

(Incorporated in Bahrain with Limited Liability)

#### INDEPENDENT AUDITOR'S REPORT

The Country Head and CEO

Bank of Bahrain and Kuwait B.S.C. - Indian Branches

#### Report on audit of the Financial Statements

#### Opinion

- 1. We have audited the accompanying financial statements of Bank of Bahrain and Kuwait B.S.C. - Indian Branches ('the Bank'), which comprise the Balance Sheet as at 31st March 2019, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 in the manner so required for banking companies and are in conformity with accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Bank as at 31st March 2019, and its profit and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act. 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information other than financial statements and auditor's report thereon

- The Bank's Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Basel III Pillar 3 disclosures, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover such other information and we do not express any form of assurance conclusion thereon.
- Our responsibility in connection with the audit of the financial statements is to read the other information and in doing so, examine if the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our examination, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

- The Bank's Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 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 Accounting Standards specified under Section 133 of the Companies Act, 2013, provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Bank's Management is also responsible for overseeing the Bank's financial reporting process.

### Auditor's Responsibilities for the audit of the Financial Statements

- Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a materia misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements
- As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financia statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentiona omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. I we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financia statements or, if such disclosures are inadequate, to modify our opinion Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manne that achieves fair presentation.
- 10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

# Report on Other Legal and Regulatory Requirements

- 11. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013. 12. As required by sub-section (3) of section 30 of the Banking Regulation Act,
- (a) we have obtained all the information and explanations which, to the best
  - of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
  - (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank:
  - (c) During the course of our audit we have performed select relevant procedures at two branches. Since the Bank's key operations are automated, with the key application largely integrated to the core banking systems, it does not require its branches to submit any financial returns
- 13. Further, as required by section 143(3) of the Act, we report that:
  - we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 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;
  - the financial accounting systems of the Bank are centralized and therefore, accounting returns for the purpose of preparation of financial statement are not required to be submitted by the branches;
  - d) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, to the extent they are not inconsistent with the accounting policies prescribed by RBI:

- the requirements of section 164(2) of the Companies Act, 2013 are not applicable considering the Bank is a branch of Bank of Bahrain and Kuwait B.S.C., which is incorporated with limited liability in Bahrain:
- with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- with respect to the other matters to be included in the Auditor's Repor in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- the Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Schedule 12 and Note 54 of Schedule 18 to the financial statements
- the Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts - Refer Note 56 of Schedule 18 to the financial statements:
- there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.
- with respect to the matter to be included in the Auditor's Report under section 197(16), the requirements of Section 197 of the Companies Act, 2013 are not applicable considering the Bank is a branch of Bank of Bahrain and Kuwait B.S.C., which is incorporated in Bahrain.

For and on behalf of Bilimoria Mehta & Co. Chartered Accountants Firm Rean, No. 101490W Kiran Suvarna (Membership No.113784) Date: June 21, 2019

Annexure A to the Independent Auditor's report of even date on the financia statements of Bank of Bahrain and Kuwait B.S.C. - Indian Branches Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Bank** of Bahrain and Kuwait B.S.C. - Indian Branches ('the Bank') as at 31 March 2019 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

# lanagement's Responsibility for Internal Financial Controls over Financial

The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI')". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### uditor's Responsibility

- Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

### ining of Internal Financial Controls Over Financial Reporting

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

# erent Limitations of Internal Financial Controls Over Financial Reporting

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

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March2019, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAL

> For and on behalf o Bilimoria Mehta & Co. Chartered Accountants Firm Regn. No. 101490W Sd/-

Kiran Suvarna Date: June 21, 2019

(Membership No.113784

BALANCE SHEET AS AT MARCH 31, 2019				
	Sche- dule	As at March 31, 2019 Rs. (000's)	As at March 31, 2018 Rs. (000's)	
CAPITAL AND LIABILITIES				
Capital	1	2,928,863	2,928,863	
Reserves & Surplus	2	1,441,270	1,396,499	
Deposits	3	22,478,671	17,871,268	
Borrowings	4	2,799,959	849,958	
Other Liabilities and Provisions	5	495,280	530,681	
TOTAL		30,144,043	23,577,269	
ASSETS				
Cash and balances with Reserve Bank of India	6	958,501	955,508	
Balances with Banks and Money at Call and Short Notice	7	5,596,590	812,897	
Investments	8	5,637,848	4,689,158	
Advances	9	16,974,889	16,201,815	
Fixed Assets	10	246,132	265,783	
Other Assets	11	730,083	652,108	
TOTAL		30,144,043	23,577,269	
Contingent Liabilities	12	9,109,873	7,587,273	
Bills for Collection		2,538,838	2,037,295	
Significant Accounting Policies and Notes to Accounts	17 & 18			

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

As per our report of even date attached For Bilimoria Mehta & Co. For Bank of Bahrain & Kuwait B.S.C. **Chartered Accountants Indian Branches** Firm Registration

No. 101490W		
Sd/-	Sd/-	Sd/-
Kiran Suvarna	Mallikarjun Kota	Mehjabeen Saifi
Partner	Country Head &	Vice President
Membership No. 113784	CEO - India	Financial Control - India
Place: Mumbai		
Date: June 21, 2019		

INCOME	Sche- dule	For the year ended March 31, 2019	For the year ended March 31,		EPOS	ITS
	dule	March 31, 2019		Ш.		
		2019		III A	- 1	Demand Deposits
		D- (000I-)	2018		(i)	From Banks
		Rs (000's)	Rs (000's)		(ii)	From Others
Later and English and					()	
Interest Earned	13	1,765,378	1,321,798		П	Saving Bank Deposits
Other Income	14	96,433	215,571			Term Deposits
		1,861,810	1,537,369			From Banks
EXPENDITURE					(i) (ii)	From Others
Interest Expended	15	1,103,645	830,854		(11)	Fidili Others
Operating Expenses	16	375,357	347,264		Tot	
Provisions and Contingencies		281,322	235,964	Ш в		
		1,760,324	1,414,082	║╹	(i)	Deposits of branches in India  Deposits of branches outside India
PROFIT					(ii) <b>Tot</b>	
Net Profit for the year		101,486	123,287			
Profit/(Loss) Brought Forward		91,990	26,400	-		ULE 4
		193,476	149,687	B		OWINGS
APPROPRIATIONS						rowings in India from
Transfer to Statutory Reserve		25,371	30,822		(i)	Reserve Bank of India
Transfer to/(from) Investment Reserve		568	_		(ii)	Other Banks
Account					(iii)	Other institutions and agencies
Transfer to Capital Reserve Account		2,452	475	Ш "	Do	rowings outside India
Remittance of profits		56,715	25,542	"		ral (I+II)
Transfer to surplus retained for Capital Adequacy		35,275	858		cure	d borrowings included in I & II above
Balance carried over to Balance Sheet		73,094	91,990			crores (Previous year Rs. 10 crores
		193,476	149,687			ULE 5
Significant Accounting Policies and	17 &			ll o		LIABILITIES AND PROVISIONS
Notes to Accounts	18			Ш¦		s Payable erest Accrued

As per our report of even date attached

For Bilimoria Mehta & Co. For Bank of Bahrain & Kuwait B.S.C. **Chartered Accountants** Indian Branches Firm Registration No. 101490W

Mallikarjun Kota Mehiabeen Saifi Kiran Suvarna Country Head & Vice President Partner Membership No. 113784 Financial Control - India Place: Mumbai Date: June 21, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019 For the For the

