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

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

Independent Auditors' Report

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

Report on the Financial Statements

1. We have audited the accompanying financial statements of Bank of America, N.A. (India Branches) (the "Bank"), which comprise the Balance Sheet as at March 31, 2015 and the Profit and Loss Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Bank's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the provisions of Section 29 of the Banking Regulation Act,1949 read with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and circulars and guidlines issued by the Reserve Bank of India from time to time as applicable to the Bank. 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including accounting standards and matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Bank has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Management, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

8. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements together with the notes thereon give the information required by provisions of the Banking Regulation Act,1949 as well as Companies Act, 2013, in the manner so required for the banking companies and circulars and guidelines issued by the Reserve Bak of India and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31,2015, and its profit and its cash flows for the year ended on that date.

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

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

Report on Other Legal and Regulatory Requirements

9. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act,1949 read with applicable provisions of section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014

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

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

    (b) The transactions of the Bank, which have come to our notice, during the course of our audit, have been within the powers of the Bank;

    (c) During the course of our audit we have visited 3 branches to examine the books of accounts and other records maintained at the branch and performed other relevant audit procedures. Since the key operations of the bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally as all the necessary records and data required for the purposes of audit are available centrally;

11. Further, as required by section 143(3) of the Companies Act, 2013, we report that:

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

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

    (c) The Balance Sheet, Profit and Loss Account, and 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 Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with accounting policies prescribes by the Reserve Bank of India;

    (e) The requirements of section 164(2) of the Companies Act, 2013 are not applicable to the Bank considering it is a branch of Bank of America N.A. which is incorporated with limited liability in the United States of America.

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

        (i) The Bank has disclosed the impact of pending litigations as at March 31, 2015 on its financial position in its financial statements – Refer Schedule 12 and Note 18 on Schedule 18;

        (ii) The Bank has made provision as at March 31, 2015, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts – Refer Schedule 17 and Note 5 (iv) on Schedule 18;

        (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank during the year ended March 31, 2015.

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

Sd/-
Sharad Vasant
Partner
Membership Number: 101119

Place : Mumbai
Date : June 25, 2015

Bank of America

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

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

BALANCE SHEET AS AT MARCH 31, 2015

	Schedule	As at March 31, 2015 (Rs. '000)	As at March 31, 2014 (Rs. '000)
CAPITAL AND LIABILITIES			
Capital	1	**9,853,492**	9,853,492
Reserves and Surplus	2	**48,283,912**	42,340,792
Deposits	3	**95,872,101**	80,934,180
Borrowings	4	**92,099,714**	71,253,835
Other Liabilities and Provisions	5	**34,132,194**	64,917,435
TOTAL		**280,241,413**	269,299,734
ASSETS			
Cash and balances with Reserve Bank of India	6	**8,290,053**	4,737,431
Balances with banks and money at call and short notice	7	**5,469,800**	2,493,312
Investments	8	**138,866,682**	109,080,398
Advances	9	**92,635,645**	85,150,773
Fixed Assets	10	**483,256**	596,256
Other Assets	11	**34,495,977**	67,241,564
TOTAL		**280,241,413**	269,299,734
Contingent Liabilities	12	**3,871,619,703**	4,250,670,990
Bills for Collection		**123,421,047**	57,015,449
Significant accounting policies and notes to the Financial Statements	18		

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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

	Schedule	Year Ended March 31, 2015 (Rs. '000)	Year Ended March 31, 2014 (Rs. '000)
I. INCOME			
Interest earned	13	**16,136,528**	14,765,802
Other income	14	**6,911,335**	8,908,335
TOTAL		**23,047,863**	23,674,137
II. EXPENDITURE			
Interest expended	15	**6,456,595**	5,987,816
Operating expenses	16	**5,502,644**	5,549,168
Provisions and contingencies	17	**5,145,504**	5,102,434
TOTAL		**17,104,743**	16,639,418
III. PROFIT			
Net profit for the year		**5,943,120**	7,034,719
Profit brought forward		**12,527,231**	7,254,035
TOTAL		**18,470,351**	14,288,754
IV. APPROPRIATIONS			
Transfer to Statutory Reserves		**1,485,780**	1,758,680
Transfer to Investment Reserve Account		–	2,843
Balance carried over to Balance Sheet		**16,984,571**	12,527,231
TOTAL		**18,470,351**	14,288,754
Significant accounting policies and notes to the Financial Statements	18		

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

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

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

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

Sd/-
Sharad Vasant
Partner
Membership Number: 101119

Mumbai: June 25, 2015

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

Sd/-
Kaku Nakhate
Chief Executive Officer

Mumbai: June 22, 2015

Sd/-
Kumar Shah
Chief Financial Officer

Mumbai: June 22, 2015

Bank of America

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

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

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS	Year Ended March 31, 2015 (Rs. '000)	Year Ended March 31, 2014 (Rs. '000)
Cash flow from operating activities		
Net profit before taxation	**10,493,370**	12,147,560
Adjustments for:		
Depreciation	**241,799**	207,173
Loss/(Profit) on sale of fixed assets	**35,235**	(6,963)
Provisions for unhedged foreign currency exposure	**418,678**	–
Provision/charge for Non Performing Assets (including write off)	**176,576**	–
Provision/(Writeback) for leave enchashment and sick leave	**48,347**	(55,836)
Provision for gratuity	**86,120**	21,014
(Writeback) for country risk provision	–	(3,728)
(Writeback) for depreciation on investments	–	(6,680)
Operating profit before working capital changes	**11,500,125**	12,302,540
Adjustments for:		
(Increase) in investments	**(29,786,284)**	(20,738,634)
(Increase) in advances	**(7,661,448)**	(8,920,768)
Decrease/(Increase) in other assets	**33,501,639**	(18,692,312)
Increase in deposits	**14,937,921**	7,154,229
(Decrease)/Increase in other liabilities and provisions	**(31,338,386)**	16,298,916
Cash Generated from Operations	**(8,846,433)**	(12,596,029)
Less: Taxes Paid (net of refunds received)	**(5,306,302)**	(5,515,709)
Net Cash (used in)/generated from Operating Activities (A)	**(14,152,735)**	(18,111,738)
Cash flow from investing activities		
Purchase of fixed assets	**(176,051)**	(326,420)
Proceeds from sale of fixed assets	**12,017**	19,208
Net Cash (used in)/generated from Investing Activities (B)	**(164,034)**	**(307,212)**
Cash flow from Financing Activities		
Increase in borrowings (net)	**20,845,879**	14,120,482
Net Cash generated from Financing Activities (C)	**20,845,879**	14,120,482
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**6,529,110**	(4,298,468)
Cash and Cash equivalents at the beginning of the year as per Schedule 6 and 7	**7,230,743**	11,529,211
Cash and Cash equivalents at the end of the year as per Schedule 6 and 7	**13,759,853**	7,230,743
Net increase/(decrease) in cash and cash equivalents	**6,529,110**	(4,298,468)

Notes to the Cash Flow Statement

1) The above cash flow statement has been prepared under "Indirect method" as set out in Accounting Standard– 3 "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2) Previous year figures have been regrouped and reclassified wherever necessary to conform to current year's presentation.

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

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

Sd/-
Sharad Vasant
Partner
Membership Number: 101119

Mumbai: June 25, 2015

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

Sd/-
Kaku Nakhate
Chief Executive Officer

Mumbai: June 22, 2015

Sd/-
Kumar Shah
Chief Financial Officer

Mumbai: June 22, 2015

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

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

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2015 (Rs. '000)	As at March 31, 2014 (Rs. '000)
SCHEDULE 1 – Capital		
I. Deposit kept with Reserve Bank of India under Section 11(2)(b)(ii) of the Banking Regulation Act, 1949	**12,260,000**	10,629,800
II. Amount brought in as start-up capital	**2,000**	2,000
Tier I Capital augmented by Head Office	**9,851,492**	9,851,492
TOTAL	**9,853,492**	9,853,492
Note: Capital infused during the year: Rs. Nil (Previous Year: Rs. Nil)		
SCHEDULE 2 – Reserves and Surplus		
I. Statutory Reserves		
Opening balance	**11,450,104**	9,691,424
Add : Transfer from Profit and Loss Account	**1,485,780**	1,758,680
	12,935,884	11,450,104
II. Capital Reserves		
Opening balance	**3,457,657**	3,457,657
Add : Transfer from Profit and Loss Account	–	–
	3,457,657	3,457,657
III. Amount Retained in India for meeting Capital to Risk-Weighted Asset Ratio (CRAR)		
Opening balance	**14,875,501**	14,875,501
Add : Transfer from Profit and Loss Account	–	–
	14,875,501	14,875,5011
IV. Investment Reserve Account		
Opening balance	**30,299**	27,456
Add : Transfer from Profit and Loss Account	–	2,843
	30,299	30,299
V. Balance in Profit and Loss Account	**16,984,571**	12,527,231
TOTAL (I, II, III, IV, and V)	**48,283,912**	42,340,792
SCHEDULE 3 – Deposits		
A. I. Demand Deposits		
i) From Banks	**4,199,696**	2,778,615
ii) From Others	**48,125,143**	35,475,485
II. Savings Bank Deposits	**1,040,826**	1,605,386
III. Term Deposits		
i) From Banks	**–**	–
ii) From Others	**42,506,436**	41,074,694
TOTAL (I, II and III)	**95,872,101**	80,934,180
B. i) Deposits of Branches in India	**95,872,101**	80,934,180
ii) Deposits of Branches outside India	**–**	–
TOTAL	**95,872,101**	80,934,180
SCHEDULE 4 – Borrowings		
I. Borrowings in India		
i) Reserve Bank of India	**65,250,000**	49,760,000
ii) Other Banks	**–**	–
iii) Other Institutions and Agencies	**12,589,679**	9,272,530
	77,839,679	59,032,530
II. Borrowings outside India	**14,260,035**	12,221,305
TOTAL (I and II)	**92,099,714**	71,253,835
Secured borrowings in I and II above	**77,839,679**	59,032,530
SCHEDULE 5 – Other Liabilities and Provisions		
I. Bills payable	**690,720**	769,608
II. Inter-office adjustments – net	**9,471**	95,041
III. Interest accrued	**520,536**	275,573
IV. Others [including provisions] [Refer Note 5(iv) – Schedule 18(V)]	**32,911,467**	63,777,213
TOTAL	**34,132,194**	64,917,435
SCHEDULE 6 – Cash and Balances with Reserve Bank of India		
I. Cash in hand (including foreign currency notes)	**54,139**	71,344
II. Balances with Reserve Bank of India		
(i) In Current account	**8,235,914**	4,666,087
(ii) In Other accounts	**–**	–
TOTAL (I and II)	**8,290,053**	4,737,431
SCHEDULE 7 – Balances with Banks and Money at Call and Short Notice		
I. In India		
i) Balances with banks		
a) In Current accounts	**93,045**	104,933
b) In Other deposit accounts	**–**	–
ii) Money at call and short notice		
a) with banks	**3,125,000**	–
b) with other institutions	**–**	143,949
TOTAL (i and ii)	**3,218,045**	248,882

Bank of America

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SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2015 (Rs. '000)	As at March 31, 2014 (Rs. '000)
SCHEDULE 7 – *(Continued)*		
II. Outside India		
i) In Current accounts	**2,251,755**	2,244,430
ii) In Other deposit accounts	**–**	–
iii) Money at call and short notice	**–**	–
	2,251,755	2,244,430
TOTAL (I and II)	**5,469,800**	2,493,312
SCHEDULE 8 – Investments		
I. Investments in India		
(i) Government securities*	**127,110,937**	92,587,462
(ii) Other approved securities	**–**	–
(iii) Shares	**600**	600
(iv) Debentures and bonds	**–**	499,294
(v) Subsidiaries and/or joint ventures	**–**	–
(vi) Others (including Certificate of Deposits and Pass through certificates)	**11,755,145**	15,993,042
Gross Investments	**138,866,682**	109,080,398
Less : Provision for depreciation	**–**	–
	138,866,682	109,080,398
II. Investments outside India	**–**	–
TOTAL (I and II)	**138,866,682**	109,080,398

* Includes securities of Face Value Rs. 12,370,000,000/– deposited with Clearing Corporation of India Limited (CCIL) as margin deposit (Previous Year: Rs. 21,670,000,000/–), Rs. 67,548,000,000/– pledged with Reserve Bank of India for funds borrowed under liquidity adjustment facility/marginal standing facility (Previous year: Rs. 44,148,000,000/–) and Rs. 13,215,900,000/– dealt in the repo market through CCIL (Previous year : Nil)

