	218,963,864 (379,738,983)	Nil (Nil)
Term Deposits	Nil (Nil)	250,653,592 (114,325,256)

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, 2021

Items/Related Party	Subsidiaries of Head office	Fellow Subsidiaries of Head office
Guarantees issued	Nil (Nil)	- (25,256)
Interest Received	Nil (Nil)	- (31)
Interest Paid	Nil (Nil)	1,887,703 (2,209,108)
Fees on Cards	Nil (Nil)	1,074 (15,492)
Commission Received	Nil (Nil)	336 (2,233)
Bank charges Received	Nil (Nil)	1,006 (728)
Recovery in respect of retirement benefits of transferred employees, (net) [Previous year Payment]	Nil (Nil)	3,199 (3,975)
Rendering of Services	68,438 (102,972)	130,895 (112,620)
Receipt of Services	Nil (Nil)	43,235 (36,887)
Outstanding at the year end		
Term Deposits	Nil (Nil)	58,743,425 (43,227,425)
Demand Deposits	Nil (Nil)	15,842,408 (23,925,308)
Balance in Current Account	25,953 (9,112)	Nil (Nil)
Advances	Nil (Nil)	3,471 63,663
Other Assets	14,258 (37,155)	58,294 (59,469)
Other Liabilities	Nil (Nil)	644,111 (713,525)
Derivatives Contracts: Notional Value	Nil (Nil)	Nil (Nil)
Positive Mark-to-Market value	Nil Nil	Nil Nil
Negative Mark-to-Market value	507,089 (483,917)	Nil (Nil)
Guarantees	Nil (Nil)	53,176 (103,176)
Maximum outstanding during the year		
Term Deposits	Nil (Nil)	62,917,425 (33,345,175)
Demand Deposits	Nil (Nil)	28,653,906 (24,255,005)
Guarantees	Nil (Nil)	103,176 (77,920)

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, 2021

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	220,539,133 (384,250,230)	Nil (Nil)
Purchase of Securities		
Bank of America Singapore Limited	218,963,864 (379,738,983)	Nil (Nil)
Recovery in respect of retirement benefits of transferred employees, (net) [Previous year Payment]		
BofA Securities India Limited (Formerly known as DSP Merrill Lynch Limited)	Nil (Nil)	3,199 (3,975)
Rendering of Services		
BofA Securities India Limited (Formerly known as DSP Merrill Lynch Limited)	Nil (Nil)	110,240 (94,177)
Bank of America Merrill Lynch International Limited	68,438 (102,972)	Nil (Nil)
Receipt of Services		
BofA Securities India Limited (Formerly known as DSP Merrill Lynch Limited)	Nil (Nil)	13,879 (15,733)
Merrill Lynch Global Services Pte Ltd	Nil (Nil)	29,356 (21,154)

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

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

14. Deferred Tax

The Deferred Tax Asset (DTA) as at March 31, 2021 amounting to **Rs. 1,389,731** ('000) (Deferred Tax Asset as at March 31, 2020 (DTA) Rs. 1,526,667 ('000)). The components that gave rise to the deferred tax assets included in the balance sheet are as follows:

(Rs. '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets / (Deferred tax liability) Depreciation on fixed assets	182,237	159,403
Disallowances under section 43B of Income-tax Act 1961 Provisions	422,312	356,503
Provisions	785,182	1,010,761
Total	1,389,731	1,526,667

15. Provision for Current Taxation

(Rs. '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income Tax for the year	9,755,342	9,972,767
Income tax adjustments for prior years	(71,661)	60,595
Total	9,683,681	10,033,362

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, 2021	As at March 31, 2020
1)	Up to 1 year	2,352	5,645
2)	More than 1 year and up to 5 years	Nil	2,352
3)	More than 5 years	Nil	Nil

- The lease payments, recognized in the Profit and Loss account for the year ended March 31, 2021: **Rs. 336,116** ('000) (Previous year ended March 31, 2020 : Rs. 327,179 ('000)).

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, 2021

- 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, 2021	For the year ended March 31, 2020
At Cost as at March 31, of preceding year	264,222	205,531
Additions during the year	16,870	61,677
Deductions during the year	(14,662)	(2,986)
At Cost as at March 31	266,430	264,222
Accumulated amortization	(203,447)	(183,002)
Written down value as at March 31	62,983	81,220

18. Provisions, Contingent liabilities and Contingent Assets

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

Description of Contingent Liabilities stated in Schedule 12

a) Claims against the Bank not acknowledged as Debts

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

b) Liability on account of foreign exchange and derivative contracts

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

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

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

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

d) Other items for which the Bank is contingently liable

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

e) Movement in Provision for Contingencies

(Rs. '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Provision	21,905	21,905
Additions	1,350	Nil
Reversals	3,884	Nil
Closing Provision	19,371	21,905

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.

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, 2021

These restricted stocks / restricted units vest in three / four equal semi annual / annual installments beginning six months / one year from the grant date. During the year ended March 31, 2021, **359,646 numbers** of restricted stocks / restricted units were granted (Previous Year ended March 31, 2020– 256,470 numbers) and the average estimated fair value per unit on the date of grant was **US\$ 31.04** (Previous year – US\$ 32.46). Payments to and provisions for employees for the year includes **Rs. 687,533** (‘000) (Previous year – Rs. 722,698 (‘000)) towards these awards. The liability towards restricted stocks / restricted units recognized as at March 31, 2021 is **Rs. 686,387** (‘000) (as at March 31, 2020 – Rs. 797,718(‘000)).

20. Floating Provisions

The Bank does not hold any floating provision as at March 31, 2021 (as at March 31, 2020 – Nil).

21. Draw down from Reserves

During the year ended March 31, 2021 there has been a draw down from Investment reserve of **Rs. 30,025** (‘000) (Previous year ended March 31, 2020 :112,046) in accordance with RBI master circular on Prudential Norms for Classification, valuation and operation of Investment Portfolio by Banks.

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. A. Complaints received by the Bank from its customers

Sr. no.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	Number of complaints pending at beginning of the year	Nil	Nil
2	Number of complaints received during the year	8	21
3	Number of complaints disposed during the year	8	21
3.1	Of which, number of complaints rejected by the Bank	Nil	Nil
4	Number of complaints pending at the end of the year	Nil	Nil

B. Maintainable complaints received by the Bank from OBOs

Sr. no.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
5	Number of maintainable complaints received by the Bank from OBOs	1	Nil
5.1.	Of 5, number of complaints resolved in favour of the Bank by BOs	Nil	Nil
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by BOs	1	Nil
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the Bank	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

C. Top five grounds of complaints received by the Bank from customers

For the year ended March 31, 2021

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Credit Cards	Nil	2	100% increase	Nil	Nil
Internet/Mobile/ Electronic Banking	Nil	1	75% decrease	Nil	Nil
Levy of charges without prior notice/excessive charges/foreclosure charges	Nil	1	Nil	Nil	Nil
Cheques/drafts/bills	Nil	Nil	100% decrease	Nil	Nil
Others	Nil	4	60% decrease	Nil	Nil
Total	Nil	8	62% decrease	Nil	Nil

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, 2021

For the year ended March 31, 2020

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Cheques/drafts/bills	Nil	6	200% increase	Nil	Nil
Internet/Mobile/ Electronic Banking	Nil	4	100% increase	Nil	Nil
Levy of charges without prior notice/excessive charges/foreclosure charges	Nil	1	100% increase	Nil	Nil
Credit Cards	Nil	Nil	100% decrease	Nil	Nil
Others	Nil	10	100% increase	Nil	Nil
Total	Nil	21	75% increase	Nil	Nil

23. Letters of Comfort issued

The Bank has not issued any Letter of Comfort during the year ended March 31, 2021 (Previous year ended March 31, 2020: Nil).