Cash flows from operating activities         142,685         186,169           Net profit/(loss) before taxation         142,685         186,169           Adjustments for:         239,948         19,588           (Profit)/Loss on sale of fixed assets         (238)         408           Other Provisions         (121)         (577)           Provision in respect of Non performing advances         239,021         56,265           Provision in respect of Non performing advances written back         (896)         (582,255)           Provision for Diminution in Fair Value of restructured advances         (2,600)         (2,600)           Bad Debts written off         118         631,975         (2,600)           Provision on Country risk         2,459         -         (2,600)           Provision on Standard Assets         886         15,877         15,877           Provision on Investments         (1,345)         54,394           Operating profit before working capital changes         415,518         379,244           (Increase)/Decrease in Investments         (947,345)         (923,164)           (Increase)/Decrease in Other Assets         (91,916)         124,370           Increase/(Decrease) in Deposits         4,607,403         3,136,862           Increase/(Decrease) in Ot		year ended March 31, 2019 Rs (000's)	year ended March 31, 2018 Rs (000's)
Adjustments for:  Depreciation on Fixed Assets (Profit)/Loss on sale of fixed assets (Profit)/Loss on sale of fixed assets (Provisions (I21) (577) Provision in respect of Non performing advances Provision in respect of Non performing advances written back Provision for Diminution in Fair Value of restructured advances Bad Debts written off Provision on country risk Provision on Investments (I,345) 54,394  Operating profit before working capital changes (Increase)/Decrease in Investments (Increase)/Decrease in Advances (Increase)/Decrease in Other Assets (Increase)/Decrease in Other Assets (Increase)/Decrease in Other Assets (Increase)/Decrease in Other Liabilities & (38,747) 43,307 Provisions Increase/(Decrease) in Borrowings Increase/(Decrease	Cash flows from operating activities		
Depreciation on Fixed Assets	Net profit/(loss) before taxation	142,685	186,169
(Profit)/Loss on sale of fixed assets         (238)         408           Other Provisions         (121)         (577)           Provision in respect of Non performing advances         239,021         56,265           Provision in respect of Non performing advances written back         (896)         (582,255)           Provision for Diminution in Fair Value of restructured advances         118         631,975           Bad Debts written off         118         631,975           Provision on country risk         2,459         -           Provision on Standard Assets         886         15,877           Provision on Investments         (1,345)         54,394           Operating profit before working capital changes         415,518         379,244           (Increase)/Decrease in Investments         (947,345)         (923,164)           (Increase)/Decrease in Other Assets         (91,916)         (12,370           (Increase)/Decrease in Other Assets         (91,916)         124,370           Increase/(Decrease) in Deposits         4,607,403         3,136,862           Increase/(Decrease) in Other Liabilities & (38,747)         43,307           Provisions         1,950,001         349,958           Income taxes (paid)/received         4,856,458         (1,632,170)	Adjustments for:		
Other Provisions         (121)         (577)           Provision in respect of Non performing advances         239,021         56,265           Provision in respect of Non performing advances written back         (896)         (582,255)           Provision for Diminution in Fair Value of restructured advances         (2,600)           Bad Debts written off         118         631,975           Provision on country risk         2,459         -           Provision on Standard Assets         886         15,877           Provision on Investments         (1,345)         54,394           Operating profit before working capital changes         415,518         379,244           (Increase)/Decrease in Investments         (947,345)         (923,164)           (Increase)/Decrease in Advances         (1,011,319)         (4,735,056)           (Increase)/Decrease in Other Assets         (91,916)         124,370           Increase/(Decrease) in Deposits         4,607,403         3,136,862           Increase/(Decrease) in Borrowings         1,950,001         349,958           Income taxes (paid)/received         (27,137)         (7,690)           Net Cash Flow generated from/(used in)         (13,452)         (224,926)           Net Cash Flow generated from/(used in)         (13,058)         (224,271) <td>Depreciation on Fixed Assets</td> <td>32,948</td> <td>19,588</td>	Depreciation on Fixed Assets	32,948	19,588
Provision in respect of Non performing advances Provision in respect of Non performing advances written back Provision for Diminution in Fair Value of restructured advances Bad Debts written off Provision on country risk Provision on Standard Assets Provision on Investments Provision on Investments Operating profit before working capital changes (Increase)/Decrease in Investments (Increase)/Decrease in Advances (Increase)/Decrease in Other Assets (Increase)/Decrease in Other Assets (Increase)/Decrease in Other Liabilities & (38,747) Provisions Increase/(Decrease) in Other Liabilities & (38,747) Provisions Increase/(Decrease) in Borrowings Increase/(Decrease) in Other Liabilities & (27,137) Increase/(Decrease) in Other Liabilities & (27,137) Increase/(Decrease) in Other Liabilities & (27,137) Increase/(Decrease) in Genomic working activities Increase/(Decrease) in Other Liabilities & (27,137) Increase/(Decrease) in Genomic working activities Injection of capital Remittance of profits Increase/(Decrease) in Cash and Cash equivalents Injection of capital Remittance of profits Increase/(Decrease) in Cash and Cash equivalents Injection of Capital Remittance of profits Increase/(Decrease) in Cash and Cash equivalents Injection of Capital Increase/(Decrease) in Cash and Cash equivalents at the beginning of the year Increase/(Decrease) in Cash and Cash equivalents at the end of	(Profit)/Loss on sale of fixed assets	(238)	408
advances Provision in respect of Non performing advances written back Provision for Diminution in Fair Value of restructured advances Bad Debts written off Provision on country risk Provision on Standard Assets Provision on Investments Operating profit before working capital changes (Increase)/Decrease in Investments (Increase)/Decrease in Advances (Increase)/Decrease in Other Assets (Increase)/Decrease in Deposits (Increase)/Decrease) in Deposits (Increase)/Decrease) in Deposits (Increase)/Decrease) in Borrowings Increase/(Decrease) in Borrowi	Other Provisions	(121)	(577)
advances written back Provision for Diminution in Fair Value of restructured advances Bad Debts written off Provision on country risk Provision on Standard Assets Provision on Investments Provision on Investments Operating profit before working capital changes (Increase)/Decrease in Investments (Increase)/Decrease in Advances (Increase)/Decrease in Other Assets (Increase)/Decrease in Other Assets (Increase)/Decrease in Other Assets (Increase)/Decrease) in Deposits Increase/(Decrease) in Other Liabilities & (38,747) 43,307 Increase/(Decrease) in Other Liabilities & (38,747) 43,307 Increase/(Decrease) in Borrowings Increase/(Decrease) in Borrowings Increase/(Decrease) in Borrowings Increase/(Decrease) in Borrowings Increase/(Decrease) in Gerowings Increase/(Decrease) in Borrowings Increase/(Decrease) in Gerowings Increase/(Decrease) Increase/(Dec		239,021	56,265
restructured advances Bad Debts written off Provision on country risk Provision on Standard Assets Provision on Investments Operating profit before working capital changes (Increase)/Decrease in Investments (Increase)/Decrease in Advances (Increase)/Decrease in Other Assets (Increase)/Decrease in Other Assets (Increase)/Decrease in Deposits (Increase)/Decrease) in Deposits (Increase)/Decrease) in Other Liabilities & (38,747) Increase/(Decrease) in Borrowings Increase/(Decrease) In Getivities Injection of capital Remittance of profits Increase/(Decrease) Increase/(De		(896)	(582,255)
Provision on country risk		-	(2,600)
Provision on Standard Assets	Bad Debts written off	118	631,975
Provision on Investments	Provision on country risk	2,459	-
Operating profit before working capital changes (Increase)/Decrease in Investments (Increase)/Decrease in Advances (Increase)/Decrease in Other Assets (Increase)/Decrease in Other Assets (Increase)/Decrease) in Deposits (Increase)/Decrease) in Deposits (Increase)/Decrease) in Other Liabilities & (38,747) 43,307 Provisions Increase/(Decrease) in Borrowings Increase/(Decrease) in Borrowings Income taxes (paid)/received (27,137) (7,690)  Net Cash Flow generated from/(used in) Operating Activities Purchase of fixed assets (13,452) (224,926) Proceeds from sale of fixed assets (13,058) (224,271)  Cash flows from financing activities Injection of capital Remittance of profits (56,715) (25,542) Net Cash Flow generated from/(used in) Financing Activities Unjection of capital Remittance of profits (56,715) (25,542) Net Cash Flow generated from/(used in) Financing Activities Cash and Cash equivalents at the beginning of the year Cash and Cash equivalents at the end of	Provision on Standard Assets	886	15,877
changes         415,518         379,244           (Increase)/Decrease in Investments         (947,345)         (923,164)           (Increase)/Decrease in Advances         (1,011,319)         (4,735,056)           (Increase)/Decrease in Other Assets         (91,916)         124,370           Increase/(Decrease) in Deposits         4,607,403         3,136,862           Increase/(Decrease) in Other Liabilities & (38,747)         43,307           Provisions         1,950,001         349,958           Income taxes (paid)/received         (27,137)         (7,690)           Net Cash Flow generated from/(used in)         4,856,458         (1,632,170)           Operating Activities         (13,452)         (224,926)           Proceeds from sale of fixed assets         394         655           Net Cash Flow generated from/(used in)         (13,058)         (224,271)           Injection of capital         (13,058)         (224,271)           Remittance of profits         (56,715)         (25,542)           Net Cash Flow generated from/(used in)         (56,715)         (25,542)           Net increase/(decrease) in cash and cash equivalents         4,786,685         (1,881,983)           Cash and Cash equivalents at the beginning of the year         1,768,405         3,650,388	Provision on Investments	(1,345)	54,394