	As at March 31, 2015 (Rs. '000)	As at March 31, 2014 (Rs. '000)
SCHEDULE 9 – Advances		
A. (i) Bills purchased and discounted	**20,676,135**	11,410,280
(ii) Cash credits, overdrafts and loans repayable on demand	**69,686,821**	70,099,093
(iii) Term loans	**2,272,689**	3,641,400
TOTAL	**92,635,645**	85,150,773
B. (i) Secured by tangible assets (including book debts)	**1,685,216**	2,390,790
(ii) Covered by Bank/ Government guarantees	**–**	–
(iii) Unsecured	**90,950,429**	82,759,983
TOTAL	**92,635,645**	85,150,773
C. I. Advances in India		
(i) Priority Sector	**26,921,640**	26,122,804
(ii) Public sector	**–**	–
(iii) Banks	**5,544,270**	1,040,477
(iv) Others	**60,169,735**	57,987,492
	92,635,645	85,150,773
II. Advances outside India	**–**	–
TOTAL (I and II)	**92,635,645**	85,150,773
SCHEDULE 10 – Fixed Assets		
I. Premises	**–**	–
II Other Fixed Assets (including Furniture and Fixtures)*		
At Cost on March 31 of preceding year	**1,430,514**	1,157,320
Additions during the year	**200,354**	320,937
	1,630,868	1,478,257
Deductions during the year	**120,758**	47,743
	1,510,110	1,430,514
Accumulated depreciation/ amortization	**1,029,971**	861,678
	480,139	568,836
Capital Work in Progress	**3,117**	27,420
	483,256	596,256
TOTAL (I and II)	**483,256**	596,256
* [Refer Note 17– Schedule 18(V)]		
SCHEDULE 11 – Other Assets		
I. Interest Accrued	**1,081,485**	436,595
II. Advance tax and tax deducted at source [net of Provision for taxation of Rs. 41,105,665 thousand (Previous Year Rs. 36,358,951 thousand)]	**2,410,833**	1,851,642
III. Stationery and Stamps	**–**	–
IV. Deferred tax assets [Refer Note 14 – Schedule 18(V)]	**511,718**	315,417
V. Others [Refer Note 5(iv) – Schedule 18(V)]	**30,491,941**	64,637,910
TOTAL	**34,495,977**	67,241,564

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

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

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2015 (Rs. '000)	As at March 31, 2014 (Rs. '000)
SCHEDULE 12 – Contingent Liabilities		
I. Claims against the Bank not acknowledged as Debts (including tax related matters)	**631,413**	1,114,986
II. Liability for partly paid investments	**–**	–
III. Liability on account of outstanding forward exchange contracts	**1,809,881,759**	1,620,302,112
IV. Liability on account of outstanding derivative contracts	**2,019,478,447**	2,591,531,417
V. Guarantees given on behalf of constituents		
(a) in India	**22,085,820**	16,833,285
(b) outside India	**3,669,305**	4,418,045
VI. Acceptances, endorsements and other obligations	**5,760,136**	5,530,552
VII. Other items for which the Bank is contingently liable		
– Committed Lines of credit	**10,014,754**	10,936,792
– Capital Commitments	**–**	3,801
– Depositor Education and Awareness Fund (DEAF) [Refer Note 38 – Schedule 18(V)]	**98,069**	–
TOTAL	**3,871,619,703**	4,250,670,990

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Year Ended March 31, 2015 (Rs. '000)	Year Ended March 31, 2014 (Rs. '000)
SCHEDULE 13 – Interest Earned		
I. Interest/discount on advances/bills	**6,998,333**	7,044,457
II. Income on investments	**9,059,052**	7,369,615
III. Interest on balances with Reserve Bank of India and other inter-bank funds	**18,225**	94,286
IV. Others	**60,918**	257,444
TOTAL	**16,136,528**	14,765,802
SCHEDULE 14 – Other Income		
I. Commission, exchange and brokerage	**547,684**	940,381
II. Profit/(Loss) on sale of investments (net)	**2,696,557**	67,414
III. Profit/(Loss) on revaluation of investments (net)	**–**	–
IV. (Loss)/Profit on sale of land, buildings and other assets (net)	**(35,235)**	6,963
V. Profit on exchange/derivative transactions (net)	**2,666,729**	6,959,348
VI. Miscellaneous Income [Refer Note 43 – Schedule 18(V)]	**1,035,600**	934,229
TOTAL	**6,911,335**	8,908,335
SCHEDULE 15 – Interest Expended		
I. Interest on deposits	**3,275,954**	3,424,435
II. Interest on Reserve Bank of India/inter-bank borrowings	**677,968**	524,479
III. Others	**2,502,673**	2,038,902
TOTAL	**6,456,595**	5,987,816
SCHEDULE 16 – Operating Expenses		
I. Payments to and provisions for employees	**2,834,430**	3,115,135
II. Rent, taxes and lighting	**328,945**	306,750
III. Printing and stationery	**42,278**	34,907
IV. Advertisement and publicity	**4,226**	3,529
V. Depreciation on Bank's property	**241,799**	207,173
VI. Directors' fees, allowances and expenses	**–**	–
VII. Auditors' fees and expenses	**4,457**	4,283
VIII. Law Charges	**8,222**	13,095
IX. Postages, Telegrams, Telephones, etc	**188,878**	229,659
X. Repairs and maintenance	**223,991**	136,228
XI. Insurance	**88,784**	80,442
XII. Other expenditure [Refer Note 33 and 42 – Schedule 18(V)]	**1,536,634**	1,417,967
TOTAL	**5,502,644**	5,549,168
SCHEDULE 17 – Provisions and Contingencies		
I. Provision for unhedged foregin currency exposure	**418,678**	–
II. Provision/(Write-back of provision) for country risk	**–**	(3,728)
III. Provision for Non-performing Assets [including write off of Rs. 129,820 thousand (Previous year Nil)]	**176,576**	–
IV. Provision for Taxation [Refer Note 15 – Schedule 18(V)]	**4,746,083**	5,165,957
V. Deferred tax [Refer Note 14 – Schedule 18(V)]	**(196,301)**	(53,613)
VI. Provision for wealth tax [Refer Note 15 – Schedule 18(V)]	**468**	498
VII. (Write-back of provision)/ Provision for depreciation on investments	**–**	(6,680)
TOTAL	**5,145,504**	5,102,434

Bank of America

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

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

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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

I) Background

The financial statements for the year ended March 31, 2015 comprise the accounts of the India branches of Bank of America, N.A. (the Bank), which is incorporated in the United States of America with limited liability.

II) Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated and are in accordance with the generally accepted accounting principles in India, statutory provisions prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and Accounting Standards (AS) prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act 2013 and Companies Act, 1956, to the extent applicable and conform to the statutory requirements prescribed by the RBI from time to time and current practices prevailing within the banking industry in India.

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

III) Use of Estimates

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

IV) Significant Accounting Policies

1) Revenue recognition

i) Interest income is recognized in the Profit and Loss Account on an accrual basis, except in case of interest on non-performing advances which is recognized as income upon receipt in accordance with the prudential norms issued by RBI.

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

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

2) Foreign Exchange Transactions

Transactions in foreign currency are recorded and translated at exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Profit and Loss Account.

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date at exchange rates notified by the Foreign Exchange Dealers' Association of India (FEDAI) and the resulting exchange differences are recognized in the Profit and Loss Account.

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

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

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

3) Derivatives

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

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

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

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

The Bank also maintains general provision for standard assets on the current mark-to-market value of the contract, arising on account of derivative and foreign exchange transactions in accordance with the RBI Master circular (DBOD.No.BP.BC.9/21.04.048/2014-15 dated July 1, 2014) on prudential norms on income recognition, asset classification and provisioning pertaining to advances.

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

4) Investments

Investments are accounted for in accordance with the RBI Master Circular (DBOD No. BP.BC. 20/ 21.04.141/2014-15 dated July 1, 2014) on prudential norms for classification, valuation and operation of investment portfolio by banks.

Classification

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

Valuation

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

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

Treasury Bills, Commercial Paper and Certificates of Deposit, being discounted instruments, are valued at carrying cost.

Cost of investments is based on the weighted average cost method.

Investment Reserve Account

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

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

Transfer between classifications

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

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

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

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

Repo transactions

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

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

Brokerage and Commission

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

Broken period interest

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

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

Tangible fixed assets are stated at the original cost of acquisition and related expenses less accumulated depreciation and accumulated impairment losses, if any. Assets, which are not under active use and held for disposal, are stated at lower of net book value and net realizable value. Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use as at the reporting date.

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

6) Intangible assets

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

7) Depreciation and amortization:

i) Except for items forming part of (iii) and (iv) below, depreciation on tangible assets is provided, pro-rata for the period of use, by straight line method (SLM), based on management's estimate of useful lives of the fixed assets as stated in the table below:

Category	Useful Life
Server, networking and other computer equipment	2 to 5 years
Furniture and fixtures	10 years
Vehicles	5 years
Other equipment (mechanical/electronic)	3 to 6.67 years

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

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

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

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

Category	Useful Life
Software*	2 to 5 years

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

8) Impairment of Assets

In accordance with AS-28 on 'Impairment of Assets', an asset is considered as impaired when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value-in-use). The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Bank estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Profit and Loss Account.

9) Advances

Advances are classified into performing and non performing advances in accordance with RBI Master Circular (DBOD. No.BP.BC.9/21.04.048/2014-15 dated July 1, 2014) on prudential norms on income recognition, asset classification and provisioning pertaining to advances. Further, non-performing assets (NPA) are classified into sub-standard, doubtful and loss assets as per RBI guidelines.

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

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

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

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

10) Employee Benefits

Provident fund

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

Gratuity

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

Compensated Absences

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

Pension

The Bank has a pension scheme, a defined contribution plan, for all eligible employees, which is administered by a trust set up by the Bank. The Bank's contribution towards the pension scheme is accounted for on an accrual basis and charged to the Profit and Loss Account. The Bank has no further obligation beyond making the contributions.

11) Taxation

Taxes on income are accounted for in accordance with Accounting Standard (AS 22) on "Accounting for Taxes on Income" and comprise current and deferred tax.

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income tax-Act, 1961.

The tax effect of timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. These are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising on account of carry forward losses and unabsorbed depreciation under tax laws are recognized only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

12) Accounting for leases

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

13) Provisions and contingent liabilities

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

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

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

14) Employee stock compensation

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

15) Cash flow statement

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

V) Other Disclosures

1. Capital to risk weighted assets ratio (CRAR)

The Bank's capital adequacy ratio as on March 31, 2015 computed under Basel III framework is given below:

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
i)	Common Equity Tier I capital ratio (%)	**14.72%**	16.37%
ii)	Tier 1 capital ratio (%)	**14.72%**	16.37%
iii)	Tier 2 capital ratio (%)	**0.44%**	0.33%
iv)	Total Capital to Risk Weighted Assets ratio [CRAR] (%)	**15.16%**	16.70%
v)	Percentage of the shareholding of the Government of India in public sector banks	**Nil**	Nil
vi)	Amount of equity capital raised	**Nil**	Nil
vii)	Amount of Additional Tier 1 capital raised; of which	**Nil**	Nil
	Perpetual Non-Cumulative Preference Shares [PNCPS]:	**Nil**	Nil
	Perpetual Debt Instruments [PDI]:	**Nil**	Nil
viii)	Amount of Tier 2 capital raised; of which	**Nil**	Nil
	Debt capital instrument:	**Nil**	Nil
	Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-Cumulative Preference Shares (RNCPS)/Redeemable Cumulative Preference Shares (RCPS)]	**Nil**	Nil

2. Investments

(Rs. '000)

Particulars	As at March 31, 2015	As at March 31, 2014
1) Value of Investments		
i) Gross Value of Investments		
(a) In India	**138,866,682**	109,080,398
(b) Outside India	**Nil**	Nil
ii) Provisions for Depreciation on Investments		
(a) In India	**Nil**	Nil
(b) Outside India	**Nil**	Nil
iii) Net Value of Investments		
(a) In India	**138,866,682**	109,080,398
(b) Outside India	**Nil**	Nil
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	**Nil**	6,680
ii) Add: Provisions made during the year	**Nil**	Nil
iii) Less: Write-back of excess provision during the year	**Nil**	(6,680)
iv) Closing balance	**Nil**	Nil

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

(Rs. '000)

Year ended March 31, 2015*	**Minimum Outstanding during the year**	**Maximum Outstanding during the year**	**Daily Average Balance Outstanding during the year**	**Outstanding as at March 31, 2015**
Securities sold under repo				
• Government securities	**Nil**	**92,874,600**	**15,674,652**	**80,763,900**
• Corporate debt securities	**Nil**	**Nil**	**Nil**	**Nil**
Securities purchased under reverse repo				
• Government securities	**Nil**	**6,302,000**	**1,277,035**	**Nil**
• Corporate debt securities	**Nil**	**Nil**	**Nil**	**Nil**

* Includes repo and reverse repo transactions under the Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) with Reserve Bank of India

(Rs. '000)

Year ended March 31, 2014*	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Balance Outstanding during the year	Outstanding as at March 31, 2014
Securities sold under repo				
• Government securities	Nil	77,349,400	13,985,575	44,148,000
• Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under reverse repo				
• Government securities	Nil	31,172,300	3,006,795	150,000
• Corporate debt securities	Nil	Nil	Nil	Nil

* Includes repo and reverse repo transactions under the Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) with Reserve Bank of India

4. Non-SLR Investment Portfolio

(i) Issuer Composition of Non-SLR Investments

As at March 31, 2015 **(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	**87,632**	**87,632**	**Nil**	**Nil**	**87,632**
3)	Banks	**11,667,513**	**9,504,529**	**Nil**	**Nil**	**11,667,513**
4)	Private corporate	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
5)	Subsidiaries/Joint ventures	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
6)	Others	**600**	**600**	**Nil**	**600**	**600**
7)	Provision held towards depreciation	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Total	**11,755,745**	**9,592,761**	**Nil**	**600**	**11,755,745**

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

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As at March 31, 2014 (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@	499,294	Nil	Nil	Nil	Nil
2)	Financial Institutions	652,563	652,563	Nil	Nil	652,563
3)	Banks	15,340,479	3,023,828	Nil	Nil	15,340,479
4)	Private corporate	Nil	Nil	Nil	Nil	Nil
5)	Subsidiaries/Joint ventures	Nil	Nil	Nil	Nil	Nil
6)	Others	600	600	Nil	600	600
7)	Provision held towards depreciation	Nil	Nil	Nil	Nil	Nil
	Total	16,492,936	3,676,991	Nil	600	15,993,642

@ Comprises 9.38% Rural Electrification Corporation Ltd 2016 and 9.67% Rural Electrification Corporation Ltd 2017.