24. Fraud Reporting

The bank has reported 74 cases of fraud in the financial year ending March 31, 2021 amounting to **Rs.11.64 lakhs** (Previous Year: 129 cases amounting to Rs. 36.47 lakhs). The bank has expensed off/ provided for the expected losses arising from the cases determined as frauds.

25. Provision Coverage ratio

In accordance with RBI guidelines, the Bank's Provision Coverage Ratio as at March 31, 2021 was NIL (as at March 31, 2020 – Nil).

26. 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, 2021. (Previous year ended March 31, 2020: Nil).

27. Concentration of Deposits, Advances, Exposures and NPAs

1) Concentration of Deposits

(Rs '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Deposits of twenty largest depositors	179,852,112	203,192,656
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	49.55 %	51.26 %

2) Concentration of Advances*

(Rs. '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Advances to twenty largest borrowers	300,293,124	222,103,330
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	45.04 %	37.79 %

* 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

3) Concentration of Exposures

(Rs. '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure of twenty largest borrowers/customers	323,107,598	222,103,330
Percentage of Exposure to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	46.43 %	37.79 %

4) Concentration of NPAs

(Rs. '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure of top four NPA accounts	NIL	NIL

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, 2021

28. a. Sector-wise advances (Rs. '000)

Sr No.	Sector	As at March 31, 2021		
		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	42,024,186	Nil	Nil
3	Services	19,769,313	Nil	Nil
4	Personal loans	Nil	Nil	Nil
	Sub- Total (A)	61,793,499	Nil	Nil
	Non-Priority Sector			
1	Agriculture and allied activities	Nil	Nil	Nil
2	Industry	60,244,638	Nil	Nil
3	Services	59,821,482	Nil	Nil
4	Personal loans	Nil	Nil	Nil
	Sub- Total (B)	120,066,120	Nil	Nil
	Total (A+B)	181,859,619	Nil	Nil

Represent gross advances

(Rs. '000)

Sr No.	Sector	As at March 31, 2020		
		Outstanding Total Advances #	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
	Priority Sector			
1	Agriculture and allied activities	75,016	Nil	Nil
2	Advances to industries sector eligible as priority sector lending	51,983,587	Nil	Nil
3	Services	7,713,118	Nil	Nil
4	Personal loans	Nil	Nil	Nil
	Sub- Total (A)	59,771,721	Nil	Nil
	Non-Priority Sector			
1	Agriculture and allied activities	Nil	Nil	Nil
2	Industry	84,195,168	Nil	Nil
3	Services	91,923,761	Nil	Nil
4	Personal loans	Nil	Nil	Nil
	Sub- Total (B)	176,118,929	Nil	Nil
	Total (A+B)	235,890,650	Nil	Nil

Represent gross advances

28. b. Investment in Priority Sector Lending Certificate

(Rs. '000)

Particulars	As at March 31, 2021	As at March 31, 2020
General	44,690,000	5,000,000
Small and Marginal Farmer	Nil	Nil
Agriculture	Nil	Nil
Micro Enterprises	36,577,500	12,350,000

29. Movement of NPA

(Rs. '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross NPAs as on April 01 (Opening Balance)	Nil	Nil
Additions (Fresh NPAs during the year)	816	2,236
Sub-total (A)	816	2,236
Less: -		
(i) Upgradations	816	2,236
(ii) Recoveries (excluding recoveries made from upgraded accounts)	Nil	Nil
(iii) Write-offs	Nil	Nil
Sub-total (B)	816	2,236
Gross NPAs as on March 31 (Closing balance) (A-B)	Nil	Nil

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, 2021

30. Overseas Assets, NPAs and Revenue

(Rs. '000)

Particulars	March 31, 2021	March 31, 2020
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue	Nil	Nil

31. Off-Balance sheet SPVs (Domestic & Overseas) sponsored– There were no Off Balance sheet SPVs (Domestic & Overseas) sponsored as at March 31, 2021 (as at March 31, 2020: Nil).

32. Unamortised Pension and Gratuity Liabilities – There were no Unamortised Pension and Gratuity Liabilities as at March 31, 2021 (as at March 31, 2020: Nil).

33. Disclosures on Remuneration

The Bank's compensation policies including that of CEO's, is in conformity with the Financial Stability Board principles and standards. In accordance with the requirements of RBI Circular No. RBI/2019-20/89 DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019; the Regional Office of the Bank has submitted a declaration to RBI confirming the aforesaid matter.

34. Corporate Social Responsibility (CSR) expenditure

The Bank has spent 2% of net profits of the company made during the three immediately preceding financial years as required under section 135(5) of the Act. There is no unspent amount at the end of the current financial year and previous financial year.

(Rs. '000)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Gross amount required to be spent by the Bank during the year	336,440	280,980
Amount approved by Local Management Team to be spent during the year	336,443	281,068
Amount spent during the year on:		
i) Construction / acquisition of any asset	-	-
ii) any other purpose	336,443	281,068
Amount contributed to related party (as defined as per Accounting standard 18- Related Party Disclosures) in respect of CSR expenditure	Nil	Nil

The following disclosures are applicable from March 31, 2021, accordingly no previous year comparatives have been provided.

Details of unspent amount	Year Ended March 31, 2021
Opening Balance	Nil
Amount Deposited in specified fund of Sch VII within 6 months	Nil
Amount required to be spent during the year	336,440
Amount Spent during the year	336,443
Closing Balance*	Nil

*Amount spent is higher than the required amount to be spent, hence closing balance is reported as Nil

Details of excess amount spent	Year Ended March 31, 2021
Opening Balance	Nil
Amount required to be spent during the year	336,440
Amount Spent during the year	336,443
Closing Balance*	3

* Bank is not intending to claim excess spent in the subsequent year, hence the same is not carried forward to next financial year

Details of Ongoing project	Year Ended March 31, 2021
Opening Balance with Bank	Nil
Opening balance in separate CSR unspent Account	Nil
Amount required to be spent during the year	336,440
Amount Spent during the year from Bank's Account	336,443
Amount Spent during the year from separate CSR unspent account	Nil
Closing Balance with Bank	Nil
Closing in separate CSR unspent Account	Nil

35. Disclosure relating to securitization

There are no securitization transactions which were originated by the Bank during the year ended March 31, 2021 (Previous Year ended March 31, 2020: Nil). Hence these disclosures are not applicable.

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, 2021

36. Disclosures pertaining to Micro and Small Enterprises

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

(Rs. '000)

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount remaining unpaid to any supplier	6,365	6,994
The interest due thereon(above principal amount) remaining unpaid to any supplier	132	156
The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day for the year ended	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of the year	13	156
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	NIL	NIL

37. Credit Default Swaps

The Bank has not transacted in credit default swaps during the year ended March 31, 2021 (Previous year ended March 31, 2020: Nil).

38. Intra Group Exposures:

(Rs. '000)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Total amount of intra-group exposures	4,557,341	376,112
(b) Total amount of top-20 intra-group exposures	4,557,341	376,112
(c) Percentage of intra-group exposures to total exposure of the Bank on borrowers / customers	0.58 %	0.05 %

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

(Rs. '000)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Opening balance of amounts transferred to DEAF	314,113	271,182
Add : Amounts transferred to DEAF during the year	50,200	42,931
Less : Amounts reimbursed by DEAF towards claims	3,656	Nil
Closing balance of amounts transferred to DEAF	360,657	314,113

40. 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 are maintained as per highest risk category, i.e. 80bps and 25% increase in the risk weight respectively.