(Increase)/Decrease in Investments         (947,345)         (923,164)           (Increase)/Decrease in Advances         (1,011,319)         (4,735,056)           (Increase)/Decrease in Other Assets         (91,916)         124,370           Increase/(Decrease) in Deposits         4,607,403         3,136,862           Increase/(Decrease) in Other Liabilities & Provisions         (38,747)         43,307           Increase/(Decrease) in Borrowings         1,950,001         349,958           Income taxes (paid)/received         (27,137)         (7,690)           Net Cash Flow generated from/(used in)         4,856,458         (1,632,170)           Operating Activities         (13,452)         (224,926)           Proceeds from sale of fixed assets         394         655           Net Cash Flow generated from/(used in)         (13,058)         (224,271)           Injection of capital         -         -           Remittance of profits         (56,715)         (25,542)           Net Cash Flow generated from/(used in)         (56,715)         (25,542)           Net increase/(decrease) in cash and cash equivalents         4,786,685         (1,881,983)           Cash and Cash equivalents at the beginning of the year         1,768,405         3,650,388	Operating profit before working capital		,
(Increase)/Decrease in Advances         (1,011,319)         (4,735,056)           (Increase)/Decrease in Other Assets         (91,916)         124,370           Increase/(Decrease) in Deposits         4,607,403         3,136,862           Increase/(Decrease) in Other Liabilities & Provisions         (38,747)         43,307           Increase/(Decrease) in Borrowings         1,950,001         349,958           Income taxes (paid)/received         (27,137)         (7,690)           Net Cash Flow generated from/(used in)         4,856,458         (1,632,170)           Operating Activities         (13,452)         (224,926)           Proceeds from sale of fixed assets         394         655           Net Cash Flow generated from/(used in)         (13,058)         (224,271)           Injection of capital         -         -           Remittance of profits         (56,715)         (25,542)           Net Cash Flow generated from/(used in)         (56,715)         (25,542)           Net increase/(decrease) in cash and cash equivalents         4,786,685         (1,881,983)           Cash and Cash equivalents at the beginning of the year         1,768,405         3,650,388		415,518	379,244
(Increase)/Decrease in Other Assets         (91,916)         124,370           Increase/(Decrease) in Deposits         4,607,403         3,136,862           Increase/(Decrease) in Other Liabilities & Provisions         (38,747)         43,307           Increase/(Decrease) in Borrowings         1,950,001         349,958           Income taxes (paid)/received         (27,137)         (7,690)           Net Cash Flow generated from/(used in)         4,856,458         (1,632,170)           Operating Activities         (13,452)         (224,926)           Purchase of fixed assets         394         655           Net Cash Flow generated from/(used in)         (13,058)         (224,271)           Cash flows from financing activities         (13,058)         (224,271)           Cash flows from financing activities         (56,715)         (25,542)           Net Cash Flow generated from/(used in)         (56,715)         (25,542)           Net increase/(decrease) in cash and cash equivalents         (4,786,685)         (1,881,983)           Cash and Cash equivalents at the beginning of the year         1,768,405         3,650,388	(Increase)/Decrease in Investments	(947,345)	(923,164)
Increase/(Decrease) in Deposits	(Increase)/Decrease in Advances	(1,011,319)	(4,735,056)
Increase/(Decrease) in Other Liabilities & (38,747)   43,307     Provisions   Increase/(Decrease) in Borrowings   1,950,001   349,958     Income taxes (paid)/received   (27,137)   (7,690)     Net Cash Flow generated from/(used in)   Operating Activities   4,856,458   (1,632,170)     Cash flows from investing activities   Cash Flow generated from/(used in)   Investing Activities   (13,452)   (224,926)     Proceeds from sale of fixed assets   394   655     Net Cash Flow generated from/(used in)   Investing Activities   (13,058)   (224,271)     Cash flows from financing activities   (13,058)   (224,271)     Cash flows from financing activities   (56,715)   (25,542)     Net Cash Flow generated from/(used in)   (56,715)   (25,542)     Net increase/(decrease) in cash and cash equivalents   4,786,685   (1,881,983)     Cash and Cash equivalents at the beginning of the year   1,768,405   3,650,388     Cash and Cash equivalents at the end of	(Increase)/Decrease in Other Assets	(91,916)	124,370
Provisions   Increase/(Decrease) in Borrowings   1,950,001   349,958   Income taxes (paid)/received   (27,137)   (7,690)   Net Cash Flow generated from/(used in)   Operating Activities   4,856,458   (1,632,170)   Cash flows from investing activities   Purchase of fixed assets   (13,452)   (224,926)   Proceeds from sale of fixed assets   394   655   Net Cash Flow generated from/(used in)   Investing Activities   (13,058)   (224,271)   Cash flows from financing activities   Injection of capital   -	Increase/(Decrease) in Deposits	4,607,403	3,136,862
Income taxes (paid)/received (27,137) (7,690)  Net Cash Flow generated from/(used in) Operating Activities 4,856,458 (1,632,170)  Cash flows from investing activities  Purchase of fixed assets (13,452) (224,926) Proceeds from sale of fixed assets 394 655  Net Cash Flow generated from/(used in) Investing Activities (13,058) (224,271)  Cash flows from financing activities Injection of capital (25,542)  Net Cash Flow generated from/(used in) Financing Activities (56,715) (25,542)  Net increase/(decrease) in cash and cash equivalents Cash and Cash equivalents at the beginning of the year 1,768,405 3,650,388  Cash and Cash equivalents at the end of		(38,747)	43,307
Net Cash Flow generated from/(used in) Operating Activities  Cash flows from investing activities  Purchase of fixed assets Proceeds from sale of fixed assets  Net Cash Flow generated from/(used in) Investing Activities  Cash flows from financing activities Injection of capital Remittance of profits Net Cash Flow generated from/(used in) Financing Activities  Net increase/(decrease) in cash and cash equivalents Cash and Cash equivalents at the beginning of the year  Cash and Cash equivalents at the end of	Increase/(Decrease) in Borrowings	1,950,001	349,958
Operating Activities         4,856,458         (1,632,170)           Cash flows from investing activities         (13,452)         (224,926)           Purchase of fixed assets         394         655           Net Cash Flow generated from/(used in) Investing Activities         (13,058)         (224,271)           Cash flows from financing activities         (13,058)         (224,271)           Injection of capital         -         -           Remittance of profits         (56,715)         (25,542)           Net Cash Flow generated from/(used in) Financing Activities         (56,715)         (25,542)           Net increase/(decrease) in cash and cash equivalents         4,786,685         (1,881,983)           Cash and Cash equivalents at the beginning of the year         1,768,405         3,650,388           Cash and Cash equivalents at the end of         1,768,405         3,650,388	Income taxes (paid)/received	(27,137)	(7,690)
Purchase of fixed assets         (13,452)         (224,926)           Proceeds from sale of fixed assets         394         655           Net Cash Flow generated from/(used in) Investing Activities         (13,058)         (224,271)           Cash flows from financing activities         (13,058)         (224,271)           Injection of capital         -         -           Remittance of profits         (56,715)         (25,542)           Net Cash Flow generated from/(used in) Financing Activities         (56,715)         (25,542)           Net increase/(decrease) in cash and cash equivalents         4,786,685         (1,881,983)           Cash and Cash equivalents at the beginning of the year         1,768,405         3,650,388           Cash and Cash equivalents at the end of         1,768,405         3,650,388		4,856,458	(1,632,170)
Proceeds from sale of fixed assets  Net Cash Flow generated from/(used in) Investing Activities  Cash flows from financing activities Injection of capital Remittance of profits  Net Cash Flow generated from/(used in) Financing Activities  Net increase/(decrease) in cash and cash equivalents  Cash and Cash equivalents at the beginning of the year  Cash and Cash equivalents at the end of	Cash flows from investing activities		
Net Cash Flow generated from/(used in) Investing Activities  Cash flows from financing activities Injection of capital Remittance of profits  Net Cash Flow generated from/(used in) Financing Activities Net increase/(decrease) in cash and cash equivalents  Cash and Cash equivalents at the beginning of the year  Cash and Cash equivalents at the end of	Purchase of fixed assets	(13,452)	(224,926)
Investing Activities  Cash flows from financing activities Injection of capital Remittance of profits  Net Cash Flow generated from/(used in) Financing Activities  Net increase/(decrease) in cash and cash equivalents  Cash and Cash equivalents at the beginning of the year  Cash and Cash equivalents at the end of  (13,058) (224,271)  (56,715) (25,542)  (25,542)  (1,881,983)  (1,881,983)	Proceeds from sale of fixed assets	394	655
Injection of capital Remittance of profits  Net Cash Flow generated from/(used in) Financing Activities  Net increase/(decrease) in cash and cash equivalents  Cash and Cash equivalents at the beginning of the year  Cash and Cash equivalents at the end of		(13,058)	(224,271)
Remittance of profits (56,715) (25,542)  Net Cash Flow generated from/(used in) Financing Activities (56,715) (25,542)  Net increase/(decrease) in cash and cash equivalents 4,786,685 (1,881,983)  Cash and Cash equivalents at the beginning of the year 1,768,405 3,650,388  Cash and Cash equivalents at the end of	Cash flows from financing activities		
Net Cash Flow generated from/(used in) Financing Activities  Net increase/(decrease) in cash and cash equivalents  Cash and Cash equivalents at the beginning of the year  Cash and Cash equivalents at the end of	Injection of capital	-	-
Financing Activities (56,715) (25,542)  Net increase/(decrease) in cash and cash equivalents 4,786,685 (1,881,983)  Cash and Cash equivalents at the beginning of the year 1,768,405 3,650,388  Cash and Cash equivalents at the end of	Remittance of profits	(56,715)	(25,542)
Net increase/(decrease) in cash and cash equivalents  Cash and Cash equivalents at the beginning of the year  Cash and Cash equivalents at the end of	Net Cash Flow generated from/(used in)		
equivalents 4,786,685 (1,881,983) Cash and Cash equivalents at the beginning of the year 1,768,405 3,650,388 Cash and Cash equivalents at the end of	Financing Activities	(56,715)	(25,542)
the year 1,768,405 3,650,388 <b>Cash and Cash equivalents at the end of</b>		4,786,685	(1,881,983)
		1,768,405	3,650,388
	· ·	6,555,090	1,768,405