\# 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, 2015. (Previous year Rs. Nil)

5. Derivatives

(i) Forward Rate Agreements/Interest Rate Swaps

(Rs. '000)

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
i)	The notional principal value of interest rate swaps	**1,849,627,269**	2,447,629,697
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	**8,553,800**	17,884,372
iii)	Collateral required by the bank upon entering into swaps	**Nil**	Nil
iv)	Concentration of credit risk arising from the swaps (in the banking industry)	**95%**	93%
v)	The fair value of interest rate swaps – Gains/(Losses)	**2,639,008**	4,729,794

Notes:

a) Swaps undertaken with counterparties are based on established market benchmarks.
b) The counterparties for the swaps undertaken are Banks/Corporates and are within approved credit exposure limits.
c) There are no forward rate agreements as at March 31, 2015. *(Previous year Rs. Nil)*
d) For accounting policies relating to the Interest Rate Swaps refer Note (IV)(3) – Schedule 18.

(ii) Nature and terms of interest rate swaps:

(Rs. '000)

Nature	Benchmark	No. of trades as at March 31, 2015	Notionals as at March 31, 2015	No. of trades as at March 31, 2014	Notionals as at March 31, 2014
Trading	MIBOR*	**1,819**	**1,482,657,841**	2,230	2,073,859,092
Trading	MIFOR**	**481**	**234,780,882**	473	224,939,244
Trading	INBMK***	**42**	**21,350,000**	41	19,850,000
Trading	Others	**72**	**110,838,546**	97	128,981,361
	Total	**2,414**	**1,849,627,269**	2,841	2,447,629,697

* Mumbai Interbank Offer Rate
** Mumbai Interbank Forward Rate
*** India Benchmark

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(iii) Exchange Traded Interest Rate Derivatives

(Rs. '000)

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
1)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year, – Interest rate futures	**163,368,400**	12,657,800
2)	Notional principal amount of exchange traded interest rate derivatives outstanding as at March 31, – Interest rate futures	**16,269,000**	689,400
3)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	**NA**	NA
4)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective"	**NA**	NA

(iv) Disclosure on Risk Exposure in Derivatives

a. Qualitative Disclosure

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

(Rs. '000)

Particulars	As at March 31, 2015		As at March 31, 2014	
	Asset (+)	Liability (-)	Asset (+)	Liability (-)
Forward exchange contracts	**11,328,810**	**(11,698,452)**	34,768,261	(33,174,781)
Interest rate swap	**8,553,800**	**(5,914,792)**	17,884,372	(13,154,578)
Cross-currency interest rate swap	**7,318,905**	**(9,574,907)**	9,690,303	(13,442,397)
Interest rate futures	**Nil**	**(382)**	28	Nil
Currency futures	**Nil**	**(3,375)**	Nil	Nil
Options	**11,305**	**(36,051)**	9,109	(34,780)
Total	**27,212,820**	**(27,227,959)**	62,352,073	(59,806,536)

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b. Quantitative Disclosure

(Rs. '000)

Sr. No.	Particulars	Currency Derivatives* As at March 31, 2015	Interest Rate Derivatives** As at March 31, 2015
1)	Derivatives (Notional Principal Amount)		
	a) For hedging	**Nil**	**Nil**
	b) For trading	**153,582,178**	**1,865,896,269**
2)	Marked to Market Positions		
	a) Asset (+)	**7,330,210**	**8,553,800**
	b) Liability (-)	**(9,614,333)**	**(5,915,174)**
3)	Credit Exposure#	**17,498,901**	**21,978,546**
4)	Likely impact of one percentage change in interest rate (100*PV01) ***		
	a) on hedging derivatives	**Nil**	**Nil**
	b) on trading derivatives	**459,803**	**483,565**
5)	Maximum and Minimum of 100*PV01 observed during the year ***		
	a) on hedging		
	b) on trading (Maximum)	**464,191**	**795,127**
	c) on trading (Minimum)	**178,364**	**1,345**

The notional principal amount of outstanding foreign exchange contracts classified as trading and hedging as at March 31, 2015 amounted to Rs. 1,796,720,869 thousand and Rs. 13,160,890 thousand respectively.

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

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

*** Absolute values considered.

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

(Rs. '000)

Sr. No.	Particulars	Currency Derivatives* As at March 31, 2014	Interest Rate Derivatives** As at March 31, 2014
1)	Derivatives (Notional Principal Amount)		
	a) For hedging	Nil	Nil
	b) For trading	143,212,320	2,448,319,097
2)	Marked to Market Positions		
	a) Asset (+)	9,699,412	17,884,400
	b) Liability (-)	(13,477,177)	(13,154,578)
3)	Credit Exposure#	22,029,883	35,264,322
4)	Likely impact of one percentage change in interest rate (100*PV01) ***		
	a) on hedging derivatives	Nil	Nil
	b) on trading derivatives	276,074	81,809
5)	Maximum and Minimum of 100*PV01 observed during the year ***		
	a) on hedging		
	b) on trading (Maximum)	409,580	2,036,242
	c) on trading (Minimum)	171,690	84

The notional principal amount of outstanding foreign exchange contracts classified as trading and hedging as at March 31, 2014 amounted to Rs. 1,606,934,222 thousand and Rs. 13,367,890 thousand respectively.

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

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

*** Absolute values considered.

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

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6. Asset quality

(i) Non Performing Assets (Funded)

(Rs. '000)

Sr. No.	Item	As at March 31, 2015	As at March 31, 2014
1)	Net NPAs to Net Advances (%)	**0.11%**	Nil
2)	Movement of NPAs (Gross)		
	(a) Opening balance	**Nil**	Nil
	(b) Additions during the year	**318,834**	Nil
	(c) Reductions during the year [including write off of Rs 129,820 thousand (Previous year Nil)]	**173,996**	Nil
	(d) Closing balance	**144,838**	Nil
3)	Movement of Net NPAs		
	(a) Opening balance	**Nil**	Nil
	(b) Additions during the year	**142,258**	Nil
	(c) Reductions during the year (recoveries)	**44,176**	Nil
	(d) Closing balance	**98,082**	Nil
4)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	**Nil**	Nil
	(b) Provisions made during the year	**176,576**	Nil
	(c) Write-off	**129,820**	Nil
	(d) Write-back of excess provisions	**Nil**	Nil
	(e) Closing balance	**46,756**	Nil

(ii) Particulars of accounts restructured

The Bank does not have any accounts that are subject to restructuring and accordingly these disclosures are not applicable.

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

No Financial assets were sold to Securitization/Reconstruction Company for asset reconstruction during the current year or the previous year.

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

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

(v) Provision on standard assets

(Rs. '000)

Particulars	As at March 31, 2015	As at March 31, 2014
Provision towards standard assets	**767,415**	767,415

7. Business Ratios

Sr. No.	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
a)	Interest income as a percentage to working funds*	**6.85%**	7.83%
b)	Non-interest income as a percentage to working funds*	**2.93%**	4.72%
c)	Operating Profit as a percentage to working funds*	**4.72%**	6.43%
d)	Return on assets@	**2.52%**	3.73%
e)	Business (Deposits plus Advances) per employee (Rs. '000)#	**447,350**	408,266
f)	Profit per employee (Rs. '000)	**14,425**	17,587

* 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.

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8. Asset Liability Management

Maturity Pattern of Certain Items of Assets and Liabilities

(Rs. Crores)

As at March 31, 2015	**Day 1**	**2 to 7 days**	**8 to 14 days**	**15 to 28 days**	**29 days and upto 3 months**	**Over 3 months and upto 6 months**	**Over 6 months and upto 1 year**	**Over 1 year and upto 3 years**	**Over 3 years and upto 5 years**	**Over 5 years**	**Total**
Advances	**1,674**	**378**	**896**	**1,053**	**1,575**	**1,514**	**925**	**1,239**	**10**	**Nil**	**9,264**
Investments in Securities	**4,143**	**2,971**	**3,329**	**685**	**707**	**788**	**145**	**1,093**	**4**	**22**	**13,887**
Deposits	**718**	**906**	**724**	**432**	**2,022**	**11**	**34**	**4,725**	**14**	**1**	**9,587**
Borrowings	**1,658**	**3,000**	**3,287**	**Nil**	**Nil**	**15**	**Nil**	**1,250**	**Nil**	**Nil**	**9,210**
Foreign Currency Assets	**412**	**9**	**13**	**292**	**712**	**1,094**	**Nil**	**Nil**	**Nil**	**Nil**	**2,532**
Foreign Currency Liabilities	**39**	**39**	**38**	**Nil**	**Nil**	**Nil**	**Nil**	**2,098**	**Nil**	**Nil**	**2,214**

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

(Rs. Crores)

As at March 31, 2014	Day 1	2 to 7 days	8 to 14 days	15 to 28 days	29 days and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Advances	95	1,407	800	1,041	1,545	2,391	154	971	110	1	8,515
Investments in Securities	5,639	2,893	Nil	976	105	145	267	866	2	15	10,908
Deposits	185	1,473	966	366	240	194	1,131	3,528	2	8	8,093
Borrowings	2,061	3,150	18	5	140	553	Nil	1,198	Nil	Nil	7,125
Foreign Currency Assets	4	24	1	31	75	909	Nil	Nil	Nil	Nil	1,044
Foreign Currency Liabilities	30	30	30	Nil	Nil	Nil	Nil	1,854	Nil	Nil	1,944

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

9. Exposures

(i) Exposure to Real Estate Sector

(Rs.'000)

Category	**As at March 31, 2015**	As at March 31, 2014
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;	**2,330**	6,006
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	**Nil**	Nil
a. Residential,		
b. Commercial Real Estate.		
Indirect Exposure		
Fund based and non-fund based exposures to National Housing Bank and Housing Finance Companies	**7,930,033**	11,386,506
Total Exposure to Real Estate Sector	**7,932,363**	11,392,512

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(ii) Exposure to Capital Market

(Rs. '000)

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
1)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;		
	• Investment in equity shares	**600**	600
2)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds;	**Nil**	Nil
3)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	**Nil**	Nil
4)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	**Nil**	Nil
5)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**Nil**	Nil
6)	Loans sanctioned to corporate against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	**Nil**	Nil
7)	Bridge loans to companies against expected equity flows/issues;	**Nil**	Nil
8)	Underwriting commitments taken up by the Bank in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	**Nil**	Nil
9)	Financing to stockbrokers for margin trading;	**Nil**	Nil
10)	All exposures to Venture Capital Funds (both registered and unregistered);	**Nil**	Nil
11)	Non-fund based exposure in the nature of guarantees	**300,000**	Nil
	Total Exposure to Capital Market	**300,600**	600

(iii) Risk Category-wise Country Exposure

(Rs. '000)

Risk Category	**Exposure (net) as at March 31, 2015**	**Provision held as at March 31, 2015**	Exposure (net) as at March 31, 2014	Provision held as at March 31, 2014
Insignificant	**3,071,652**	**Nil**	2,640,186	Nil
Low	**181,403**	**Nil**	958,069	Nil
Moderate	**392,880**	**Nil**	355,987	Nil
High	**Nil**	**Nil**	Nil	Nil
Very High	**Nil**	**Nil**	Nil	Nil
Restricted	**Nil**	**Nil**	Nil	Nil
Off-Credit	**Nil**	**Nil**	Nil	Nil
Total	**3,645,935**	**Nil**	3,954,242	Nil

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(iv) Single and Group Borrower limits

a) During the year ended March 31, 2015 the Bank has exceeded the regulatory prescription of 15% of single borrower limit, but has remained within the extended 20% limit for the following client:

- Chennai Petroleum Corporation Limited

For the above excess, the Local Management Team has approved the exposures as per RBI Master Circular on Exposure Norms DBOD No. Dir. BC. 12/13.03.00/ 2014-15 dated July 1, 2014. The Bank has also complied with all other requirements under the above mentioned circular.

b) During the year, exposure to Housing Development Finance Corporation Limited (HDFC) on account of derivative transactions undertaken in the past continued to remain in excess of the prescribed limit of 15% and limit of 20% approved by the Local Management Team in terms of aforesaid exposure norms. However as of March 31, 2015 the exposure stood at 19.8% i.e. below the extended limit of 20%. There have been no new transactions during the year.