Provision held for currency induced credit risk as at March 31, 2021 was Rs. **849,452 ('000)** (as at March 31, 2020: Rs. 1,110,739 ('000)). Incremental Risk weighted assets value considered for the purpose of CRAR calculation in respect of currency induced credit risk as at March 31, 2021 was Rs. **47,106,338 ('000)** (as at March 31, 2020 : Rs. 58,378,309 ('000)).

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, 2021

41. i) Liquidity Coverage Ratio (LCR):

The Bank has been computing its LCR on a daily basis since January 2017 in line with the extant RBI guidelines. The following table sets forth, the quarterly average of unweighted and weighted values of the LCR of the Bank. The simple average has been computed based on daily values for the three months ended June 30, 2020, September 30, 2020, December 31, 2020 and March 31, 2021. (Rs. Crores)

		Q1 FY 20-21		Q2 FY 20-21		Q3 FY 20-21		Q4 FY 20-21	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	26,525	26,525	30,104	30,104	27,084	27,084	29,013	29,013
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	1	-	1	-	1	-	1	-
(i)	Stable deposits	-	-	-	-	-	-	-	-
(ii)	Less stable deposits	1	-	1	-	1	-	1	-
3	Unsecured wholesale funding, of which:	34,083	14,394	34,021	14,626	30,259	11,935	31,647	12,469
(i)	Operational deposits (all counterparties)	10,516	2,628	10,375	2,594	11,225	2,806	12,009	2,998
(ii)	Non- operational deposits (all counterparties)	23,567	11,766	23,646	12,032	19,035	9,129	19,637	9,471
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding	678	-	1,640	-	628	-	2	-
5	Additional requirements, of which	3,224	1,965	3,006	1,737	2,951	1,675	3,565	2,338
(i)	Outflows related to derivative exposures and other collateral requirements	1,668	1,668	1,434	1,434	1,391	1,391	2,026	2,026
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	1,556	297	1,572	303	1,560	284	1,539	312
6	Other contractual funding obligations	1,320	1,320	945	945	1,018	1,018	896	896
7	Other contingent funding obligations	26,940	1,247	29,280	1,373	30,702	1,440	32,747	1,542
8	Total Cash Outflows	66,245	18,926	68,894	18,681	65,558	16,068	68,858	17,246
Cash Inflows									
9	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	183	-
10	Inflows from fully performing exposures	6,623	3,805	5,562	3,172	5,423	3,171	4,990	2,929
11	Other cash inflows	1,519	1,165	1,278	924	1,226	872	1,907	1,545
12	Total Cash Inflows	8,142	4,970	6,840	4,096	6,649	4,043	7,080	4,474
13	TOTAL HQLA	26,525	26,525	30,104	30,104	27,084	27,084	29,013	29,013
14	Total Net Cash Outflows	58,103	13,956	62,053	14,585	58,910	12,025	61,778	12,772
15	Liquidity Coverage Ratio (%)		190.07		206.40		225.23		227.16

Financial Year : 2019-2020

The LCR positions of the Bank based on simple average of month-end values for the three months ended June 30, 2019, September 30, 2019, December 31, 2019 and March 31, 2020.

		Q1 FY 19-20		Q2 FY 19-20		Q3 FY 19-20		Q4 FY 19-20	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	14,231	14,231	15,893	15,893	25,064	25,064	29,520	29,520
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	1	-	1	-	1	-	1	-
(i)	Stable deposits								
(ii)	Less stable deposits	1	-	1	-	1	-	1	-
3	Unsecured wholesale funding, of which:	27,136	10,958	28,790	11,167	35,607	14,033	39,230	15,601
(i)	Operational deposits (all counterparties)	7,717	1,929	9,264	2,315	10,136	2,533	10,554	2,637
(ii)	Non- operational deposits (all counterparties)	19,419	9,029	19,527	8,852	25,471	11,500	28,676	12,964
(iii)	Unsecured debt								
4	Secured wholesale funding	7,131	-	10,704	-	1,495	-	1,406	-
5	Additional requirements, of which	2,719	1,894	2,636	1,701	1,829	1,140	2,653	1,658
(i)	Outflows related to derivative exposures and other collateral requirements	1,660	1,660	1,460	1,460	933	933	1,407	1,407
(ii)	Outflows related to loss of funding on debt products								
(iii)	Credit and liquidity facilities	1,059	233	1,176	242	896	207	1,246	251

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, 2021

		Q1 FY 19-20		Q2 FY 19-20		Q3 FY 19-20		Q4 FY 19-20	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
6	Other contractual funding obligations	710	710	769	769	730	730	1,005	1,005
7	Other contingent funding obligations	21,795	996	22,731	1,049	25,121	1,158	27,515	1,270
8	Total Cash Outflows	59,492	14,557	65,631	14,687	64,784	17,060	71,810	19,533
Cash Inflows									
9	Secured lending (e.g. reverse repos)	2,475	-	3,232	-	6,929	-	11,533	-
10	Inflows from fully performing exposures	5,466	5,065	7,539	4,658	7,743	4,912	6,834	4,319
11	Other cash inflows	791	931	1,305	951	836	482	1,240	898
12	Total Cash Inflows	8,732	5,995	12,076	5,609	15,509	5,395	19,608	5,217
13	TOTAL HQLA	14,231	14,231	15,893	15,893	25,064	25,064	29,520	29,520
14	Total Net Cash Outflows	50,760	8,562	53,555	9,078	49,274	11,665	52,202	14,316
15	Liquidity Coverage Ratio (%)		166.21		175.07		214.85		206.20

41. ii) Qualitative disclosure around LCR :

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

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

In order to accommodate the burden on bank's cash flow on account of COVID 19 pandemic, the minimum LCR requirement was reduced from 100% to 80 % from April 17, 2020 to September 30, 2020 and then to 90% from October 01, 2020 till March 31, 2021. The Bank has incorporated LCR as part of its risk appetite metric and has maintained LCR above the regulatory threshold on a daily basis for FY2020-21.

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

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

- 42.** Other expenditure in 'Schedule 16 – Operating Expenses' includes Head office administration Expenditure of Rs. 505,029 ('000) for the year ended March 31, 2021 (Previous year ended March 31, 2020 :Rs. 433,149 ('000)) and expenses for Information Technology Support Services amounting to Rs. 493,204 ('000) for the year ended March 31, 2021 (Previous Year ended March 31, 2020 : Rs. 637,861 ('000)) attributable to the Banks Operations in India.
- 43.** Miscellaneous Income includes service fee income of Rs. 870,695 ('000) for the year ended March 31, 2021 (Previous year ended March 31, 2020: Rs. 957,907 ('000)) from overseas branches and affiliates accounted as per contractual terms.
- 44.** Outstanding commitments as of March 31, 2021 relating to securities purchase and sale contracts stood at **Rs. 17,233,408 ('000) & Rs. 19,871,751 ('000)** respectively (as at March 31, 2020: Rs. 37,730,932 ('000) and Rs. 28,796,986 ('000) respectively).
- 45.** The disclosures required on holdings as well as dealing in Specified bank notes during the period from 8 November 2016 to 30 December 2016 as envisaged in notification G.S.R. 308(E) dated 30 March 2017 issued by the Ministry of Corporate Affairs is not applicable to the Bank.