For Bilimoria Mehta & Co. For Bank of Bahrain & Kuwait B.S.C.

Chartered Accountants **Indian Branches** Firm Registration No. 101490W Kiran Suvarna Mallikarjun Kota Mehjabeen Saifi Partne Country Head & Vice President Membership No. 113784 CEO - India Financial Control - India Place: Mumbai

Partner Date: June 21, 2019

	Date	Date: June 21, 2019					
-		SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS ON MARCH 31, 2019					
			As at March 31, 2019	As at March 31, 2018			
Ш			Rs. (000's)	Rs. (000's)			
1	SC	HEDULE 1					
Ш	SH	ARE CAPITAL					
Ш	(i)						
Ш		Reserve Bank of India under section					
Ш		11(2)(b) of the Banking Regulation Act, 1949	510,000	470,000			
H	(ii)	Amount brought in by Bank by way of	010,000	470,000			
$\ $	(,	Capital					
$\ $		Opening Balance	2,928,863	2,928,863			
		Add: Capital infusion during the year	-	-			
Ш		Total	2,928,863	2,928,863			
Ш	SC	HEDULE 2					
Ш	RE	SERVES AND SURPLUS					
Ш	1	STATUTORY RESERVE					
H		As per Last Balance Sheet	495,173	464,351			
H		Add: Transfer from Profit & Loss	05.074	20.020			
Ш		Account	25,371 520,545	30,822 495,173			
$\ $	ш	PROPERTY INVESTMENT RESERVE	9,976	9,976			
$\ $	"	CAPITAL RESERVE	27,706	27,231			
	""	Add: Transfer from Profit & Loss Account	2,452	475			
Ш		Add. Hallster Hofff Folk & 2000 Account	30,158	27,706			
	IV	SURPLUS RETAINED FOR CAPITAL ADEQUACY	33,133	21,100			
		As per Last Balance Sheet	752,695	751,837			
		Add: Transfer from Profit & Loss					
		Account	35,275	858			
	.,	INVESTMENT RESERVE A SOCIET (IDA)	787,970	752,695			
	V	INVESTMENT RESERVE ACCOUNT (IRA) As per Last Balance Sheet	18,959	18,959			
		Add/(Less): Transfer from/(to) Profit &	10,959	10,939			
		Loss Account	568	_			
			19,527	18,959			
	VI	BALANCE IN PROFIT AND LOSS					
1		ACCOUNT	73,094	91,990			