During the year ended March 31, 2015, the Bank did not exceed the group borrower limits in respect of any of its clients.

(v) Unsecured Advances

Unsecured advances have been appropriately classified under 'Schedule 9 – Advances'. During the year ended March 31, 2015, the Bank has not given loans against intangible securities such as rights, licenses, authority etc.

10. Penalties levied by RBI

No penalty was imposed by RBI during the year.

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

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

a) Defined Contribution Plan - Pension Fund

During the year, the Bank has recognized Rs. 48,521 thousand (Previous year Rs. 47,774 thousand) in the Profit and Loss account as Employers' Contribution to Pension Fund.

b) Defined Benefit Plan – Contribution to Gratuity Fund

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

Principal actuarial assumptions:

Particulars	**For the year ended March 31, 2015**	For the year ended March 31, 2014
Discount rate (per annum)	**7.85%**	9.00%
Basic salary increases allowing for price inflation	**9.00%**	9.00%
Employee Turnover	**8.50%**	8.50%
Normal retirement age	**60 years**	60 years

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

Particulars	**For the year ended March 31, 2015**	For the year ended March 31, 2014
Projected Benefit Obligation at the beginning of the year	**308,646**	251,435
Current Service Cost	**43,283**	59,754
Interest Cost	**26,577**	23,922
Contribution by plan participation	**Nil**	Nil
Actuarial Losses/(Gains) due to change in assumptions	**81,862**	(2,148)
Acquisition/Business combination/Divestiture	**25,491**	Nil
Benefits Paid	**(26,678)**	(24,317)
Past service cost	**Nil**	Nil
Amalgamations	**Nil**	Nil
Curtailments	**Nil**	Nil
Settlements	**Nil**	Nil
Projected Benefit Obligation at the end of year	**459,181**	308,646

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Plan Asset at beginning of year	**287,632**	228,620
Expected Return on Plan Asset	**27,339**	20,013
Employer Contribution	**49,000**	67,420
Employee Contribution	**Nil**	Nil
Benefits Payment	**(26,678)**	(24,317)
Asset Gains/(Losses)	**14,754**	(4,104)
Amalgamations	**Nil**	Nil
Settlements	**Nil**	Nil
Ending Asset	**352,047**	287,632

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

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Projected Benefit Obligation at the end of year	**459,181**	308,646
Ending Asset	**352,047**	287,632
Fund Status asset/(liability)	**(107,134)**	(21,014)
Unrecognized past service cost - non vested benefits	**Nil**	Nil
Liability recognized in the Balance sheet	**(107,134)**	(21,014)

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

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Current Service Cost	**43,283**	59,754
Interest Cost	**26,577**	23,922
Expected return on plan asset	**(27,339)**	(20,013)
Net Actuarial losses /(gains) recognized in the year	**67,108**	1,956
Past Service Cost	**Nil**	395
Effect of Curtailments	**Nil**	Nil
Expenses recognized in the statement of Profit and Loss account	**109,629**	66,014

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

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2011
Present Value of defined benefit obligation	**459,181**	308,646	251,435	222,245	197,884
Fair Value of plan assets	**352,047**	287,632	228,620	191,733	84,737
(Surplus)/deficit in the plan	**107,134**	21,014	22,815	30,512	113,147
Experience Adjustment					
Liability					
Experience (Gain)/Loss	**81,862**	(2,148)	174	2,614	104,706
Asset					
Asset (Gain)/Loss	**14,754**	(4,104)	9,679	(6,676)	8,577

Investment details of plan assets

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

c) Provident Fund

Bank's contribution to provident fund Rs. 74,431 thousand *(previous year Rs. 70,374 thousand).*

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d) **Compensated Absences**

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

Sick Leave

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

Principal actuarial assumptions:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Discount rate (per annum)	**7.85%**	9.00%
Basic salary increases allowing for price inflation	**9.00%**	9.00%
Employee Turnover	**8.50%**	8.50%
Normal retirement age	**60 years**	60 years

The provision for sick leave as on March 31, 2015 is Rs. 74,008 thousand *(Previous year Rs. 35,850 thousand)*. The increase in the provision of Rs. 38,158 thousand is debited to Profit and Loss account for the year ended March 31, 2014. *(Previous year Rs. 2,454 thousand debited to Profit and Loss account)*.

Privilege Leave

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

Principal actuarial assumptions:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Discount rate (per annum)	**7.85%**	9.00%
Basic salary increases allowing for price inflation	**9.00%**	9.00%
Employee Turnover	**8.50%**	8.50%
Normal retirement age	**60 years**	60 years

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

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Projected Benefit Obligation at the beginning of the year	**102,522**	160,813
Current Service Cost	**30,618**	40,282
Interest Cost	**8,788**	15,623
Contribution by plan participation	**Nil**	Nil
Actuarial (Gains)/Losses due to change in assumptions	**(19,471)**	(102,576)
Benefits Paid	**(9,747)**	(11,620)
Past service cost	**Nil**	Nil
Amalgamations	**Nil**	Nil
Curtailments	**Nil**	Nil
Settlements	**Nil**	Nil
Projected Benefit Obligation at the end of year	**112,710**	102,522

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

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Plan Asset at beginning of year	**Nil**	Nil
Expected Return on Plan Asset	**Nil**	Nil
Employer Contribution	**Nil**	Nil
Employee Contribution	**Nil**	Nil
Benefits Payment	**Nil**	Nil
Asset Gains/(Losses)	**Nil**	Nil
Amalgamations	**Nil**	Nil
Settlements	**Nil**	Nil
Ending Asset	**Nil**	Nil
Total actuarial gain/(loss) recognized immediately	**Nil**	Nil

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

Particulars	**For the year ended March 31, 2015**	For the year ended March 31, 2014
Projeted Benefit Obligation at the end of year	**112,710**	102,522
Ending Asset	**Nil**	Nil
Funded Status asset/(liability)	**(112,710)**	(102,522)
Unrecognized past service cost – non vested benefits	**Nil**	Nil
Liability recognized in Balance Sheet	**(112,710)**	(102,522)

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

Particulars	**For the year ended March 31, 2015**	For the year ended March 31, 2014
Current Service Cost	**30,618**	40,282
Interest Cost	**8,788**	15,623
Expected return on plan asset	**Nil**	Nil
Net Actuarial (gains)/losses recognized in the year	**(19,471)**	(102,576)
Past Service Cost	**Nil**	Nil
Effect of Curtailments	**Nil**	Nil
Income (-)/Expenses (+) recognized in the statement of Profit and Loss account	**19,936**	(46,671)

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

Particulars	**For the year ended March 31, 2015**	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012
Present Value of defined benefit obligation	**112,710**	102,522	160,813	155,206
Fair Value of plan assets	**Nil**	Nil	Nil	Nil
(Surplus)/deficit in the plan	**112,710**	102,522	160,813	155,206
Experience Adjustment				
Liability				
Experience (Gain)/Loss	**(19,471)**	(102,576)	(29,601)	2,066
Asset				
Asset (Gain)/Loss	**Nil**	Nil	Nil	Nil

12. Segmental Reporting

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

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.

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(Rs. '000)

Business Segments	For the year ended March 31, 2015				For the year ended March 31, 2014			
	Treasury	**Corporate Banking**	**Unallocated**	**Total**	Treasury	Corporate Banking	Unallocated	Total
Segment Revenue	**14,524,316**	**8,364,176**	**159,371**	**23,047,863**	15,171,719	8,293,390	209,028	23,674,137
Segment Result (Operating Profit)	**9,997,636**	**1,090,408**	**580**	**11,088,624**	11,297,419	801,826	37,908	12,137,153
Provisions and Contingencies	**(16,218)**	**(579,036)**	**–**	**(595,254)**	6,680	3,728	–	10,408
Income taxes				**(4,550,250)**				(5,112,842)
Net profit				**5,943,120**				7,034,719
Segment Assets	**170,963,983**	**95,162,843**	**14,114,587**	**280,241,413**	172,408,219	87,194,385	9,697,130	269,299,734
Total Assets				**280,241,413**				269,299,734
Segment liabilities	**118,630,389**	**102,569,168**	**904,452**	**222,104,009**	132,171,409	84,276,869	657,172	217,105,450
Capital and Reserves				**58,137,404**				52,194,284
Total Liabilities				**280,241,413**				269,299,734

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

13. **Related Party Disclosures**

a) **Head Office***

Bank of America N.A. and its branches.

b) **Ultimate Controlling Enterprise***

Bank of America Corporation

c) **Subsidiaries of Head Office**

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

d) **Fellow Subsidiaries of Head Office**

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

e) **Key Management Personnel***

Mrs. Kaku Nakhate, Chief Executive Officer

Transactions with related parties are in the ordinary course of business (Current year figures are shown in bold. Previous year's figures are shown in brackets):

(Rs. '000)

Items/Related Party	**Subsidiaries of Head office**	**Fellow Subsidiaries of Head office**
Transactions during the year		
Sales/Redemption of Securities	**28,961,151** (64,221,864)	**Nil** (Nil)
Purchase of Securities	**23,881,446** (22,517,903)	**Nil** (Nil)
Term Deposits (note 1)	**Nil** (Nil)	**42,632,594** (64,580,161)

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Items/Related Party	Subsidiaries of Head office	Fellow Subsidiaries of Head office
Documentary Collections	**Nil** (Nil)	**262,393** (460,594)
Guarantees issued	**Nil** (Nil)	**27,044** (161)
Interest Paid	**Nil** (Nil)	**1,120,185** (885,301)
Depository Participant charges	**Nil** (Nil)	**7** (16)
Commission Received	**Nil** (Nil)	**2,535** (212)
Bank charges Received	**Nil** (Nil)	**1,189** (64)
Recovery/(Payment) in respect of retirement benefits of transferred employees, net	**Nil** (Nil)	**25,491** (Nil)
Rendering of Services	**4,525** (4,266)	**134,768** (168,513)
Receipt of Services	**Nil** (Nil)	**116,801** (155,032)
Outstanding at the year end		
Term Deposits (note 1)	**Nil** (Nil)	**18,764,452** (15,678,840)
Demand Deposits	**75,846** (44,736)	**802,462** (925,518)
Other Assets	**668** (226)	**86,076** (75,171)
Other Liabilities	**Nil** (Nil)	**333,510** (73,452)
Derivatives Contracts:		
Notional Value	**Nil** (Nil)	**34,374,859** (39,030,025)
Positive Mark-to-Market value	**Nil** (Nil)	**602,286** (487,312)
Negative Mark-to-Market value	**Nil** (Nil)	**408,311** (649,771)
Guarantees	**Nil** (Nil)	**41,360** (29,788)
Maximum outstanding during the year		
Term Deposits (note 1)	**Nil** (Nil)	**19,358,840** (17,638,679)
Guarantees	**Nil** (Nil)	**41,360** (29,788)

Note 1: Includes deposits which are lien marked.

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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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	**28,961,151** (64,221,864)	**Nil** (Nil)
Purchase of Securities		
Bank of America Singapore Limited	**23,881,446** (22,517,903)	**Nil** (Nil)
Depository Participant Charges		
DSP Merrill Lynch Limited	**Nil** (Nil)	**7** (16)
Recovery in respect of retirement benefits of transferred employees, net		
DSP Merrill Lynch Limited	**Nil** (Nil)	**27,317** (Nil)
Rendering of Services		
BA Continuum India Private Limited	**Nil** (Nil)	**32,519** (77,214)
DSP Merrill Lynch Limited	**Nil** (Nil)	**102,249** (91,300)
Banc of America Securities (India) Private Limited	**4,525** (4,266)	**Nil** (Nil)
Receipt of Services		
DSP Merrill Lynch Limited	**Nil** (Nil)	**105,562** (144,177)

* In accordance with RBI Master Circular (DBOD.BP.BC.No.8/21.04.018/2014-15 dated July 1, 2014) on 'Disclosure in Financial Statements – Notes to Accounts', where there is only one entity/person in any category of related parties, the Bank has not disclosed any details pertaining to that related party other than the relationship with that related party.