Signatures to schedules 1 to 18

As per our report of even date

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

Sd/-
Sameer Mota
Partner
Membership Number: 109928
Place: Mumbai:
Date: June 29, 2021

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

Sd/-
Kaku Nakhate
Chief Executive Officer

Sd/-
Viral Damania
Chief Financial Officer

**BANK OF AMERICA, N.A.
(INDIA BRANCHES)**
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

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 period ended March 31, 2021. Bank of America Corporation (“BAC” or “the Company”) has a subsidiary, Bank of America, N.A. (“BANA U.S.”) into which BANA India is consolidated. The Pillar 3 disclosures are compliant with Reserve Bank of India (the “RBI”) Master circular DBOD. No. BP/BC. 1/21.06.201/2015-16 dated July 1, 2015 on BASEL III Capital Regulations along with Master circular DBOD. No. BP/BC. 5/21.06.001/2014-15 dated July 1, 2014 on Prudential Guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy Framework.

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

BASEL III Capital Regulations (Updated with revised timelines as specified by RBI)

Considering the potential stress on account of COVID-19, RBI has decided to defer the implementation of the last tranche of 0.625% of the CCB from 31 March 2020 to 30 September 2020. In view of the continuing stress on account of COVID-19, RBI has decided to defer the implementation of the last tranche of 0.625 per cent of the Capital Conservation Buffer (CCB) from September 30, 2020 to April 1, 2021. This has further been extended to October 01, 2021.

		(% of RWAs)			
Minimum capital ratios		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Minimum Common Equity Tier 1 (CET1)	A	5.500	5.500	5.500	5.500
Capital conservation buffer (CCB)	B	1.875	2.500	2.500	2.500
Global Systemically Important Banks buffer (GSIB)([^])	C	2.500	2.500	2.500	2.500
Minimum Tier 1 capital	D	7.000	7.000	7.000	7.000
Minimum Total Capital (*)	E	9.000	9.000	9.000	9.000
Minimum Regulatory Capital Requirement	F=E+B+C	13.375	14.000	14.000	14.000

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

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

Under BASEL III norms - transitional arrangements, the bank is currently required to maintain a minimum total capital to risk weighted assets ratio (“CRAR”) of 13.375% (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%.

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 Million*	% 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 Million
BofA Securities India Limited (formerly DSP Merrill Lynch Limited) / India *	Securities Broker/Dealer and Merchant Banker	26,472	NIL	Not Applicable	67,356

* Amounts are as per last audited financial statements (F.Y. ending March 31, 2020)

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			

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

- 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 Global Markets and Financial Risk ("GMFR") and Enterprise Capital Management ("ECM") 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. Bank has set up a "Tripwire" above the IGL to serve as an early warning signal to prompt action and avoid a capital breach.

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

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

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

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

Under the SA for credit risk, the Bank relies upon the ratings issued by the external credit rating agencies specified by the RBI for assigning risk weights for capital adequacy purposes under the Basel III guidelines. The risk weights applicable for claims against banks, sovereign, corporate and other Assets are as per the Basel III guidelines. In compiling the credit exposures, the Bank has not availed any credit risk mitigation techniques 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:

- "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.
- "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.

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

II. Quantitative disclosures

Capital Structure as on March 31, 2021

INR Million

Common Equity Tier 1	114,693
Additional Tier 1	-
Tier 2	6,622
Total Capital Funds	121,315

Capital Structure as on March 31, 2020

INR Million

Common Equity Tier 1	110,092
Additional Tier 1	-
Tier 2	5,909
Total Capital Funds	116,001

Capital requirement and CRAR

INR Million

	31-Mar-21	31-Mar-20
Capital requirements for credit risk:		
– Portfolios subject to standardized approach	56,227	62,542
– Securitization exposures	-	-
Capital requirements for market risk:		
Interest rate risk	15,905	18,062
– General market risk	-	-
– Specific risk	-	-
Equity risk	-	-
– General market risk	-	-
– Specific risk	-	-
Foreign exchange risk (including gold)	1,676	1,396
Capital requirements for operational risk: (Basic indicator approach)	7,130	6,071
Total Capital Requirements	80,938	88,071
Common Equity Tier I capital ratio	18.96%	16.72%
Tier I capital ratio	18.96%	16.72%
Tier II capital ratio	1.09%	0.90%
Total capital ratio	20.05%	17.62%

Risk Exposure and Assessment

Risk management is a disciplined approach to identify, analyse, 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.

Bank of America's Risk Framework requires that strong risk management practices are integrated in key strategic, capital and financial planning processes and in day-to-day business processes, thereby ensuring risks are appropriately considered, evaluated and responded to in a timely manner. The front line units have primary responsibility for managing risks inherent in their businesses. BAC employs an effective risk management process, referred to as Identify, Measure, Monitor and Control (IMMC), as part of its daily activities.

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

- Credit risk is the risk of loss arising from the inability or failure of a borrower or counterparty to meet its obligations. BANA India manages credit risk to a borrower or counterparty based on its risk profile, which includes assessing repayment sources, underlying collateral, if any, and the expected effects of the current and forward-looking economic environment on the borrowers or counterparties. Underwriting, credit management and credit risk limits are proactively reassessed as a borrower's or counterparty's risk profile changes
- Market risk is the risk of loss due to changes in the market values of the Bank's assets and liabilities caused by changing interest rates, currency exchange rates, and security prices. Market risk is inherent in the Bank's operations and arises from both trading and non-trading positions. Trading exposures represent positions taken in a wide range of financial instruments and markets which expose the Bank to various risks, such as interest rate risk, foreign exchange risk, etc. The Bank manages these risks by using trading strategies and other hedging actions which encompass a variety of financial instruments in both the cash and derivatives markets. Key market risk exposures are assessed at both specific and aggregate levels. At the specific level, market risk sensitivities are assessed by evaluating the impact of individual risk factors such as interest rates and foreign exchange. At the aggregate level, market risk is assessed using two key measures, which are Value-at-Risk ("VaR") and Bi-Weekly Maximum Observed Loss ("MoL").
- Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. BANA India manages the operational risks of its business activities using the enterprise-wide Operational Risk Framework. Enterprise Operational Risk policies, processes, tools, and standards are implemented by the Businesses/ECFs with Oversight from the Independent Business/ECF Risk Teams (Regional Function). Each have a quality assurance role and through direct action or Oversight, these stakeholders are collectively responsible for execution of the Operational Risk Program requirements, achievement of risk management objectives, and ensuring timely action is taken in response to concerns and issues.
- Strategic risk is the risk resulting from incorrect assumptions about external or internal factors, inappropriate business plans (e.g., too aggressive, wrong focus, ambiguous); ineffective business strategy execution; or failure to respond in a timely manner to changes in the regulatory, macroeconomic or competitive environments in the geographic locations in which we operate (such as competitor actions, changing customer preferences, product obsolescence and technology developments).