Total

	HED POS	ULE 3		
Α	1	Demand Deposits		
	(i)	From Banks	231	1,878
	(ii)	From Others	3,852,091	4,942,28
			3,852,322	4,944,16
	II	Saving Bank Deposits	1,312,511	1,316,969
	Ш	Term Deposits		
	(i)	From Banks	-	
	(ii)	From Others	17,313,838	11,610,13
			17,313,838	11,610,13
	Tot	al	22,478,671	17,871,26
В	(i)	Deposits of branches in India	22,478,671	17,871,26
	(ii)	Deposits of branches outside India	-	
	Tot	al	22,478,671	17,871,26
C	HED	ULE 4		
30	RRO	WINGS		
I	Bor	rowings in India from		
	(i)	Reserve Bank of India	-	
	(ii)	Other Banks	2,700,000	750,000
	(iii)	Other institutions and agencies	99,959	99,95
			2,799,959	849,95
II		rowings outside India	-	
	Tot	al (I+II)	2,799,959	849,95

I	RS.	To crores (Previous year Rs. To crores )		
l	sc	HEDULE 5		
I	ОТ	HER LIABILITIES AND PROVISIONS		
I	1	Bills Payable	4,181	5,666
I	II	Interest Accrued	133,687	118,559
I	III	Provision for standard assets	65,876	64,455
I	IV	Provision for tax (net of advance tax)	-	-
I	V	Others (including provisions)	291,536	342,001
I		Total	495,280	530,681
I	sc	HEDULE 6		
I		SH AND BALANCE WITH RESERVE NK OF INDIA		
I	I	Cash in hand (including foreign currency notes)	14,801	13,500
I	111	Balances with Reserve Bank of India		

500 (i) In Current Account 943,699 942,008 (ii) In Other Account 958.501 955.508 Total (I+II)

**SCHEDULE 7 BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE** I In India (i) Balances with Banks (a) In Current Account 25,856 9,189 (b) In Other Deposit Account (ii) Money at Call and Short Notice (a) With Banks (b) With Other Institutions (c) Lending under reverse repo (RBI and banks) 440 000

380,000 449,189 405,856 II Outside India (i) In Current Account 839,045 367,936 (ii) In Other Deposit Accounts (iii) Money at Call and Short Notice 4,308,357 39,105 5,147,401 407,041 Total (I+II) 5.596.590 812.897

**SCHEDULE 8 INVESTMENTS** I Investments in India (i) Government securities (\*) 5,240,223 4,522,626 (ii) Other approved securities (iii) Shares (iv) Debentures and bonds 17,429 (v) Subsidiaries / Joint Ventures (vi) Others 397,625 149,103

5.637.848 4,689,158 II Investments outside India 4,689,158 5,637,848 III Investments in India Gross Value 5,696,348 4,749,003 Less:- Provision on Investments (58,500)(59,845)**Net Value** 5,637,848 4,689,158 includes Securities of book value of Rs.8,09,321 (FV Rs. 8,03,300) (Previous

Year BV 8.09.013 FV 8.03.300) deposited with CCIL.securities of FV of Rs. 4.19.190 (Previous Year Rs. 3,98,310) received under LAF and securities of FV of Rs. 510,000 kept with RBI under section 11(2)(b)(ii) of Banking Regulation Act, 1949 (Previous Year FV Rs. 470.000). **SCHEDULE 9 ADVANCES** 

A (i) Bills purchased and discounted (ii) Cash credits, Overdrafts & Loans repayable on demand (iii) Term Loans Total B (i) Secured by tangible assets\*

(ii) Covered by Bank/Government Guarantees (iii) Unsecured \*includes advances against book debts Total

C I Advances in India (i) Priority Sector 4.988.481 (ii) Public Sector (iii) Banks (iv) Others 11.986.408 10.995.788 Sub-total 16,974,889 16,201,815 II Advances outside India

Sub-total Total 16,974,889 16,201,815 **SCHEDULE 10** I Premises At cost as per last Balance Sheet

FIXED ASSETS 24,988 188.705 163.717 Additions during the year 155 Deductions during the year Depreciation to date (7,573)(4,436)181,287 184,269 II Other fixed assets At cost as per last Balance Sheet 300.699 230.624 Additions during the year 11,077 76,936 (23.090)(6.861)Deductions during the year Depreciation to date (226,531) (219,654)62,155 III Capital work in progress (including

81,045 capital advances) 2.690 469 Total 246,132 265,783 SCHEDULE 11 OTHER ASSETS Interest accrued 160,889 61,338 II Tax paid in advance/ tax deducted at 152 459 125,322 source (net of provisions) Deferred Tax (net) (Refer Accounting Policy 10 & Notes to Accounts 53) 182,467 223.666 IV Stationery and stamps

V Others

Total

1,441,270 1,396,499

BBK/01/JUNE/19

17

234,251

730,083

12

241,770

652,108

2,779,840

7,869,228

5.552.747

7,253,781

2,098,081

6,849,953

5,206,027

3.187.766

8.079.355

5,707,768

7,370,602

2.927.859

6,676,428

16.974.889 16.201.815

16.974.889 16.201.815



	(Incorporated in Banrain with Limited Liability)					
SC	HEDULE 12					
co	NTINGENT LIABILITIES					
1	Claims against the bank not acknowledged as debts	383,269	91,400			
II	Liabilities on account of outstanding forward exchange contracts	5,319,100	5,176,850			
III	Guarantees given on behalf of constituents					
	(a) In India	2,369,567	1,171,758			
	(b) Outside India	344,929	332,783			
IV	Acceptances, endorsements and other obligations	665,526	781,832			
V	Other items for which the Banks is contingently liable					
	- Capital Commitments	3,304	8,400			
	- Unclaimed customer balances					
	transferred to RBI DEAF Scheme	11,178	10,750			
	- Securities of Staff Gratuity Trust					
	held in Constituent SGL	13,000	13,500			
	Total	9,109,873	7,587,273			
	SCHEDULES FORMING PART OF FINANCIAL STATEMENTS					

# FOR THE YEAR ENDED MARCH 31, 2019

		For the year ended March 31, 2019 Rs (000's)	For the year ended March 31, 2018 Rs (000's)	
SCI	HEDULE 13			
INT	EREST EARNED			
1	Interest/Discount on Advances/Bills	1,368,082	942,039	
II	Income on Investments	337,999	278,181	Ш
III	Interest on balance with Reserve Bank of India and other inter-bank funds	42,982	98,405	
IV	Others	16,314	3,173	
	Total	1,765,378	1,321,798	Ш
sci	HEDULE 14			П
ОТІ	HER INCOME			П
	Commission, Exchange and Brokerage	73,129	88,159	П
II	Profit/(Loss) on sale of Investments (net)	(17,611)	3,959	
III	Profit/(Loss) on sale of assets (net)	238	(408)	Ш
IV	Profit/(Loss) on Exchange Transactions (net)	25,338	100,102	
V	Income earned by way of dividends, etc. from subsidiaries, companies, joint venture abroad/in India	-	-	7
VI	Processing Fee	15,253	16,866	П
VII	Miscellaneous Income	85	6,893	
	Total	96,433	215,571	1
sci	HEDULE 15			8
INT	EREST EXPENDED			П
1	Interest on Deposits	964,222	789,536	Ш
Ш	Interest on RBI/Inter-bank borrowings	132,756	29,590	П
III	Others representing hedging cost	6,667	11,728	П
	Total	1,103,645	830,854	Ш
	HEDULE 16 ERATING EXPENSES			
1	Payment to and provisions for employees	172,137	164,496	
Ш	Rent, Taxes and Lighting	73,821	77,806	П
III	Printing and Stationery	2,003	1,629	П
IV	Advertisement and Publicity	649	751	П
V	Depreciation on Bank's Property	32,948	19,588	1
VI	Directors' Fees, Allowances and Expenses	-	-	9
VII	Auditors' Fees and Expenses	1,065	1,010	
VIII	Law Charges	1,605	1,383	
IX	Postage, Telegrams, Telephones etc.	2,455	1,194	П
X	Repairs and Maintenance	14,905	12,237	
ΧI	Insurance	22,194	18,284	
XII	Other Expenditure	51,575	48,887	
	Total	375,357	347,264	
				1

# SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES

# 1. Basis of preparation

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

# Use of estimates

The preparation of financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Future results could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

# Transaction involving foreign exchange

- a) Monetary assets and liabilities denominated in foreign currencies and outstanding forward exchange contracts except foreign currency deposit swaps are revalued at the year end exchange rates notified by the Foreign Exchange Dealers' Association of India (FEDAI) and the resultant gains or losses at present values are recognised in Profit and Loss Account. Income and expenditure in foreign currencies are translated at the rates
- prevailing on the date of the transaction.
- Acceptances, endorsements and other obligations in foreign currencies are stated at the year end exchange rates notified by FEDAI.
- Foreign currency swaps are marked to market using respective discount rates for foreign currency cash flows. All transactions are then recorded at spot rates notified by FEDAI. The profit or loss on revaluation is recorded in the profit and loss account and is included in other assets/other liabilities. The notional values of these swaps are recorded as contingent liabilities The premium or discount on swap contracts hedging the foreign currency risk is amortised over the period of the swap contract in accordance with FEDAI guidelines.

### 4. Investments

For presentation in the Balance sheet, investments (net of provisions) are classified under the following heads - Government securities, Other approved securities, Shares, Debentures and Bonds, Subsidiaries and Joint Ventures and Others, in accordance with Third Schedule to the Banking Regulation Act, 1949.

Accounting and Classification As per the guidelines for investments laid down by the Reserve Bank of India the investment portfolio of the Bank is classified under "Held to Maturity"

# "Available for Sale" and "Held for Trading" categories.

Investments classified under "Held to Maturity" are carried at acquisition cost unless it is more than the face value in which case, the premium is amortised over the period remaining to maturity and is disclosed in Schedule 13 after netting off from Interest Income on Investments.

Investments classified under "Available for Sale" and "Held for Trading" are valued at lower of cost or market value, in aggregate for each balance sheet classification and net depreciation in aggregate for each balance sheet classification is recognised in the Profit and Loss Account

Treasury bills and Commercial papers are valued at carrying cost.

Market value, in case of Government, other approved securities, Bonds, Debentures and Pass through Certificates for which quotes are not available is determined on the basis of the 'yield to maturity' rates indicated by Primary Dealers Association of India (PDAI) jointly with the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

Securitization Receipts are valued at lower of Net Book Value and Net Asset Value declared by Securitization/Reconstruction Company

Investments where interest/dividend is not serviced regularly are classified in accordance with prudential norms for classification, valuation and operation of Investment Portfolio by Banks prescribed by the Reserve Bank of India.

# Transfer between categories

Reclassification of investments from one category to the other, if done, is in accordance with RBI guidelines and any such transfer is accounted for at the acquisition cost/book value/market value, whichever is lower, as at the dat of transfer. Depreciation, if any, on such transfer is fully provided for.

Sale of Investments under Held to Maturity

Realized gains on investments under Held to Maturity ("HTM") category are recognized in the profit and loss account and subsequently appropriated, from the profit available for appropriation, if any, to capital reserve account in accordance with RBI guidelines after adjusting for income tax and appropriations to the statutory reserve.

Accounting for repos/reverse repos (Including Borrowing/Lending under Liquidity Adjustment Facility)

Repo/Reverse repo transactions are disclosed as secured borrowing/lending transactions and correspondingly the expense and income thereon are treated as interest.

#### Advances and Provisions

Advances are stated net of bills re-discounted, specific loan loss provisions and unrealised interest on non-performing advances. Specific provision for loan losses is made in respect of non-performing advances are in accordance with or higher than the prudential norms on income recognition, asset classification and provisioning pertaining to Advances laid down by the Reserve Bank of India. Provision for standard advances is made the rates prescribed by the Reserve Bank of India

#### **Fixed Assets and Depreciation**

- a) Fixed Assets are stated at original cost of acquisition including taxes, duties, freight and the incidental expenses related to acquisition and installation less accumulated depreciation.
- Considering the applicability of Schedule II of the Companies Act 2013, the management has estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets. Depreciation on fixed assets is provided on straight-line method, over estimated useful lives, determined by the management as mentioned below:

	Assets	Useful Life
	Vehicle	8 years
	Equipment	5 years
	Furniture	10 years
ĺ	Hardware & Software *	3 years
	Freehold Premises	60 years
	Leasehold Improvements	Over 10 years or the primary period of the lease whichever is lower

#### \*Depreciated as per RBI Guidelines.

Assets individually costing Rs. 5,000/- and below are fully depreciated in the month they are put to commercial use.

- c) Assets purchased during the year are depreciated from the month that the asset has been put to use in the year. Assets disposed off during the year are depreciated upto the month before the date of disposal
- d) The Bank considers fixed assets as corporate assets of the banking business (cash-generating unit) as a whole. The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired and provides for impairment loss, if any, in the profit and loss

#### **Lease Transactions**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Lease payments for assets taken as non-cancelable lease are recognized as an expense in the Profit and Loss Account on a straight line basis over the lease term

#### Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured.

- a) Interest income on advances, other than on Non-Performing Advances is recognised on accrual basis
- b) Income from investments other than non performing investments is accounted for on accrual basis except dividend on shares of Corporates and Mutual Funds, if any, which is accounted for on cash basis. c) Interest income on Non-Performing Assets is recognised only on
- realisation in accordance with the norms prescribed by the Reserve Bank Commission income on letters of credit is accounted on issuance of the letter of credit. Loan processing fees is recognised at inception of the
- loan. Guarantee commission is accrued on a time proportion basis over the period of guarantee. **Employee Benefits**

# a) Gratuity

The Bank operates a Gratuity Fund Scheme and the contributions are remitted to a Trust established for this purpose. The Bank makes annual contributions to the Fund based on actuarial valuation carried out by an independent external actuary using the projected unit credit method. The annual contribution payable / paid is charged to the Profit and Loss

# b) Provident Fund

Contribution to Provident Fund is a defined contribution calculated at the designated rate and is charged to the Profit and Loss Account on an accrual basis. Both the employer and employee contributions are made to the Employees' Provident Fund Organization (EPFO) of the Government

# c) Compensated Absences

The bank provides for long term compensated absences on the balance sheet date based on an actuarial valuation carried out by an independent external actuary.

Short term compensated absences are provided for without discounting

# 10. Taxation

The Bank makes provision for Income-tax after considering both current and deferred taxes. The tax effect of timing differences between the book profit and taxable profits are reflected through deferred tax asset (DTA)/deferred tax liability (DTL).

Current Tax is determined in accordance with the provisions of Income Tax Act, 1961 and rules framed there under after considering the contested past adjustments on a prudent basis based on management estimates

Deferred taxation is provided on timing differences, using the liability method between the accounting and tax statement on income and expenses

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised 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 realised. In situations where the Bank has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits

At each balance sheet date the Bank re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance shee date. The Bank writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised.

The net profit disclosed in Profit and Loss Account is after:

- a) Provision for current taxes, wealth tax and deferred taxes on income in accordance with statutory requirements;
- Provision/write off for loan losses and Investments;
- c) Provision for contingency and other usual and necessary provisions.