^ Related party with effect from June 27, 2014

\# 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, 2015 amounting to Rs. 511,718 thousand (*Previous year Rs. 315,417 thousand*) represents timing difference on account of depreciation on fixed assets and disallowances under section 43B of Income-tax Act, 1961. An increase in DTA for the year ended March 31, 2015 amounting to Rs. 196,301 thousand has been credited to the Profit and Loss account (*Previous year Rs. 53,613 thousand credited to Profit and Loss account*).

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, 2015	As at March 31, 2014
Deferred tax assets		
Depreciation on fixed assets	**72,724**	59,612
Disallowances under section 43B of Income-tax Act 1961	**257,874**	255,805
Others	**181,120**	Nil
Total	**511,718**	315,417

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15. Provision for Current Taxation

(Rs. '000)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Income Tax for the year	**4,760,622**	5,319,000
Wealth Tax for the year	**470**	400
Income tax adjustments for prior years	**(14,539)**	(153,043)
Wealth tax adjustments for prior years	**(2)**	98
Total	**4,746,551**	5,166,455

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, 2015	As at March 31, 2014
1)	Up to 1 year	**72,590**	23,149
2)	More than 1 year and up to 5 years	**108,886**	Nil
3)	More than 5 years	**Nil**	Nil

- The lease payments, recognized in the Profit and Loss account: Rs. 219,583 thousand *(Previous year Rs. 211,056 thousand)*.
- The Bank has not sub-leased any part of the above premises.
- There are no lease payments recognized in the statement of Profit and Loss 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, 2015	For the year ended March 31, 2014
At Cost as at March 31, of preceding year	**136,054**	75,885
Additions during the year	**1,000**	60,169
Deductions* during the year	**(1,340)**	–
At Cost as at March 31	**135,714**	136,054
Accumulated amortization	**(101,395)**	(78,489)
Written down value as at March 31	**34,319**	57,565

* Deductions includes transfer out of assets

18. Provisions, Contingent liabilities and Contingent Assets

Description of Contingent Liabilities stated in Schedule 12

a) Claims against the Bank not acknowledged as Debts

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

b) Liability on account of forward exchange and derivative contracts

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

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

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

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

d) Other items for which the Bank is contingently liable

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

Movement in Provision for Contingencies

(Rs. '000)

Particulars	**As at March 31, 2015**	As at March 31, 2014
Opening Provision	**20,645**	20,678
Additions	**Nil**	Nil
Reversals	**15**	33
Closing Provision	**20,630**	20,645

19. Employee stock compensation expense:

Restricted stocks/restricted units of the Bank's Ultimate Controlling Enterprise, Bank of America Corporation (BAC), are granted to the eligible employees of the Bank in terms of the global long-term incentive compensation plans of the Ultimate Controlling Enterprise. These restricted stocks/restricted units vest in three equal annual installments beginning one year from the grant date. During the year ended March 31, 2015, 488,003 numbers of restricted stocks/restricted units were granted (*Previous Year – 454,793 numbers*) and the estimated fair value per unit on the date of grant was US$ 16.61 (*Previous year – US$ 16.70*). Payments to and provisions for employees for the year includes Rs. 603,008 thousands (*Previous year – Rs. 747,971 thousands*) towards these awards. The liability towards restricted stocks/restricted units recognized as at March 31, 2015 is Rs. 82,456 thousands (*as at March 31, 2014 – Rs. 131,623 thousand*).

20. Floating Provisions

(Rs. '000)

Sr. No.	Particulars	**As at March 31, 2015**	As at March 31, 2014
1)	Opening balance in the floating provisions account	**Nil**	Nil
2)	The quantum of floating provisions made in the accounting year	**Nil**	Nil
3)	Amount of draw down made during the accounting year	**Nil**	Nil
4)	Closing balance in the floating provision account	**Nil**	Nil

21. Draw down from Reserves

During the year ended March 31, 2015, there has been no drawdown from Reserves *(Previous year Rs. Nil*). Also refer Schedule 2 – Reserves and Surplus.

22. Disclosure of Complaints/Unimplemented awards of Banking Ombudsmen

In accordance with RBI Master Circular on Customer Services in Banks DBOD No.Leg.BC.21/09.07.006/2014-15 dated July 1, 2014 details of customer complaints and awards passed by Banking Ombudsman are as follows:

A. Customer complaints

Sr. No.	Particulars	**For the year ended March 31, 2015**	For the year ended March 31, 2014
a)	No. of complaints pending at the beginning of the year	**Nil**	Nil
b)	No. of complaints received during the year	**11**	12
c)	No. of complaints redressed during the year	**11**	12
d)	No. of complaints pending at the end of the year	**Nil**	Nil

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B. Awards passed by the Banking Ombudsmen

Sr. No.	Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
a)	No. of unimplemented awards at the beginning of the year	**Nil**	Nil
b)	No. of awards passed by the Banking Ombudsmen during the year	**Nil**	Nil
c)	No. of awards implemented during the year	**Nil**	Nil
d)	No. of unimplemented awards at the end of the year	**Nil**	Nil

23. Letters of Comfort issued

The Bank has not issued any Letter of Comfort during the year ended March 31, 2015 *(Previous year Rs. Nil).*

24. Provision Coverage ratio

(Rs. '000)

a) As at March 31, 2015					
1	**2**		**3**	**4**	**5**
			Gross NPA @ plus Technical/ Prudential Write-off	**Specific Provisions held including provisions for Diminution in fair value of the restructured accounts classified as NPAs plus Technical/ Prudential write-off**	**Ratio of (4) to (3)**
1.	Sub-Standard Advances		**144,838**	**46,756**	**32.28%**
2.	Doubtful Advances (a+b+c)		**Nil**	**Nil**	**Nil**
	a	< 1 year	**Nil**	**Nil**	**Nil**
	b	1-3 years	**Nil**	**Nil**	**Nil**
	c	>3 years	**Nil**	**Nil**	**Nil**
3.	Advances classified as Loss Assets		**Nil**	**Nil**	**Nil**
4.	**Total**		**144,838**	**46,756**	**32.28%**
5.	Floating Provisions for Advances (only to the extent they are not used as Tier II Capital)		**Nil**		
6.	DICGC/ECGC claims received and held pending adjustments		**Nil**		
7.	Part payment received and kept in Suspense Account for any other similar account		**Nil**		
8.	**Total** (Sum of column 4 of Row 4 + Row 5 + Row 6 + Row 7)		**46,756**		
9.	**Provision Coverage Ratio** {(8/Total of column 3 of Row 4)*100}		**32.28%**		

@ Gross NPAs to be computed in terms of the Master circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances DBOD.BP.BC.9/21.04.048/2014-15 dated July 1, 2014

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

(Rs. '000)

As at March 31, 2014					
1		2	3	4	5
			Gross NPA @ plus Technical/ Prudential Write-off	Specific Provisions held including provisions for Diminution in fair value of the restructured accounts classified as NPAs plus Technical/ Prudential write-off	Ratio of (4) to (3)
1.	Sub-Standard Advances		Nil	Nil	Nil
2.	Doubtful Advances (a+b+c)		Nil	Nil	Nil
	a	< 1 year	Nil	Nil	Nil
	b	1-3 years	Nil	Nil	Nil
	c	>3 years	Nil	Nil	Nil
3.	Advances classified as Loss Assets		Nil	Nil	Nil
4.	Total		Nil	Nil	Nil
5.	Floating Provisions for Advances (only to the extent they are not used as Tier II Capital)		Nil		
6.	DICGC/ECGC claims received and held pending adjustments		Nil		
7.	Part payment received and kept in Suspense Account for any other similar account		Nil		
8.	Total (Sum of column 4 of Row 4 + Row 5 + Row 6 + Row 7)		Nil		
9.	Provision Coverage Ratio {(8/Total of column 3 of Row 4)*100}		Nil		
@	Gross NPAs to be computed in terms of the Master circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances DBOD.BP.BC.1/21.04.048/2013-14 dated July 1, 2013.				

25. Bancassurance Business

The Bank is not into the business of Bancassurance and has not received any fees/remuneration in respect of the same during the year ended March 31, 2015 (Previous year Rs. Nil).

26. Concentration of Deposits, Advances, Exposures and NPAs

1) Concentration of Deposits

(Rs. '000)

Particulars	**As at March 31, 2015**	As at March 31, 2014
Total Deposits of twenty largest depositors	**54,079,419**	50,410,456
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	**56.41%**	62.29%

2) Concentration of Advances*

(Rs. '000)

Particulars	**As at March 31, 2015**	As at March 31, 2014
Total Advances to twenty largest borrowers	**108,737,604**	61,738,166
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	**58.23%**	43.83%

* Advances represent Credit Exposure including derivatives furnished in Master Circular on Exposure Norms DBOD.No.Dir. BC.12/13.03.00/2014-15 dated July 1, 2014.

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3) Concentration of Exposures

(Rs. '000)

Particulars	**As at March 31, 2015**	As at March 31, 2014
Total Exposure of twenty largest borrowers/customers	**108,737,604**	62,237,461
Percentage of Exposure to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	**58.23%**	43.82%

4) Concentration of NPAs

(Rs. '000)

Particulars	**As at March 31, 2015**	As at March 31, 2014
Total Exposure of top four NPA accounts	**144,838**	Nil

27. Sector-wise advances

(Rs. '000)

Sr. No.	**Sector**	**As at March 31, 2015**		
		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	**26,171,640**	**Nil**	**Nil**
3)	Services	**750,000**	**Nil**	**Nil**
4)	Personal loans	**Nil**	**Nil**	**Nil**
	Sub- Total (A)	**26,921,640**	**Nil**	**Nil**
	Non-Priority Sector			
1)	Agriculture and allied activities	**Nil**	**Nil**	**Nil**
2)	Industry	**30,684,394**	**144,838**	**0.47%**
3)	Services	**35,071,323**	**Nil**	**Nil**
4)	Personal loans	**5,044**	**Nil**	**Nil**
	Sub-Total (B)	**65,760,761**	**144,838**	**0.22%**
	Total (A+B)	**92,682,401**	**144,838**	**0.16%**

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

\# Represent gross advances

28. Movement of NPAs

(Rs. '000)

Particulars	**As at March 31, 2015**	As at March 31, 2014
Gross NPAs as on April 01 (Opening Balance)	**Nil**	Nil
Additions (Fresh NPAs during the year)	**318,834**	Nil
Sub-total (A)	**318,834**	Nil
Less: -		
(i) Upgradations	**Nil**	Nil
(ii) Recoveries (excluding recoveries made from upgraded accounts)	**44,176**	Nil
(iii) Write-offs	**129,820**	Nil
Sub-total (B)	**173,996**	Nil
Gross NPAs as on March 31 (Closing balance) (A-B)	**144,838**	Nil

29. Overseas Assets, NPAs and Revenue

(Rs. '000)

Particulars	March 31, 2015	March 31, 2014
Total Assets	**Nil**	Nil
Total NPAs	**Nil**	Nil
Total Revenue	**Nil**	Nil

30. Off-balance sheet SPVs (Domestic & Overseas) sponsored - NIL

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

32. Disclosures on Remuneration

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

33. Corporate Social Responsibility (CSR) expenditure

(Rs. '000)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
(1) Gross amount required to spent by the Bank during the year	**184,708**	–
(2) Amount spent during the year on:		
i) Construction/acquisition of any asset		
– in cash	**–**	–
– Yet to be paid in cash	**–**	–
ii) any other purpose		
– in cash	**184,720**	–
– Yet to be paid in cash	–	–
Total	**184,720**	–

34. Disclosure relating to securitization

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

35. Disclosures pertaining to Micro and Small Enterprises

There are no delays in payments to micro and small enterprises as required to be disclosed under

The Micro, Small and Medium Enterprises Development Act, 2006. The determination has been made to the extent such parties were identified based on the information available.

36. Credit Default Swaps

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

37. Intra Group Exposures:

(Rs. '000)

Particulars	As at March 31, 2015
(a) Total amount of intra-group exposures	**2,237,431**
(b) Total amount of top-20 intra-group exposures	**2,237,431**
(c) Percentage of intra-group exposures to total exposure of the bank on borrowers/customers	**0.90%**

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

(Rs.'000)

Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Opening balance of amounts transferred to DEAF	**Nil**	Nil
Add : Amounts transferred to DEAF during the year	**98,785**	Nil
Less : Amounts reimbursed by DEAF towards claims	**716**	Nil
Closing balance of amounts transferred to DEAF	**98,069**	Nil

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

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

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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 policies and procedures for monitoring and mitigation of currency induced credit risk of borrowers. These include the following:

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

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

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

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

Provision held for currency induced credit risk as at 31st March, 2015 is INR 41.87 crores. Incremental Risk weighted assets value considered for the purpose of CRAR calculation in respect of currency induced credit risk is INR 1,440.21 crores.