**BANK OF AMERICA, N.A.
(INDIA BRANCHES)**
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

- Liquidity risk is the inability to meet expected or unexpected cash flow and collateral needs while continuing to support our businesses and customers under a range of economic conditions. The primary objective of liquidity risk management is to ensure that BANA India can meet expected or unexpected cash flow and collateral needs while continuing to support our businesses and customers with the appropriate funding sources, under a range of economic conditions.
- Reputational risk is the risk that negative perceptions regarding BANA India's conduct or business practices may adversely impact its profitability or operations. Reputational risk may result from many of the bank's activities, including those related to the management of strategic, operational, compliance and credit risks. As a result, the potential impact to the bank's reputation of all our activities and all risks we face is evaluated. Reputational risk may arise from negative perception on the part of key stakeholders (e.g., customers, counterparties, investors, regulators, rating agencies), scrutiny from external parties (e.g., politicians, consumer groups, media organizations) and the ongoing threat of litigation. These reputational risk events could adversely impact the bank's financial standing through an inability to maintain or establish business relationships.
- Compliance risk is the risk of legal or regulatory sanctions, material financial loss or damage to the reputation of the Bank arising from the failure of the Bank to comply with the requirements of applicable laws, rules, regulations, related self-regulatory organizations' standards and codes of conduct. Bank of America is committed to complying with applicable laws, rules and regulations governing the processes and activities of our front line units and control functions in the jurisdictions in which we operate. Bank of America has no appetite for accepting compliance risk.
- Interest Rate Risk in Banking Book (IRRBB) refers to the potential adverse financial impact on the Bank's net interest income from changes in interest rates. Due to the fundamental nature of its business, the Bank carries various interest sensitive assets and liabilities in its balance sheet. This exposes the Bank to risk on from changes in interest rates. These assets and liabilities essentially reside in the banking book. In other words, IRRBB refers to the risk associated with interest rate sensitive instruments that are not held in the trading book of the Bank. Interest rate risk in the trading book is covered in the market risk section.
- Credit concentration risk arises due to imperfect diversification of credit exposures in two ways. One, by having very large exposures to a small set of obligors due to which, default by a big customer could result in a huge loss. This is known as name (single/group) concentration risk. Second type of concentration is due to excessive exposure to a particular industry sector. It is observed that defaults in a particular industry sector are generally correlated. Hence, if an industry is under a severe recession, it could result in multiple defaults leading to huge losses.
- Other Risks
 - **Securitization Risk**
The Bank, as of March 31, 2021, does not have any such investments. The bank has also not securitized any of its assets.
 - **Settlement Risk** arises out of exposures on counterparties during the settlement of a deal when the Bank has performed its obligation in the contract and the counterparty is yet to perform its part (either delivery or payment). It is of transient nature; and may arise from counterparty default, operational problems, market liquidity constraints and other factors.
 - **Pension obligation risk** is the risk of a shortfall of pension funds available in the future to meet pension obligations for its eligible employees. The Bank provides for its pension liability which is a defined contribution scheme, for all its eligible employees.
 - **Model Risk** is the potential for adverse consequences from decisions based on incorrect or misused model output and reports. The Enterprise Model Risk Policy ("EMRP") provides comprehensive guidance for understanding monitoring, and managing model risk at Bank of America. The EMRP is consistent with applicable rules and regulations, and establishes a framework of corporate responsibilities and standards for effectively managing model risk across the enterprise.
 - **Risk of Under-estimation of Credit Risk under the Standardized Approach**
The use of standardized approach for calculating the Pillar 1 capital requirement in respect of credit risk is a conservative approach given the portfolio primarily consists of corporate customers with strong credit profiles and the credit risk in the portfolio is well managed by the credit risk management processes in place.

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. It provides management oversight of the branch's balance sheet, capital, liquidity management and stress testing activities, consistent with the Bank's overall risk appetite for balance sheet, capital, liquidity management and stress testing. It also provides review and, as appropriate, approval of the branch-specific policies, processes and contingency funding plans, as requested by the Committee or required by regulation. 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 independently 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.

**BANK OF AMERICA, N.A.
(INDIA BRANCHES)**
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

The Council also provides direct oversight over the audit function. The Audit Council meets at least four times in a year.

The Audit council is mainly responsible for:

- Providing direction and overseeing the operation of the audit function in the Bank,
- Obtaining and reviewing half-yearly reports from the Compliance Officer, and
- Following up on issues raised in LFAR and discussing the financial statements
- Follow up on all the issues/concerns raised in the inspection reports of RBI

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 conducts meetings at least once every quarter or more frequently 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, assessing strategic fit for Information Technology (“IT”) proposals and reviewing critical project status and milestones,
- Monitoring IT Governance, project risk, technology operational risks and control processes
- Providing regular updates to the India LMT on significant Technology matter

Returns Governance Group (“RGG”)

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

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

Table DF-3: Credit Risk: General Disclosures

I. Qualitative disclosures

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

The Bank manages credit risk based on the risk profile of the borrower or counterparty, repayment sources, the nature of underlying collateral, and other support given current events, conditions and expectations. Credit risk management begins with an assessment of the credit risk profile of the borrower or counterparty based on an analysis of their financial position. As part of the overall credit risk assessment of a borrower or counterparty, credit exposures are assigned a risk rating and are subject to approval based on defined credit approval standards. High Value Proposals are subject to approvals by Credit Approval Council (“CAC”). 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. BANA India follows the policy of internal rating on a scale of Risk Rating (“RR”) 1-11, and the RR is regularly monitored. Exposures with RR of 8 or worse (criticized assets) are subject to additional scrutiny and monitoring.

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

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

As per RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020, all commercial banks were permitted to grant a moratorium of three months on payment of all instalments falling due between March 1, 2020 and May 31, 2020 (further extended by three months till August 31, 2020). The Bank has laid down LMT approved policy on April 6, 2020 for any borrower who wants to avail deferment period for a Term Loan / Overdraft facility.

Impact of RBI Regulations on Bilateral Netting

RBI has issued a circular on March 30, 2021 allowing usage of bilateral netting of Qualified Financial Contracts (QFC) to mitigate risk subject to there being an effective bilateral netting agreement in place as specified in Annex 20 (Part B) of the Basel III Capital Regulations. This was issued on the back of the ‘The Bilateral Netting of Qualified Financial Contracts Act, 2020 which provides a legal framework for enforceability of bilateral netting of such contracts.

The regulations are currently being assessed to identify exposures which basis the legal documentation could qualify as per RBI guidelines and can be considered for risk mitigation by applying netting treatment.

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.

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

- 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 Million	31-Mar-21	31-Mar-20
Fund Based	406,745	413,650
Non-Fund Based ¹	138,257	165,714

b. Geographic distribution

INR Million	31-Mar-21		31-Mar-20	
	Domestic	Overseas ²	Domestic	Overseas ²
Fund Based	406,745	-	413,650	-
Non-Fund Based ¹	138,257	-	165,714	-