# 2. Provisions, Contingent Assets And Contingent Liabilities

The Bank establishes provisions when it has a present obligation as a result of past event(s) that probably requires an outflow of resources embodying economic benefit to settle the obligation will be required and a reliable estimate can be made of such an obligation. Such provisions are not discounted to present value. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent assets are not recognized in the Financial Statements. A disclosure of Contingent Liability is made when

- a) A possible obligation, arising from a past event(s), the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank or
- b) Any present obligation that arises from past events but is not recognized
- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- ii. A reliable estimate of the amount of obligation cannot be made.

# 3. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India, balances with other banks/ institutions and money at call and short notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

#### SCHEDULE 18: NOTES TO ACCOUNTS

Loss Account is as under-

Disclosure requirements as per RBI guidelines The breakup of "Provisions & Contingencies" as appearing in the Profit and

(Rs. in Cro			
Particulars	Year ended	Year ended	
	31.03.2019	31.03.2018	
Specific Provision for Non Performing Advances	23.90	5.63	
Bad Debts written off	0.01	63.20	
Provision for Non Performing Advances written back	(0.09)	(58.23)	
Provision for Diminution in fair value of restructured advances written back	-	(0.26)	
Provision for depreciation on Investments (Net)	(0.13)	5.44	
Provision for income tax (including earlier years)	7.76	0.16	
MAT credit (entitlement)/reversal	(7.76)	-	
Provision for deferred tax	4.11	6.13	
Other Provisions	(0.01)	(0.06)	
Provision for country risk	0.25	-	
Provision for Unhedged Foreign Currency Exposure	(0.05)	0.21	
Provision for standard assets	0.14	1.38	
Total	28.13	23.60	

The Capital to Risk Assets Ratio, as assessed by the Bank on the basis of the

guidelines issued by the Reserve Bank of India is as under:			
As per Basel III:	(Rs. in Crores)		
Particulars	31 March, 2019	31 March, 2018	
Capital Adequacy			и
Common Equity Tier I	407.01	395.40	ľ
Tier   Capital	407.01	395.40	l
Including capital infusion during the year	-	-	ļ،
Tier II Capital	9.29	9.94	l
Amount of Tier II capital raised	-	-	l
Amount of subordinated debt raised as Tier-II capital	-	-	l
Total Capital	416.30	405.34	l

Percentage of the shareholding of the Government of N.A N.A Total risk weighted assets and contingents 1603.61 1460.93 Capital Ratios Common Equity Tier I 25.38% 27.07% 25.38% 27.07% Tier I Tier II 0.58% 0.68% 27.75% CRAR 25.96%

)	3.	Business Ratios:		
)		Particulars	31.03.2019	31.03.2018
4	a.	Net NPAs to Net Advances(*)	2.88%	0.78%
} }	b.	Interest income as a percentage to working funds (\$)	7.20%	6.86%
-	C.	Non-interest income as a percentage to working funds (\$)	0.39%	1.12%
-	d.	Operating Profit as a percentage to working funds (\$)	1.56%	1.87%
Ц	e.	Return on assets (@)	0.38%	0.57%
)	f.	Business (Deposits plus Advances) per employee (#)	35.87 Crore	31.55 Crore
е	g.	Profit per employee (#)	0.09 Crore	0.11 Crore
	(*)	excludes net non-performing Investments of	Rs. Nil (Previous )	/ear 1.73 crores ).

(\$) Working funds are reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X during the 12 months of the financial year

(@) Assets are reckoned as average of total assets less accumulated losses as a beginning of the year and as at end of the year.

### (#) Productivity ratios are based on year end employee numbers.

#### 4. Provision Coverage Ratio (PCR)

The provision coverage ratio of the Bank as on March 31, 2019 computed as per the RBI circular no. DBOD.No.BP.BC. 64/21.04.048/2009-10 dated December 1, 2009 on 'Provision Coverage for Advances' is 38.67% (previous year 31.70%).

Maturity Profile:

Opening Balance

Add: Provisions made during the year

Less: Amount of draw-down made during the year

As at March 31, 2019											(R:	s. in crore)
Maturity Profile	1 day	2-7 days	8-14 days	15-30 days	31 days- 2 Months	2 -3 Months	3-6 months	6-12 months	1-3 years	3-5 years	Over 5 years	Total
Deposits	20.39	48.90	288.10	74.72	72.70	126.50	97.05	498.02	914.46	103.11	3.92	2,247.87
Borrowings	-	230.00	-	50.00	-	-	-	-	-	-	-	280.00
Loans & Advances	0.63	13.81	24.79	68.26	96.41	58.57	127.12	68.17	1,055.93	170.83	12.96	1697.49
Investments	-	-	10.28	52.16	46.61	32.72	46.69	137.36	199.72	20.74	17.50	563.78
Foreign currency assets	84.71	440.56	12.67	1.05	6.51	-	-	-	220.55	-	13.49	779.54
Foreign currency liabilities	3.08	27.05	22.39	23.15	21.93	12.52	48.65	130.33	255.93	5.84	0.01	550.88

3	As at March 31, 2018											(Rs	s. in crore)
	Maturity Profile	1 day	2-7 days	8-14 days	15-30 days	31 days- 2 Months	2 -3 Months	3-6 months	6-12 months	1-3 years	3-5 years	Over 5 years	Total
ı	Deposits	11.80	65.94	66.53	32.67	60.25	58.87	145.80	420.36	856.03	68.84	0.04	1787.13
٠	Borrowings	-	59.99	-	25	-	-	-	-	-	-	-	84.99
Ì	Loans & Advances	30.42	13.09	12.60	36.10	66.31	52.68	151.32	90.75	1101.68	51.39	13.84	1620.18
1	Investments	-	-	23.92	33.30	43.63	50.03	106.03	61.60	123.76	9.99	16.66	468.92
١	Foreign currency assets	45.94	10.60	11.62	9.30	4.27	-	11.23	0.75	209.09	-	12.71	315.51
,	Foreign currency liabilities	3.43	26.41	20.55	6.05	13.62	7.02	53.10	111.91	228.87	2.77	-	473.73
- 1													

In computing the above information, certain estimates and assumptions have been made which have been relied upon by the auditors

, ,	·			. ,		
6. A) Movement in Non-Perfor	ming Advances:				(R	s. in crore)
Particulars	2018-19			2017-18		
	Gross NPA (net of interest in suspense)	Provisions	Net NPA	Gross NPA (net of interest in suspense)	Provisions	Net NPA
Opening balance	18.62	5.90	12.72	58.52	58.50	0.02
(+) Additions	62.86	23.90	38.96	30.08	5.63	24.45
(-) Recoveries	1.92	0.08	1.84	0.84	0.02	0.82
(-) Upgradations (*)	-	-	-	10.93	-	10.93
(-)Technical/Prudential Write-offs	-	-	-	-	-	-
(-) Other Write-offs	0.01	0.01	-	58.21	58.21	-
Closing balance	79.55	29.71	49.84	18.62	5.90	12.72
Less: Floating Provision (**)			1.05			NA
Net Closing balance			48.79			12.72

(\*) In the previous year out of the amount of Rs.10.93 crores, Part A – Rs. 5.63 crores is treated as a standard assets and Part B – Rs. 5.30 crores is classified as a nor performing investment as per the scheme for sustainable structuring of stressed assets

\*\*) In accordance with RBI circular no. DBOD.NO.BP.BC. 89/21.04.048/2005-06 dated June 22, 2006 on 'Prudential norms on creation and utilization of floating rovision' the Bank has two options being:

- a) Deducting the existing floating provisions from gross NPAs to arrive at net NPAs or
- Reckoning it as part of Tier II capital subject to the overall ceiling of 1.25% of total Risk Weighted Assets.