40. i) Liquidity Coverage Ratio (LCR):

The position of Liquidity Coverage Ratio, computed based on simple average of the month end positions during the quarter ended March 31, 2015, is as given below:

(Rs. Crores)

		Total Unweighted value (average)	Total Weighted Value (average)
	High Quality Liquid Assets		
1	Total High Quality Liquid Assets (HQLA)	**4,398.33**	**4,398.33**
	Cash Outflows		
2	Retail deposits and deposits from small business customers, of which:	**29.33**	**2.93**
	(i) Stable deposits	**Nil**	**Nil**
	(ii) Less stable deposits	**29.33**	**2.93**
3	Unsecured wholesale funding, of which:	**9,445.93**	**3,870.41**
	(i) Operational deposits (all counterparties)	**2,371.87**	**592.97**
	(ii) Non-operational deposits (all counterparties)	**7,074.06**	**3,277.44**
	(iii) Unsecured debt	**Nil**	**Nil**
4	Secured wholesale funding	**5,971.29**	**Nil**
5	Additional requirements, of which	**1,851.70**	**961.24**
	(i) Outflows related to derivative exposures and other collateral requirements	**838.75**	**838.75**
	(ii) Outflows related to loss of funding on debt products	**Nil**	**Nil**
	(iii) Credit and liquidity facilities	**1,012.95**	**122.49**
6	Other contractual funding obligations	**446.45**	**446.45**
7	Other contingent funding obligations	**11,584.94**	**579.25**
8	**Total Cash Outflows**	**29,329.64**	**5,860.28**
	Cash Inflows		
9	Secured lending (e.g. reverse repos)	**165.16**	**Nil**
10	Inflows from fully performing exposures	**3,693.79**	**2,216.66**
11	Other cash inflows	**804.42**	**486.42**
12	**Total Cash Inflows**	**4,663.37**	**2,703.08**
13	**Total HQLA**	**4,398.33**	**4,398.33**
14	Total Net Cash Outflows	**24,666.27**	**3,157.20**
15	**Liquidity Coverage Ratio (%)**		**139.31%**

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40. ii) Qualitative disclosure around LCR:

The Bank measures and monitors the LCR in line with Reserve Bank of India's guidelines on "BASEL III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards".

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 un-encumbered High Quality Liquid Assets (HQLAs) to meet net cash outflows over next 30 days under stress conditions.

With a view to provide a transition time for banks, the LCR requirement has been introduced in a phased manner with banks required to maintain minimum LCR of 60% from January 2015 onwards and the requirement increases by 10% annually to 100% by January 2019.

The Bank has implemented LCR framework and has maintained LCR well above the regulatory threshold of 60% at every month end from January 2015 to March 2015. The LCR based on average of month end positions during the quarter ended March 31, 2015 was 139.31%.

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 up to 7% of NDTL in the form of borrowing limit available through Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR). Bank's HQLA, which are all Level 1 category liquid assets, should provide the Bank with adequate and timely liquidity.

Asset Liability Committee (ALCO) of the Bank is primary governing body for Liquidity Risk Management supported by Balance Sheet Management Group (BSMG). BSMG of the Bank estimates liquidity requirements of the various business segments and manages the same on a consolidated basis.

The Bank has also incorporated LCR as part of its risk appetite statement. Further, as part of its annual Internal Capital Adequacy Assessment Process (ICAAP) the bank forecast LCR ratio for next three years.

41. Additional disclosure on call money as required for Primary Dealers vide RBI Master Circular on Operational Guidelines to Primary Dealers no. IDMD.PDRD.01/03.64.00/2014-15 dated July 1, 2014.

(Rs. crores)

For the year ended March 31, 2015	**Average***	**Peak**
Borrowing	**220**	**1,150**
Lending	**87**	**300**

(Rs. crores)

For the year ended March 31, 2014	Average*	Peak
Borrowing	346	2,225
Lending	174	940

* Average is calculated in respect of days on which balance was outstanding.

42. Other expenditure in 'Schedule 16 – Operating Expenses' includes Head office administration Expenditure of Rs. 600,000 thousand *(Previous year Rs. 640,000 thousand)*.

43. Miscellaneous Income includes service fee income of Rs. 731,275 thousand *(Previous year Rs. 751,608 thousand)* from overseas branches accounted as per contractual terms.

44. Outstanding commitments as of March 31, 2015 relating to securities purchase and sale contracts stood at Rs.19,749,768 thousand & 15,015,598 thousand respectively (*Previous year Rs. 4,537,918 thousand and 5,994,218 thousand respectively*)

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

Signatures to schedules 1 to 18

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

Sharad Vasant
Partner
Membership Number: 101119

Mumbai: June 25, 2015

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

Kaku Nakhate
Chief Executive Officer

Mumbai: June 22, 2015

Kumar Shah
Chief Financial Officer

Mumbai: June 22, 2015

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BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2015

Table DF-1: Scope of Application

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

The Basel III Pillar 3 disclosures contained herein relate to Bank of America, N.A. – India Branches (hereafter referred to as the "the Bank" or "BANA India") for the year ended March 31, 2015. 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. 6/21.06.201/2014-15 dated July 1, 2014 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 in respect of regulatory adjustments/ deductions during the BASEL III transition period up to March 31, 2017. As per RBI Master Circular No.5/2013-14, banks dealing in foreign exchange ("FX") - Indian Rupee ("INR") options need to have a minimum Capital to risk-weighted assets ratio ("CRAR") of 10%. Hence, the regulatory minimum capital requirement for BANA India is considered at 10% of risk-weighted assets ("RWA"), as opposed to the standard 9%.

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)	% 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)
DSP Merrill Lynch Limited / India	Securities Broker/Dealer and Merchant Banker	22,509	NIL	Not Applicable	37,787
DSP Merrill Lynch Capital Limited/India	Non-Banking Financial Company (NBFC)	19,838	NIL	Not Applicable	20,202
DSP Merrill Lynch Trust Services Limited/India	Trust and Estate Planning	(43)	NIL	Not Applicable	9
Banc of America Securities (India) Private Limited/ India	Non-Banking Financial Company (NBFC)	3,168	NIL	Not Applicable	3,168
Merrill Lynch Wealth Advisors Private Limited (Note 2)	Stock Broker, Depository Participant and Investment Advisor	393*	NIL	Not Applicable	468*

** Total balance sheet equity and Total balance sheet assets are based on unaudited financial statements for the year ended March 31, 2015.*

Note 1: Amounts in INR mm and are as per the audited Financial Statements as of March 31, 2014.

Note 2: Merrill Lynch Wealth Advisors Private Limited ("MLWAPL") was incorporated on June 27, 2014 as a wholly owned subsidiary of DSP Merrill Lynch Limited. MLWAPL was incorporated for the purpose of facilitating transfer of India Wealth Management business in terms of the announced sale of Bank of America Corporation's international Wealth Management business based outside of the United States to Julius Baer (JB) Group. DSP Merrill Lynch Limited sold shares held by it in MLWAPL to JB Group entities on April 13, 2015.

II. Quantitative disclosures

c. List of group entities considered for consolidation

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

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

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

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

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

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

Table DF-2: Capital Adequacy

I. Qualitative disclosures

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

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

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

The authority to develop the ICAAP document is delegated to the Finance department. The Bank's Chief Financial Officer ("CFO") is responsible for the production of the ICAAP with inputs from the primary businesses ("Businesses"), and Governance and Control Functions ("GCFs") including Risk Management and Compliance. Based on inputs from businesses and the Local Management Team ("LMT") Finance prepares financial projections and forecasts the RWA over the ICAAP Planning Horizon. This determines the projected capital requirements for ICAAP purposes. The stress scenarios and methodology adopted for developing the ICAAP document are reviewed by senior management. Enterprise-wide functions, including Enterprise Stress Testing ("EST"), Balance Sheet & Capital Management ("BS&CM") and CFO Risk also review and approve the ICAAP..

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

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

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

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

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

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

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

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

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

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

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

II. Quantitative disclosures

Capital Structure as on March 31, 2015

INR mm

Common Equity Tier 1	**40,570**
Additional Tier 1	**–**
Tier 2	**1,222**
Total Capital Funds	**41,793**

Capital Structure as on March 31, 2014

INR mm

Common Equity Tier 1	39,262
Additional Tier 1	–
Tier 2	804
Total Capital Funds	40,066

Capital requirement and CRAR **INR mm**

	31-Mar-15	31-Mar-14
Capital requirements for credit risk:		
– Portfolios subject to standardised approach	**17,527**	15,504
– Securitisation exposures	**2**	13
Capital requirements for market risk: (Standardised duration approach)		
– Interest rate risk	**6,532**	5,229
– Foreign exchange risk (including gold)	**925**	925
– Equity risk *(INR 81k)*	**0**	0
Capital requirements for operational risk: (Basic indicator approach)	**2,572**	2,316
Total Capital Requirements	**27,559**	23,987
Common Equity Tier I capital ratio	**14.72%**	16.37%
Tier I capital ratio	**14.72%**	16.37%
Tier II capital ratio	**0.44%**	0.33%
Total capital ratio	**15.16%**	16.70%

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Risk Exposure and Assessment

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

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

The Bank employs a simple but effective risk management process, referred to as IMMR: Identify and measure, Mitigate and control, Monitor and test, Report and review. This process builds on employees' regular tasks and ensures a solid knowledge base for mitigating risk.

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

- Credit risk is the risk of loss arising from the inability or failure of a borrower or counterparty to meet its obligations. The losses stem from delay/outright default due to inability or unwillingness of a customer to meet commitments on financial transactions.
- 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, foreign exchange and issuer credit risk.
- Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. It includes the following event types: 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.
- Strategic risk is the risk that results from adverse business decisions, inappropriate business plans, ineffective business strategy execution, or failure to respond in a timely manner to changes in the macroeconomic environment, such as business cycles, competitor actions, changing customer preferences, product obsolescence, technology developments and the regulatory environment.
- Liquidity risk is the potential inability to meet contractual and contingent financial obligations, both on- or off-balance sheet, as they become due. The fundamental objective of liquidity risk management is to ensure that the Bank can meet all of its financial obligations across market cycles and through periods of financial stress.
- Reputational risk is the potential that negative publicity regarding an organization's business practices will adversely affect its profitability, operations or customer base or require costly litigation or other measures. It is the potential risk that negative publicity regarding an organization's conduct, or business practices, will adversely affect its profitability, operations or customer base, or require costly litigation or other defensive measures, is by its nature extremely difficult to quantify and lends itself to being mitigated by good governance controls.
- Compliance risk is the risk of legal or regulatory sanctions arising from the failure of the Bank to comply with requirements of banking and financial services laws, rules and regulations.
- Interest Rate Risk in the Banking Book 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.
- 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. 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.

Risk Reporting

Effective risk reporting is critical to provide a clear understanding of current and emerging risks, as well as how these risks align with overall risk appetite and ability to quickly and effectively act upon them. The Bank achieves transparency in risk reporting by understanding the current risk profile; leveraging data, information and analytics; and by reporting actionable insights and recommendations to appropriate levels of the Bank.

Risk Governance

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

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Local Management Team ("LMT")

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.

Asset Liability Committee ("ALCO")

It is responsible for establishing policies and providing directives to manage the structural balance sheet risks arising over time, resulting from the Bank's business activities originating from the changing asset-liability mix. It provides management oversight of balance sheet, capital and liquidity management activities of the Bank.

Risk Management Committee ("RMC")

The RMC is responsible for strategizing action to put in place a progressive risk management system, policy and strategy to be followed so as to mitigate the risk associated with the business. The RMC reviews the market risk and credit portfolio along with the limits assigned and the utilization of the limits. The RMC analyses the overall portfolio trends, changes in risk ratings, concentrations in sectors and groups and broad issues including Operational Risks, Risk arising out of operations and technology.

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, Asia standards and various ongoing guidance notes. Written policies, procedures, standards, and guidelines are updated on a regular basis to provide a clear direction to officers for meeting the requirements for which they are accountable. Approval authority is vested via an Approval Grid which takes into account the quantum, internal risk rating and nature of exposure and the position/experience of the approver.

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

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

The Bank has an advanced Information Technology ("IT") infrastructure. All credit filing and credit approvals are done electronically and all policies are stored electronically on the intranet. Ongoing tracking/ monitoring is done electronically through internal systems like Enterprise Credit Risk Information System ("ECRIS") and Credit Studio.

Tight credit risk management controls as above have ensured strong credit risk management process as demonstrated by low level of non-performing assets ("NPA") as of March 31, 2015. The Bank's strong credit risk management process is reflected in the selective client base, stringent and regular monitoring and conservative Criticized Asset policy. As a result of these processes, Bank is able to start tracking potential problem assets in the initial stage itself and can manage early exit, resulting in low NPAs.