¹Includes market as well as non-market related exposures

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

c. Distribution of Exposures by sector / industry

INR Million

Sr.no	Particulars	31-Mar-21		31-Mar-20	
		Funded Exposure	Non Funded Exposure*	Funded Exposure	Non Funded Exposure*
I	Agriculture & Allied Activities				
	Agri - Direct	-	-	-	-
	Agri - Indirect	-	20	75	20
	I. Total	-	20	75	20
II	Industry (Micro & Small, Medium and Large)				
1	Construction	3,865	1,974	4,025	1,223
2	Gems & Jewellery	-	-	-	-
3	Cement & Cement products	-	-	-	-
4	Infrastructure	14,131	3,523	35,649	3,124
5	Textiles	-	503	1	502
6	Basic metal and metal products	1,949	1,021	8,940	3,849
7	Mining and Quarrying	125	10	128	11
8	All Engineering	13,417	8,723	15,324	10,575
9	Chemicals and chemical products	39,656	2,289	37,434	2,241
10	Petroleum, coal products and nuclear fuels	10,428	6,208	11,651	4,332
11	Vehicles, vehicle parts and transport equipments	15,736	3,314	13,943	1,978
12	Beverage & Tobacco	7,903	396	9,240	353
13	Food Processing	6,635	740	5,824	56
14	Other Industries	319	87	389	100
15	Paper & paper products	49	86	633	91
16	Rubber, plastic & their products	1,555	188	2,395	73
17	Leather & leather products	-	-	-	-
18	Wood and Wood products	-	-	-	-
19	Glass and glassware	-	-	-	-
	II. Total	115,768	29,062	145,577	28,509
III	Services				
1	Aviation	-	558	-	651
2	Shipping	-	-	-	-
3	Commercial Real Estate	-	-	-	-
4	Banks	7,981	74,424	10,729	100,561
5	Non-banking financial companies (NBFCs)	23,244	6,192	49,192	6,307
6	Computer Software	20,469	13,724	8,754	10,997
7	Trade	13,219	2,507	13,046	2,099
8	Other Services	217,562	9,189	172,727	13,257
9	Professional & Other Services	4,678	2,337	6,592	2,216
10	Transport Operators	3,822	209	6,867	965
11	Tourism & Hotels & Restaurants	2	35	90	131
	III. Total	290,977	109,175	267,998	137,184
	Grand Total	406,745	138,257	413,575	165,694

* 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

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

d. Residual contractual maturity pattern for assets.

As of March 31, 2021

INR Million

Particulars	Cash	Advances	Balance with RBI	Balances with other Banks	Fixed Assets	Investments	Other Assets
Next Day	44	1,305	2,532	75,483	-	127,388	849
2 - 7 days	-	13,310	-	38,963	-	-	1
8-14 days	-	6,909	-	-	-	3,655	0
15-30 days	-	23,765	3,728	-	-	22,050	-
31 days to 2 month	-	24,629	741	-	-	8,778	-
2-3 months	-	22,388	2,178	-	-	13,333	79,826
3-6 months	-	50,780	419	-	-	12,829	4,377
6 months to 1 year	-	17,958	543	-	-	2,412	-
1-3 years	-	19,530	5,868	-	-	39,522	-
3-5 years	-	1,288	1	-	-	5	-
5-7 years	-	-	0	-	-	0	-
7-10 years	-	-	1	-	-	1,311	-
10-15 years	-	-	0	-	-	0	-
Over 15 years	-	-	-	-	1,005	-	4,021
TOTAL	44	181,860	16,011	114,446	1,005	231,283	89,075

As of March 31, 2020

INR Million

Particulars	Cash	Advances	Balance with RBI	Balances with other Banks	Fixed Assets	Investments	Other Assets
Next Day	41	3,879	1,223	103,042	-	143,734	856
2 - 7 days	-	14,698	-	-	-	31,686	3
8-14 days	-	12,348	-	1,879	-	-	6
15-30 days	-	43,093	4,813	-	-	25,617	-
31 days to 2 month	-	27,937	1,537	-	-	8,182	-
2-3 months	-	22,948	1,192	-	-	6,344	103,116
3-6 months	-	49,716	416	-	-	2,211	4,568
6 months to 1 year	-	18,172	426	-	-	2,269	-
1-3 years	-	39,731	3,920	-	-	36,522	-
3-5 years	-	3,369	2	-	-	-	-
5-7 years	-	-	0	-	-	0	-
7-10 years	-	-	1	-	-	-	-
10-15 years	-	-	0	-	-	0	-
Over 15 years	-	-	-	-	1,131	-	5,554
TOTAL	41	235,891	13,530	104,921	1,131	256,565	114,103

e. Amount of NPAs (Gross) – Nil (March 31, 2020 – Nil)

f. Net NPAs – Nil (March 31, 2020 – Nil)

g. NPA Ratios

– Gross NPA to Gross Advances – Nil (March 31, 2020 – Nil)

– Net NPA to Net Advances – Nil (March 31, 2020 – Nil)

h. Movement of NPAs (Gross)

INR Million	31-Mar-21	31-Mar-20
Opening balance	-	-
Additions during the year	0.82	2.24
Reductions during the period	0.82	2.24
Closing balance	-	-

i. Movement of provision for NPAs

INR Million	31-Mar-21	31-Mar-20
Opening balance	-	-
Provisions made during the year	0.21	0.56
Write-off	-	-
Write-back of excess provisions	0.21	0.56
Closing balance	-	-

k. Non-Performing Investments: Nil (March 31, 2020 – Nil)

l. Provisions for Non-Performing Investments – Nil (March 31, 2020 – Nil)

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

m. Movement of provision for Depreciation on Investments

INR Million	31-Mar-21	31-Mar-20
Opening balance	265	-
Provisions made during the year	1,301	265
Write-off	-	-
Write-back of excess provisions	-	-
Closing balance	1,566	265

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

I. Qualitative disclosures

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

a. Scheduled Banks including foreign bank branches in India:

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

b. Foreign Banks:

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

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 Ratings 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. Unrated corporate exposures have been risk weighted at 150% as per RBI guidelines.

II. Quantitative disclosures

a. Total Gross credit exposures

INR Million	31-Mar-21	31-Mar-20
Fund Based		
Below 100% risk weight	279,767	263,883
100% risk weight	3,351	7,102
More than 100% risk weight	123,627	142,665
Deducted	-	-
Total	406,745	413,650

INR Million	31-Mar-21	31-Mar-20
Non-Fund Based ⁵		
Below 100% risk weight	79,706	109,391
100% risk weight	419	1,694
More than 100% risk weight	58,133	53,629
Deducted	-	-
Total	138,257	165,714

⁵Includes 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, 2021

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, 2020: Nil)

Amount of assets intended to be securitized within a year: Nil (March 31, 2020: Nil)

Total amount of assets securitized and unrecognized gain or losses on sale: Nil (March 31, 2020: Nil)

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

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

INR Million	31-Mar-21		31-Mar-20	
	Exposure Type	Exposure Amount	Exposure Type	Exposure Amount
On Balance Sheet	-	-	-	-
Off Balance Sheet	-	-	-	-
Total		-		-

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

INR Million	As at 31-Mar-21			As at 31-Mar-20		
	Exposure	Risk Weighted Assets	Capital Requirement	Exposure	Risk Weighted Assets	Capital Requirement
Below 100% risk weight	-	-	-	-	-	-
100% risk weight	-	-	-	-	-	-
More than 100% risk weight	-	-	-	-	-	-
Total	-	-	-	-	-	-

Securitization Exposures deducted entirely from Tier 1 capital, credit enhancing Interest Only Strips (I/Os) deducted from total capital, and other exposures deducted from total capital: Nil (March 31, 2020: 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, 2020: Nil)
- Aggregate amount of on-balance sheet securitisation exposures retained or purchased: Nil (March 31, 2020: Nil)
- Aggregate amount of off-balance sheet securitisation exposures: Nil (March 31, 2020: Nil)
- Aggregate amount of securitization exposures retained or purchased subject to Comprehensive Risk Measure for specific risk : Nil (March 31, 2020: 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, 2020: Nil)
- Aggregate amount of capital requirements for the securitisation exposures subject to securitisation framework: Nil (March 31, 2020: 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, 2020: 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.

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

Market Risk Management Policies and Procedures

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.

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 are considered at higher of limit or actual.

II. Quantitative disclosures

INR Million	31-Mar-21	31-Mar-20
Capital requirements for:		
Interest rate risk		
- general market risk	15,905	18,062
- specific risk	-	-
Equity position risk	-	-
- general market risk	-	-
- specific risk	-	-
Foreign exchange risk	1,676	1,396
Total	17,581	19,458

Table DF-8: Operational Risk

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

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

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

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

Governance of Operational Risk

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

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

Risk Management Process

BAC's Operational Risk Management Program has been built around ten interrelated requirements that are set out in the Operational Risk Management - Enterprise Policy, which also specifies the responsibilities and accountabilities of the first and second lines of defense. These requirements work together to drive a comprehensive risk-based approach for the proactive identification, management, mitigation and escalation of operational risks throughout the Company. These ten core requirements are:

1. Operational Risk Appetite.
2. Key Risk Indicators (KRIs)
3. Risk and Control Self-Assessment (RCSA)
4. Scenario Analysis

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

5. Internal Operational Loss Event Data (ILD)
6. External Operational Loss Event Data (ELD)
7. Quality Assurance (QA) Program
8. Operational Risk Coverage Plans
9. Operational Risk Reporting and Escalation
10. Operational Risk Capital Model Oversight

Certain elements of BAC's operational risk program may only be performed at global level and/or at regional level.

People risk assessment:

Considering the business profile and activities of the bank, the risk that business objectives will not be met due to human resource deficiencies is considered low. The bank has a strong focus on talent acquisition and succession planning as also on ensuring effective backups, which mitigates the impact on business due to changes in key positions. The annualized turnover rate is ~5% and the capacity utilization (# Open positions/Total headcount) is tracking at less than 4%, which indicates a good level of stability and very limited bandwidth constraints. The number of conduct risk violations have been low and there has not been any history of internal frauds within the bank. There is a thrust on training and development which also ensures staff awareness and understanding on key policies, laws and regulations related to information privacy and protection, anti-money laundering, the risk framework, emergency preparedness, among others. Although there have been a few operational losses and near miss events which can be attributed to People failures, the realized losses are very low and the number of incidents compared to the total volumes that are processed is insignificant.

Technology risk assessment:

The bank is reliant on global systems that are time tested and robust and the risk that arises from systems and/or tools that are deficient, unstable and/or overly complex is low. The client interface is automated to a large extent and the processing capabilities and reporting functionalities are well established. The bank's loss history is not significant and there haven't been any over the last 3 years that are attributable to system failures. While there have been challenges in implementing certain local regulatory mandates that include Payment data localization, NPA automation, round the clock availability of NEFT/RTGS in a time bound manner, the bank has taken active measures to strive and achieve compliance with these requirements. The above risks are covered within the overall Operational Risk Framework of the bank. Considering the above assessment, the capital reserved for operational risk as summarized below is more than sufficient to cover for people, process, system failures.

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

I. Qualitative disclosures

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

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

Gap analysis: The interest rate gap or mismatch risk is measured by calculating gaps over different time intervals at a given date. This static analysis measures mismatches between rate sensitive liabilities ("RSL") and rate sensitive assets ("RSA"). The report is prepared monthly by grouping rate sensitive liabilities, assets and off-balance sheet positions into time buckets according to residual maturity or next re-pricing period, whichever is earlier. The difference between RSA and RSL for each time bucket signifies the gap in that time bucket. The direction of the gap indicates whether net interest income is positively or negatively impacted by a change in interest rates and the magnitude of the gap helps in assessing the change in net interest income for any given interest rate shift. The interest rate sensitivity/gap reports are reviewed by the ALCO on a regular basis.

Earnings at risk ("EaR"): The interest rate gap reports mentioned above indicate whether the Bank is in a position to benefit from rising interest rates by having a positive gap (RSA > RSL) or whether it is in a position to benefit from declining interest rates by having a negative gap (RSL > RSA). EaR measures the change in NII over a one year time horizon for various levels of parallel shift in interest rates.

Economic value: Change in the interest rates have a long-term impact on the capital position of the Bank, as the economic value of the Bank's assets, liabilities and off-balance sheet positions get affected by these rate changes. The Bank applies a modified duration approach and monitors impact of various levels of parallel shift in interest rate curves on the capital position. The interest rate sensitivity/gap reports are reviewed by the ALCO on a regular basis.

II. Quantitative disclosures

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

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

INR Million	31-Mar-21		31-Mar-2020	
	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	(252)	252	(877)	877
USD	126	(126)	137	(137)
Others	(0)	0	2	(2)
Total	(126)	126	(738)	738

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

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

INR Million	31-Mar-21		31-Mar-2020	
	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	4,865	(4,865)	3,478	(3,478)
USD	1,533	(1,533)	911	(911)
Others	20	(20)	57	(57)
Total	6,418	6,418	4,446	(4,446)

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 which does not calculate 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, 2021

INR Million	Forward Exchange Contracts	Interest Rate Derivative Contracts	Cross Currency Swaps	Options
Gross positive fair value of contracts	49,386	27,687	630	419
Netting benefits	43,737	-	-	-
Netted current credit exposure (positive mark-to-market)	5,649	27,687	630	419
Collateral held*	-	-	-	-
Net derivatives credit exposure	5,649	27,687	630	419
Exposure at default under Current Exposure Method	125,390	59,973	5,987	4,304

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

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

As at March 31, 2020

INR Million	Forward Exchange Contracts	Interest Rate Derivative Contracts	Cross Currency Swaps	Options
Gross positive fair value of contracts	53,228	45,394	920	472
Netting benefits	43,072	-	-	-
Netted current credit exposure (positive mark-to-market)	10,156	45,394	920	472
Collateral held*	-	-	-	-
Net derivatives credit exposure	10,156	45,394	920	472
Exposure at default under Current Exposure Method	84,615	86,461	7,441	2,753

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

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

** The Bank has not availed any Credit Risk Mitigation Techniques*

Table DF-11: Composition of Capital

Sr. no	Particulars	Amt in INR mm	Amounts Subject to Pre-Basel III Treatment	Reference No.
Common Equity Tier 1 capital: instruments and reserves				
1.	Directly issued qualifying common share capital plus related stock surplus (share premium)	31,883		A1
2.	Retained earnings	82,880		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)	-		
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	114,763		
Common Equity Tier 1 capital: regulatory adjustments				
7.	Prudential valuation adjustments	-		
8.	Goodwill (net of related tax liability)	-		
9.	Intangibles (net of related tax liability)	70		C1
10.	Deferred tax assets	-	-	
11.	Cash-flow hedge reserve	-		
12.	Shortfall of provisions to expected losses	-		
13.	Securitisation gain on sale	-		
14.	Gains and losses due to changes in own credit risk on fair valued liabilities	-		
15.	Defined-benefit pension fund net assets	-		
16.	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-		
17.	Reciprocal cross-holdings in common equity	-		
18.	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-		
19.	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-		
20.	Mortgage servicing rights (amount above 10% threshold)	-		
21.	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-		

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

Sr. no	Particulars	Amt in INR mm	Amounts Subject to Pre-BaseI III Treatment	Reference No.
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	-		
27.	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		
28.	Total regulatory adjustments to Common equity Tier 1	70		
29.	Common Equity Tier 1 capital (CET1)	114,693		
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	-		
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)	-		
45.	Tier 1 capital (T1 = CET1 + AT1) (29 + 44)	114,693		
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	6,622		B1+B2+B3+B4+B5
51.	Tier 2 capital before regulatory adjustments	6,622		
52.	Investments in own Tier 2 instruments	-		
53.	Reciprocal cross-holdings in Tier 2 instruments	-		