Definitions

- **Impaired assets:** Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired because of external/ internal factors. If any such indication exists, Bank estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Profit and Loss account.
- **Overdue:** Any amount due to Bank under any credit facility is 'overdue' if it is not paid by the due date.

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

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

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- 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.
- The amount receivable on credit card account will be treated as NPA if the minimum amount due, as mentioned in the statement, is not paid fully within 90 days from the next statement date with the gap between two statements should not being more than a month.

II. Quantitative disclosures

a. Total Gross credit exposures **INR mm**

	31-Mar-15	31-Mar-14
Fund Based	**155,648**	99,336
Non-Fund Based[2]	**110,627**	149,488

b. Geographic distribution **INR mm**

	31-Mar-15		31-Mar-14	
	Domestic	**Overseas[3]**	Domestic	Overseas[3]
Fund Based	**155,648**	–	99,336	–
Non-Fund Based[2]	**110,627**	–	149,488	–

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

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

c. Distribution of Exposures by sector/industry

INR mm

Sr no	Particulars	**31-Mar-15**		31-Mar-14	
		Funded Exposure	**Non-Funded Exposure[4]**	Funded Exposure	Non-Funded Exposure[4]
1.	**Agriculture & Allied Activities**	–	–	–	–
2.	**Industry (Micro & Small, Medium and Large)**				
a.	Mining and Quarrying	1,524	240	3	59
b.	Food Processing	2,957	271	4,346	38
c.	Beverage & Tobacco	2,862	9	1,816	9
d.	Textiles	69	206	417	500
e.	Leather & leather products	664	0	1,113	0
f.	Wood and Wood products	–	–	–	1
g.	Paper & paper products	2,415	12	2,225	20
h.	Petroleum, coal products and nuclear fuels	5,438	1,733	8,390	1,570
i.	Chemicals and chemical products	6,442	977	6,289	1,031
j.	Rubber, plastic & their products	–	-	–	700
k.	Glass and glassware	–	–	–	–
l.	Cement & Cement products	–	–	391	60
m.	Basic metal and metal products	15,601	966	14,849	1,056
n.	All Engineering	12,031	8,130	14,967	6,814
o.	Vehicles, vehicle parts and transport equipments	5,121	1,932	5,448	2,824
p.	Gems & Jewellery	–	33	–	37
q.	Construction	126	–	1	–
r.	Infrastructure	530	2,254	739	2,149
s.	Other Industries	1,028	223	5,094	225
	2. Total	**56,807**	**16,988**	66,088	17,093

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c. Distribution of Exposures by sector/industry *(Continued)*

INR mm

Sr no	Particulars	31-Mar-15		31-Mar-14	
		Funded Exposure	Non-Funded Exposure[4]	Funded Exposure	Non-Funded Exposure[4]
3.	**Services**				
a.	Non Banking Financial Companies	2,435	10,266	5,444	14,532
b	Transport Operators	34	206	245	149
c.	Tourism Hotels and Restaurants	1,000	1	793	1
d.	Trade	13,077	390	10,068	460
e.	Computer Software	1,279	2,842	2,443	2,921
f	Professional and Other services	2,690	51	2,331	48
g	Other Services (including banking)	74,897	79,307	10,058	113,223
	3. Total	**95,413**	**93,062**	31,382	131,334
4.	**Sovereign**	**3,423**	**577**	1,856	1,061
5.	**Employee Loans**	**5**	–	10	–
	Grand Total	**1,55,648**	**1,10,627**	99,336	149,488

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

d. Residual contractual maturity pattern for assets.

As of March 31, 2015

INR mm

Particulars	Cash	Advances	Balance with RBI	Balances with other Banks	Fixed Assets	Investments	Other Assets
Next Day	**54**	**16,743**	**4,286**	**5,470**	–	**41,433**	**1,737**
2-7 days	–	**3,774**	–	–	–	**29,705**	
8-14 days	–	**8,962**	–	–	–	**33,289**	**0**
15-28 days	–	**10,528**	**1,011**	–	–	**6,852**	–
29 days to 3 month	–	**15,750**	**842**	–	–	**7,068**	**30,347**
3-6 months	–	**15,141**	**4**	–	–	**7,880**	**870**
6-12 months	–	**9,253**	**12**	–	–	**1,450**	–
1-3 years	–	**12,384**	**2,033**	–	–	**10,927**	–
3-5 years	–	**98**	**8**	–	–	**44**	–
Over 5 years	–	**2**	**40**	–	**483**	**218**	**1,542**
TOTAL	**54**	**92,636**	**8,236**	**5,470**	**483**	**138,867**	**34,496**

As of March 31, 2014

INR mm

Particulars	Cash	Advances	Balance with RBI	Balances with other Banks	Fixed Assets	Investments	Other Assets
Next Day	71	954	896	2,493	–	56,388	637
2-7 days	–	14,070	–	–	–	28,929	–
8-14 days	–	8,005	–	–	–	–	0
15-28 days	–	10,407	1,689	–	–	9,762	–
29 days to 3 month	–	15,450	165	–	–	1,046	65,547
3-6 months	–	23,909	60	–	–	1,451	273
6-12 months	–	1,538	350	–	–	2,673	–
1-3 years	–	9,711	1,477	–	–	8,662	–
3-5 years	–	1,101	3	–	–	18	–
Over 5 years	–	6	26	–	596	151	786
TOTAL	71	85,151	4,666	2,493	596	109,080	67,243

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e. **Amount of NPAs (Gross) – INR 145mm** (March 31, 2014 – NIL)

f. **Net NPAs – INR 98mm** (March 31, 2014 – NIL)

g. **NPA Ratios**

- Gross NPA to Gross Advances – **0.16%** (March 31, 2014 – NIL)
- Net NPA to Net Advances – **0.11%** (March 31, 2014 – NIL)

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

	31-Mar-15	31-Mar-14
Opening balance	–	–
Additions during the year	**319**	–
Reductions during the period	**174**	–
Closing balance	**145**	–

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

	31-Mar-15	31-Mar-14
Opening balance	–	–
Provisions made during the year	**177**	–
Write-off	**130**	–
Write-back of excess provisions	–	–
Closing balance	**47**	–

k. **Non-Performing Investments: NIL** (March 31, 2014 – NIL)

l. **Provisions for Non-Performing Investments – NIL** (March 31, 2014 – NIL)

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

	31-Mar-15	31-Mar-14
Opening balance	–	7
Provisions made during the year	–	–
Write-off	–	–
Write-back of excess provisions	–	(7)
Closing balance	–	–

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

I. **Qualitative disclosures**

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

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

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

b. **Foreign Banks:**

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

c. **Corporates:**

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

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

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II. Quantitative disclosures

a. Total Gross credit exposures **INR mm**

	31-Mar-15	31-Mar-14
Fund Based		
Below 100% risk weight	**68,037**	14,158
100% risk weight	**87,611**	85,178
More than 100% risk weight	**–**	–
Deducted	**–**	–
Total	**155,648**	99,336

INR mm

	31-Mar-15	31-Mar-14
Non-Fund Based[5]		
Below 100% risk weight	**73,895**	103,619
100% risk weight	**36,732**	45,869
More than 100% risk weight	**–**	–
Deducted	**–**	–
Total	**110,627**	149,488

[5] *Includes market as well as non-market related exposures.*

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

I. Qualitative disclosures

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

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

II. Quantitative disclosures

The Bank has not availed Credit Risk Mitigation Techniques ("CMT") as at March 31, 2015

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

I. Qualitative disclosures

There are no securitization transactions originated by the Bank. The Bank has investments in Pass through Certificates ("PTC") of third party originated securitization transaction. Investments in PTC are valued by adopting the base yield curve and corporate bond spread relative to weighted average maturity of the security.

Rating of securitization exposures

Bank has used the ratings obtained from the external credit rating agencies, viz. Fitch and ICRA in order to compute the risk weighted assets on current securitization exposures.

II. Quantitative disclosures

A. Banking Book

Total amount of exposures securitized by the Bank: **Nil** (March 31, 2014: Nil)

Amount of assets intended to be securitized within a year: **Nil** (March 31, 2014: Nil)

Total amount of assets securitized and unrecognized gain or losses on sale: **Nil** (March 31, 2014: Nil)

Aggregate amount of on-balance sheet and off-balance sheet securitization exposures[6] purchased and break-up by exposure type

INR mm

	31-Mar-15		31-Mar-14	
	Exposure Type	**Exposure Amount**	Exposure Type	Exposure Amount
On Balance Sheet	**Vehicle/Auto Loan**	**88**	Vehicle/Auto Loan	653
Off Balance Sheet	**–**	**–**	–	–
Total		**88**		653

[6] *Represent investments in PTC's of third party originated securitization transactions*

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

INR mm

	As at 31-Mar-15			As at 31-Mar-14		
	Exposure	**Risk Weighted Assets**	**Capital Requirement**	Exposure	Risk Weighted Assets	Capital Requirement
Below 100% risk weight	**88**	**18**	**2**	653	131	13
100% risk weight	**–**	**–**	**–**	–	–	–
More than 100% risk weight	**–**	**–**	**–**	–	–	–
Total	**88**	**18**	**2**	653	131	13

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, 2014: 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, 2014: Nil)
- Aggregate amount of on-balance sheet securitisation exposures retained or purchased: **Nil** (March 31, 2014: Nil)
- Aggregate amount of off-balance sheet securitisation exposures: **Nil** (March 31, 2014: Nil)
- Aggregate amount of securitization exposures retained or purchased subject to Comprehensive Risk Measure for specific risk : **Nil** (March 31, 2014: 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, 2014: Nil)
- Aggregate amount of capital requirements for the securitisation exposures subject to securitisation framework: **Nil** (March 31, 2014: 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, 2014: 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, foreign exchange and issuer credit risk. 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.

The Bank uses Value at Risk ("VaR") modeling to evaluate the risks in its trading activities. The calculated VaR represents the worst loss the portfolio is expected to experience with a given level of confidence. It reflects the volatility of the positions in the portfolio and how strongly the risks are correlated. VaR limit is set for treasury portfolio which includes trading as well banking book, with a separate sub-limit for banking book. Monitoring and reporting of risk limits and exposures is performed by the market risk function. VaR reports are reviewed by senior management on a daily basis.

In addition, the Bank also uses statistical and specific (event) stress testing to evaluate risk in portfolios. The Bank uses stress testing to estimate the value change in the trading portfolio that may result from extreme, though plausible, market movements. Stress tests are run for both historical and hypothetical scenarios and the results are presented to senior management as part of the regular reporting process.

As per Global market risk management ("GRM") policy Securities Dv01, market value limits, aging limits, derivatives Dv01 limits based on index, Greek limits for FX options in USD/INR are set by GRM and monitored by the India middle office and GRM team.

Credit guidelines governing issuer limits, maximum holding period etc and securities guidelines governing tenor restrictions are also in place. Investment Policy covers all relevant guidelines spelt out in the Master Circular covering prudential norms for classification, valuation and operation of investment portfolio of banks. The Bank follows a strict internal policy covering classification, booking and valuation and reporting of shifting of assets between trading, Available For Sale (AFS) and Held to Maturity (HTM) classification. Bank ensures it is within the Aggregate Gap Limit and Net Overnight Position Limits. Internal Control group and Corporate Audit Group perform periodic checks and audits on various front and back office processes as well as on the risk management models and processes. The control and valuation group periodically independently verifies that (i) all transactions are executed and revalued at prevailing market rates and rates used at inception (ii) periodic marking to market for risk management or accounting purposes are performed.

In addition to VaR reports being reviewed by senior management on a daily basis, a quarterly review of Non Statutory Liquidity Ratio ("Non SLR") investments covering all the points against total business, compliance with prudential limits, rating migration of issuers and non-performing investments in the non-SLR category, if any is placed before the LMT.