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

Sr. no	Particulars	Amt in INR mm	Amounts Subject to Pre-Basel III Treatment	Reference No.
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 investments 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	-		
57.	Total regulatory adjustments to Tier 2 capital	-		
58.	Tier 2 capital (T2)	6,622		
59.	Total capital (TC = T1 + T2) (45 + 58)	121,315		
60.	Total risk weighted assets (60a + 60b + 60c)	605,144		
60a	of which: total credit risk weighted assets	420,389		
60b	of which: total market risk weighted assets	131,449		
60c	of which: total operational risk weighted assets	53,306		
Capital ratios				
61.	Common Equity Tier 1 (as a percentage of risk weighted assets)	18.96%		
62.	Tier 1 (as a percentage of risk weighted assets)	18.96%		
63.	Total capital (as a percentage of risk weighted assets)	20.05%		
64.	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	9.88%		
65.	of which: capital conservation buffer requirement	1.88%		
66.	of which: bank specific countercyclical buffer requirement	-		
67.	of which: G-SIB buffer requirement	2.50%		
68.	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) – (Point 61 – Point 71)	9.94%		
National minima (if different from Basel III)				
69.	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%		
70.	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%		
71.	National total capital minimum ratio (if different from Basel III minimum)	9.00%		
Amounts below the thresholds for deduction (before risk weighting)				
72.	Non-significant investments in the capital of other financial entities	-		
73.	Significant investments in the common stock of financial entities	-		
74.	Mortgage servicing rights (net of related tax liability)	NA		
75.	Deferred tax assets arising from temporary differences (net of related tax liability)	-		
Applicable caps on the inclusion of provisions in Tier 2				
76.	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	6,622		
77.	Cap on inclusion of provisions in Tier 2 under standardised approach	5,255		
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)	-		

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

Table DF-12: Composition of Capital- Reconciliation Requirement

<i>INR Million</i>		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on 31-Mar-21	As on 31-Mar-21
A	Capital & Liabilities		
i	Paid-up Capital	31,883	31,883
	Reserves & Surplus	102,729	102,729
	Minority Interest	-	-
	Total Capital	134,612	134,612
ii	Deposits	363,005	363,005
	of which: Deposits from banks	8,761	8,761
	of which: Customer deposits	354,244	354,244
	of which: Other deposits (pl. specify)	-	-
iii	Borrowings	2,559	2,559
	of which: From RBI	-	-
	of which: From banks	2,559	2,559
	of which: From other institutions & agencies	-	-
	of which: Others (pl. specify)	-	-
	of which: Capital instruments	-	-
iv	Other liabilities & provisions	133,546	133,546
	Total	633,722	633,722
B	Assets		
i	Cash and balances with Reserve Bank of India	16,056	16,056
	Balance with banks and money at call and short notice	114,446	114,446
ii	Investments:	231,283	231,283
	of which: Government securities	231,283	231,283
	of which: Shares	-	-
	of which: Debentures & Bonds	-	-
	of which: Subsidiaries / Joint Ventures / Associates	-	-
	of which: Others (Commercial Papers, Certificate of Deposits etc.)	-	-
iii	Loans and advances	181,860	181,860
	of which: Loans and advances to banks	3,497	3,497
	of which: Loans and advances to customers	178,362	178,362
iv	Fixed assets	1,068	1,068
v	Other assets	89,009	89,009
	of which: Goodwill and intangible assets	70	70
	of which: Deferred tax assets	1,390	1,390
vi	Goodwill on consolidation	-	-
vii	Debit balance in Profit & Loss account	-	-
	Total Assets	633,722	633,722

<i>INR Million</i>		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference no.
		As on 31-Mar-21	As on 31-Mar-21	
A	Capital & Liabilities			
	Paid-up Capital	31,883	31,883	A1
	of which: Amount eligible for CET1	31,883	31,883	
	of which: Amount eligible for AT1	-	-	
	Reserves & Surplus	102,729	102,729	
	Statutory Reserves	26,547	26,547	A2
	Capital Reserves	56,333	56,333	A3

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

<i>INR Million</i>		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference no.
		As on 31-Mar-21	As on 31-Mar-21	
	Investment Reserve Account	-	-	B1
	Investment Fluctuation Reserve	4,657	4,657	B2
	Balance in Profit & Loss A/c	15,192	15,192	
	of which :			
	Unallocated Surplus	-	-	
	Current period profits not reckoned for Capital Adequacy	15,192	15,192	
	Minority Interest	-	-	
i	Total Capital	134,612	134,612	
ii	Deposits	363,005	363,005	
	of which: Deposits from banks	8,761	8,761	
	of which: Customer deposits	354,244	354,244	
	of which: Other deposits (pl. specify)	-	-	
iii	Borrowings	2,559	2,559	
	of which: From RBI	-	-	
	of which: From banks	2,559	2,559	
	of which: From other institutions & agencies	-	-	
	of which: Others (pl. specify)	-	-	
	of which: Capital instruments	-	-	
iv	Other liabilities & provisions	133,546	133,546	
	of which: Provision for Standard Assets	1,040	1,040	B3
	of which: Provision for Country risk	76	76	B4
	of which: General Provision	-	-	B5
	of which: Provision for Enhancing Credit Supply	540	540	
	of which: DTLs related to goodwill	-	-	
	of which: DTLs related to intangible assets	-	-	
	Total Capital and Liabilities	633,722	633,722	
B	Assets			
i	Cash and balances with Reserve Bank of India	16,056	16,056	
	Balance with banks and money at call and short notice	114,446	114,446	
ii	Investments	231,283	231,283	
	of which: Government securities	231,283	231,283	
	of which: Other approved securities	-	-	
	of which: Shares	-	-	
	of which: Debentures & Bonds	-	-	
	of which: Subsidiaries / Joint Ventures / Associates	-	-	
	of which: Others (Commercial Papers, Certificate of Deposits etc.)	-	-	
iii	Loans and advances	181,860	181,860	
	of which: Loans and advances to banks	3,497	3,497	
	of which: Loans and advances to customers	178,363	178,363	
iv	Fixed assets	1,068	1,068	
v	Other assets	89,009	89,009	
	of which:	-	-	
	Goodwill	-	-	
	Other intangibles (excluding MSRs)	70	70	C1
	Deferred tax assets	1,390	1,390	
	Goodwill on consolidation	-	-	
	Debit balance in Profit & Loss account	-	-	
	Total Assets	633,722	633,722	

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

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	
	<i>Regulatory treatment</i>	
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	
	<i>Coupons / dividends</i>	
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.

BANK OF AMERICA, N.A.
(INDIA BRANCHES)
(Incorporated in U.S.A. With Limited Liability)

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2021

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

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

	Item	INR Million
1	Total consolidated assets as per published financial statements	555,600
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	195,654
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)	69,700
7	Other adjustments (Asset amounts deducted in determining Basel III Tier 1 capital)	(70)
8	Leverage ratio exposure	820,884

Table DF-18: Leverage Ratio Common Disclosure Template

	Item	INR Million
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	445,637
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(70)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	445,567
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	34,385
5	Add-on amounts for PFE associated with all derivatives transactions	161,269
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)	195,654
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	109,963
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)	109,963
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	348,197
18	(Adjustments for conversion to credit equivalent amounts)	(278,497)
19	Off-balance sheet items (sum of lines 17 and 18)	69,700
	Capital and total exposures	
20	Tier 1 capital	114,693
21	Total exposures (sum of lines 3, 11, 16 and 19)	820,884
22	Basel III leverage ratio (per cent)	13.97%