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

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

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

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

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

II. Quantitative disclosures **INR mm**

	31-Mar-15	31-Mar-14
Capital requirements for:		
Interest rate risk		
– general market risk	**6,402**	5,052
– specific risk	**130**	177
Equity position risk	**–**	–
– general market risk	**–**	–
– specific risk (INR 81k)	**0**	0
Foreign exchange risk	**925**	925
Total	**7,457**	6,154

Table DF-8: Operational Risk

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

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

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

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

Governance of Operational Risk

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

Risk Management Process

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

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

I. Qualitative disclosures

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

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

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

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

II. Quantitative disclosures

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

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

INR mm

	31-March 2015		31-March 2014	
	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	**13**	**(13)**	7	(7)
USD	**137**	**(137)**	98	(98)
Others	**0**	**0**	(2)	2
Total	**150**	**(150)**	103	(103)

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

INR mm

	31-March 2015		31-March 2014	
	If Interest rate were to go up by 200 basis points	**If Interest rate were to go down by 200 basis points**	If Interest rate were to go up by 200 basis points	If Interest rate were to go down by 200 basis points
Currency				
INR	**1,223**	**(1,223)**	1,043	(1,043)
USD	**88**	**(88)**	9	(9)
Others	**6**	**(6)**	72	(72)
Total	**1,317**	**(1,317)**	1,125	(1,125)

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

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

I. Qualitative disclosures

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

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

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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, 2015 **INR mm**

	Forward Exchange Contracts	**Interest Rate Derivative Contracts**	**Cross Currency Swaps**	**Options**
Gross positive fair value of contracts	**11,164**	**8,554**	**7,319**	**3**
Netting benefits	–	–	–	–
Netted current credit exposure (positive mark-to-market)	**11,164**	**8,554**	**7,319**	**3**
Collateral held	–	–	–	–
Net derivatives credit exposure	**11,164**	**8,554**	**7,319**	**3**
Exposure at default under Current Exposure Method	**48,638**	**22,060**	**17,150**	**41**

INR mm

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

As at March 31, 2014 INR mm

	Forward Exchange Contracts	Interest Rate Derivative Contracts	Cross Currency Swaps	Options
Gross positive fair value of contracts	34,768	17,884	9,690	9
Netting benefits	–	–	–	–
Netted current credit exposure (positive mark-to-market)	34,768	17,884	9,690	9
Collateral held	–	–	–	–
Net derivatives credit exposure	34,768	17,884	9,690	9
Exposure at default under Current Exposure Method	69,117	35,264	21,958	72

INR mm

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

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Table DF-11: Composition of Capital

Sr. no	Particulars	Amt in INR mm	Amounts Subject to Pre-Basel III Treatment	Reference No.
	Common Equity Tier 1 capital: instruments and reserves			
1.	Directly issued qualifying common share capital plus related stock surplus (share premium)	9,853		A1
2.	Retained earnings	31,269		A2+A3
3.	Accumulated other comprehensive income (and other reserves)	–		
4.	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies1)	–		
	Public sector capital injections grandfathered until January 1, 2018	–		
5.	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	–		
6.	**Common Equity Tier 1 capital before regulatory adjustments**	**41,123**		
	Common Equity Tier 1 capital: regulatory adjustments			
7.	Prudential valuation adjustments	–		
8.	Goodwill (net of related tax liability)	–		
9.	Intangibles other than mortgage-servicing rights (net of related tax liability)	8	33	C1
10.	Deferred tax assets	102	409	A4
11.	Cash-flow hedge reserve	–		
12.	Shortfall of provisions to expected losses	–		
13.	Securitisation gain on sale	–		
14.	Gains and losses due to changes in own credit risk on fair valued liabilities	–		
15.	Defined-benefit pension fund net assets	–		
16.	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	–		
17.	Reciprocal cross-holdings in common equity	–		
18.	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–		
19.	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	–		
20.	Mortgage servicing rights (amount above 10% threshold)	–		
21.	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–		
22.	Amount exceeding the 15% threshold	–		
23.	of which: significant investments in the common stock of financial entities	–		
24.	of which: mortgage servicing rights	–		
25.	of which: deferred tax assets arising from temporary differences	–		
26.	National specific regulatory adjustments (26a+26b+26c+26d)	–		

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26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	–		
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	–		
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	–		
26d	of which: Unamortised pension funds expenditures Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	–		
	Regulatory adjustments applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-BASEL III Treatment	–		
	of which: [INSERT TYPE OF ADJUSTMENT]	–		
	For example: filtering out of unrealised losses on AFS debt securities (not relevant in Indian context)	–		
	of which: [INSERT TYPE OF ADJUSTMENT]	–		
	of which: [INSERT TYPE OF ADJUSTMENT]	–		
27.	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	442		
28.	**Total regulatory adjustments to Common equity Tier 1**	**552**		
29.	**Common Equity Tier 1 capital (CET1)**	**40,570**		
30.	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	–		
31.	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	–		
32.	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	–		
33.	Directly issued capital instruments subject to phase out from Additional Tier 1	–		
34.	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	–		
35.	of which: instruments issued by subsidiaries subject to phase out	–		
36.	**Additional Tier 1 capital before regulatory adjustments**	–		
	Common Equity Tier 1 capital: instruments and reserves			
	Additional Tier 1 capital: regulatory adjustments			
37.	Investments in own Additional Tier 1 instruments	–		
38.	Reciprocal cross-holdings in Additional Tier 1 instruments	–		
39.	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–		
40.	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–		
41.	National specific regulatory adjustments (41a+41b)	–		
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	–		
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	–		
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	442		

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	of which: [INSERT TYPE OF ADJUSTMENT e.g. DTAs]	–		
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 1 at 50%]	–		
	of which: [INSERT TYPE OF ADJUSTMENT]	–		
42.	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	–		
43.	**Total regulatory adjustments to Additional Tier 1 capital**	**442**		
44.	**Additional Tier 1 capital (AT1)**	**(442)**		
44a	**Additional Tier 1 capital reckoned for capital adequacy**	**–**		
45.	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)**	**40,570**		
	Tier 2 capital: instruments and provisions			
46.	Directly issued qualifying Tier 2 instruments plus related stock surplus	–		
47.	Directly issued capital instruments subject to phase out from Tier 2	–		
48.	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	–		
49.	of which: instruments issued by subsidiaries subject to phase out	–		
50.	Provisions	1,222		B1+B2+ B3+B4
51.	**Tier 2 capital before regulatory adjustments**	**1,222**		
52.	Investments in own Tier 2 instruments	–		
53.	Reciprocal cross-holdings in Tier 2 instruments	–		
54.	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	–		
55.	Significant investments13 in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–		
56.	National specific regulatory adjustments (56a+56b)	–		
56a	of which: Investments in the Tier 2 capital of unconsolidated subsidiaries	–		
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	–		
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	–		
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]	–		
	of which: [INSERT TYPE OF ADJUSTMENT	–		
57.	**Total regulatory adjustments to Tier 2 capital**	**–**		
58.	**Tier 2 capital (T2)**	**1,222**		
58a	**Tier 2 capital reckoned for capital adequacy**	**1,222**		
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	**–**		
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	**1,222**		
59.	**Total capital (TC = T1 + T2) (45 + 58c)**	**41,793**		
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment			
	of which: [INSERT TYPE OF ADJUSTMENT]			
	of which: …			

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60.	**Total risk weighted assets (60a + 60b + 60c)**	**275,587**		
60a	of which: total credit risk weighted assets	175,290		
60b	of which: total market risk weighted assets	74,573		
60c	of which: total operational risk weighted assets	25,724		
	Capital ratios			
61.	**Common Equity Tier 1 (as a percentage of risk weighted assets)**	**14.72%**		
62.	**Tier 1 (as a percentage of risk weighted assets)**	**14.72%**		
63.	**Total capital (as a percentage of risk weighted assets)**	**15.16%**		
64.	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)			
65.	of which: capital conservation buffer requirement	–		
66.	of which: bank specific countercyclical buffer requirement	–		
67.	of which: G-SIB buffer requirement	–		
68.	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	–		
	National minima (if different from Basel III)			
69.	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%		
70.	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%		
71.	National total capital minimum ratio (if different from Basel III minimum)	9.00%		
	Amounts below the thresholds for deduction (before risk weighting)			
72.	Non-significant investments in the capital of other financial entities	–		
73.	Significant investments in the common stock of financial entities	–		
74.	Mortgage servicing rights (net of related tax liability)	NA		
75.	Deferred tax assets arising from temporary differences (net of related tax liability)	NA		
	Applicable caps on the inclusion of provisions in Tier 2			
76.	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	1,222		
77.	Cap on inclusion of provisions in Tier 2 under standardised approach	2,191		
78.	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	–		
79.	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	–		
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)			
80.	Current cap on CET1 instruments subject to phase out arrangements	–		
81.	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	–		
82.	Current cap on AT1 instruments subject to phase out arrangements	–		
83.	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	–		
84.	Current cap on T2 instruments subject to phase out arrangements	–		
85.	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	–		

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Table DF-12: Composition of Capital- Reconciliation Requirements

Step 1

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
INR mm		As on 31-Mar-2015	As on 31-Mar-2015
A	**Capital & Liabilities**		
i	Paid-up Capital	9,853	9,853
	Reserves & Surplus	48,284	48,284
	Minority Interest	–	–
	Total Capital	**58,137**	**58,137**
ii	Deposits	95,872	95,872
	of which: Deposits from banks	4,200	4,200
	of which: Customer deposits	91,672	91,672
	of which: Other deposits (pl. specify)	–	–
iii	Borrowings	92,100	92,100
	of which: From RBI	65,250	65,250
	of which: From banks	–	–
	of which: From other institutions & agencies	26,850	26,850
	of which: Others (pl. specify)	–	–
	of which: Capital instruments	–	–
iv	Other liabilities & provisions	34,132	34,132
	Total	**280,241**	**280,241**
B	**Assets**		
i	Cash and balances with Reserve Bank of India	8,290	8,290
	Balance with banks and money at call and short notice	5,461	5,461
ii	Investments:	**138,867**	**138,867**
	of which: Government securities	127,111	127,111
	of which: Shares	1	1
	of which: Debentures & Bonds	11,755	11,755
	of which: Subsidiaries / Joint Ventures / Associates	–	–
	of which: Others (Commercial Papers, Mutual Funds etc.)	–	–
iii	Loans and advances	92,636	92,636
	of which: Loans and advances to banks	5,562	5,562
	of which: Loans and advances to customers	87,074	87,074
iv	Fixed assets	483	483
v	Other assets	34,505	34,505
	of which: Goodwill and intangible assets	41	41
	of which: Deferred tax assets	512	512
vi	Goodwill on consolidation	–	–
vii	Debit balance in Profit & Loss account	–	–
	Total Assets	**280,241**	**280,241**

Bank of America

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

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

BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2015

Step 2

INR mm		Balance sheet as in financial statements As on 31-Mar-2015	Balance sheet under regulatory scope of consolidation As on 31-Mar-2015	Reference no.
A	**Capital & Liabilities**			
	Paid-up Capital	9,853	9,853	A1
	of which: Amount eligible for CET1	9,853	9,853	
	of which: Amount eligible for AT1	–	–	
	Reserves & Surplus	48,284	48,284	
	Statutory Reserves	12,936	12,936	A2
	Capital Reserves	18,333	18,333	A3
	Investment Reserve Account	30	30	B1
	Balance in Profit & Loss A/c	16,985	16,985	
	of which :			
	Unallocated Surplus	12,527	12,527	
	Current period profits not reckoned for Capital Adequacy	4,457	4,457	
	Minority Interest	–	–	
i	Total Capital	58,137	58,137	
ii	Deposits	95,872	95,872	
	of which: Deposits from banks	4,200	4,200	
	of which: Customer deposits	91,672	91,672	
	of which: Other deposits (pl. specify)	–	–	
iii	Borrowings	92,100	92,100	
	of which: From RBI	65,250	65,250	
	of which: From banks	–	–	
	of which: From other institutions & agencies	26,850	26,850	
	of which: Others (pl. specify)	–	–	
	of which: Capital instruments	–	–	
iv	Other liabilities & provisions	34,132	34,132	
	of which: Provision for Standard Assets	1,186	1,186	B2
	of which: Provision for Country risk	–	–	B3
	of which: General Provision	6	6	B4
	of which: DTLs related to goodwill	–	–	
	of which: DTLs related to intangible assets	–	–	
	Total Capital and Liabilities	**280,241**	**280,241**	
B	**Assets**			
i	Cash and balances with Reserve Bank of India	8,290	8,290	
	Balance with banks and money at call and short notice	5,461	5,461	
ii	Investments	138,867	138,867	
	of which: Government securities	127,111	127,111	
	of which: Other approved securities	–	–	
	of which: Shares	1	1	
	of which: Debentures & Bonds	11,755	11,755	
	of which: Subsidiaries/Joint Ventures/Associates	–	–	
	of which: Others (Commercial Papers, Mutual Funds etc.)	–	–	
iii	Loans and advances	92,636	92,636	
	of which: Loans and advances to banks	5,562	5,562	
	of which: Loans and advances to customers	87,074	87,074	
iv	Fixed assets	483	483	
v	Other assets	34,505	34,505	
	of which:	–	–	
vi	Goodwill	–	–	
	Other intangibles (excluding MSRs)	41	41	C1
	Deferred tax assets	512	512	A4
	Goodwill on consolidation	–	–	
vii	Debit balance in Profit & Loss account	–	–	
	Total Assets	**280,241**	**280,241**	

Bank of America

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BASEL III – PILLAR 3 DISCLOSURES AS AT MARCH 31, 2015

Table DF-13: Main Features of Regulatory Capital Instruments

The Bank has not issued any Regulatory Capital instruments

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

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

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

Table DF-15: Disclosure Requirements for Remuneration

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