The Bank has exercised the option of deducting such floating provisions from Gross NPAs to arrive at net NPAs. In the previous year the bank had exercised the option of reckoning floating provision as part of Tier II capital subject to the overall ceiling of 1.25% of total Risk Weighted Assets

B) Movement in stock of Technical/Prudential Written-offs (Rs. in crore Particulars 2018-19 2017-18

١	Particulars	2018-19	2017-18		201	8-19			(Rs. in crore)
¹ [	7. Movement in Floating Provision:			9.	i)	Issuer composition	of Non SLR investmen	ts	
	Closing Balance of Technical/Prudential written-off account	ts					-		-
t l	(-) Recoveries						-		-
	(+) Additions						-		-
١	Opening Balance of Technical/Prudential written-off accou	nts					-		-

1.05

1.05

No. Issuer

Closing balance 1.05 1.05 **INVESTMENTS** Details of Investments: (Rs. in crore 2018-19 2017-18 Particulars 1) Value of Investments Gross Value of Investments 474.90 (a) In India 569.63 (b) Outside India ii) Provision for Depreciation (a) In India (5.85)(5.98)(b) Outside India Net Value of Investments Total 39.76 563.78 468.92 (a) In India 2017-18 (b) Outside India No. Issuer Amount Extent of 2) Movement of provisions held towards depreciation on Investments i) Opening balance 5.98 0.54 4.68 ii) Add: Additions during the year 6.70 1 PSU's iii) Less: Write off/write back of excess provision

during the year 4.81 5.98 iv) Closing balance 5.85 As per RBI circular no.DBR.No.BP.BC.102/21.04.048/2017-18 and DBR No.BP.BC.113 /21.04.048/2017-18 and dated April 2, 2018 and June 15 2018 respectively RBI grants the banks an option to spread provisioning for MTM Losses on investments in AFS and HFT portfolio for the quarters ended 31st December 2017, 31st March 2018 and 30th June 2018 equally over the four quarters commencing with the quarter in which the loss has been incurred. The bank has availed this option and accordingly the Bank has in the previous year charged depreciation of Rs. 1.88 crore related to quarter ended December 31, 2017 and March 31, 2018 and MTM losses to the tune of Rs.2.50 crore of the previous year is spread over to the

subsequent quarters of ensuing financial year. In accordance with RBI circular no. DBR No BP.BC.102/21.04.048/2017-18 dated April 2, 2018 bank has not made Investment Fluctuation Reserve on investment in HFT and AFS portfolio as the bank has recorded a loss on sale of investments during the year ended March 31, 2019.

iv. Classification of net Investments under various categories is as under (Rs. in crore

Pa	rticulars	2018-19	2017-18
He	ld for Trading		
a)	Approved Securities	-	-
b)	Unapproved Securities	-	•
Av	ailable for Sale		
a)	Approved Securities	390.97	422.85
b)	Unapproved Securities	39.76	16.65
He	ld for Maturity		
a)	Approved Securities	133.05	29.42
b)	Unapproved Securities	-	-
Tot	al	563.78	468.92

- 5				placement	investment grade' securities	Securities (*)	securities (*)
_	1	PSU's	-	-	-	-	-
	2	FI's	-	-	-	-	-
e)	3	Banks (certificate of deposits)	_	-		_	_
	4	Private corporates	30.20	24.90	5.30	5.30	5.30
0	5	Subsidiaries/ Joint ventures	_	-	-	_	-
	6	Others	15.41	15.41	15.41	15.41	15.41
3)	7	Provision held towards depreciation	(5.85)				

Amount | Extent of

Extent of

Extent of

'below

Extent of Extent of

(Rs. in crore

'unlisted'

Extent of Extent of

'unrated'

'unrated'

nvestmen securities ecurities grade' (\*) (\*) securities 2 FI's 1.26 3 Banks (certificate of deposits) Private corporates 5.30 5.30 5.30 5.30 5.30 Subsidiaries/ Joint ventures 15.46 15.46 15.46 15.46 15.46 6 Others Provision held towards depreciation (4.11)Total 16.65

private

ii) Non performing Non-SLR investments	<u>s</u> (I	Rs. in crore)
Particulars	2018-19	2017-18
Opening balance	5.84	0.54
Additions during the year since 1st April	-	5.30
Reductions during the above period	-	
Closing balance	5.84	5.84
Total anasiaisma hald	F 0.4	4.44

Total provisions held 10. Information on repos during the year (including Liquidity Adjustment facility with the Reserve Bank of India) (in face value terms):

2018-19			(R	s in crore)
	Minimum outstanding during the year (@)	Maximum outstanding during the year	Daily average outstanding during the year (#)	As on March 31, 2019
Securities sold under				
repos	4.01	8.01	0.04	-
Securities purchased under reverse repos	1.84	114.80	15.27	41.92

BBK/02/JUNE/19



			BANK OF	BAHRAIN	& KUWA	IT B.	S.C IND	IAN BRANCHES			
				(Incorporate	ed in Bahra	in wit	h Limited Li	ability)			
	2017-18			(I	Rs in crore)	Sr.	Particulars	S		2018-19	2017-18
		Minimum outstandin during the year (@)	g outstanding	Daily average outstanding during the year (#)	As on March 31, 2018	No.	advances a other secur investment	against shares / bonds / debent ities or on clean basis to individual in shares (including IPOs / E	uals for SOPs),		
repo		2.0	7 15.31	0.06	-			e bonds, convertible debenture uity-oriented mutual funds;	es, and	0.03	0.03
	urities purchased er reverse repos	1.9	4 370.10	106.75	39.83	(iii)	or convertib	for any other purposes where ble bonds or convertible debent	ures or		
10	Minimum outstanding outstanding.	is considere	d only for those d	ays when such	transactions		primary sec	•		-	-
relev			s outstanding di	vided by 365/3	666 days as	(iv)	secured by convertible	for any other purposes to the y the collateral security of sha e bonds or convertible debentu	ares or ures or		
	Lending to Sensitiv (A) Exposure to Re		ector	(R	ts. in crore)		primary se	uity oriented mutual funds i.e. whecurity other than shares / con-	vertible		
	A) Exposure to Real Estate Sector  Category  Direct exposure (*)  Residential Mortgages -  Lending fully secured by mortgages on residently properly that is or will be occupied by the		CLOI	2018-19	2017-18			onvertible debentures / units of nutual funds does not fully co			
Α	Direct exposure (*)						advances;	lutual fullus does flot fully co-	vei tile	-	-
(i)	Residential Mortgag	jes -		-	-	(v)		d unsecured advances to stockl			
		ill be occupi		13.51	14.15	(vi)	and market	ntees issued on behalf of stockl t makers; tioned to corporates against sec		-	
	- of which individual inclusions in priority	housing loa		13.51	14.15	(۷1)	shares / bo	onds / debentures or other secures for meeting promoter's contractions.	rities or		
(ii)	Commercial Real Es			-	-		to the equi	ty of new companies in anticipa	ation of		
(iii)	Investments in Mort (MBS) and other se			-	-	(vii)		s to companies against expected	d equity	-	
	a. Residential			-	-	(viii)		g commitments taken up by Ba	anks in	-	
	b. Commercial Real	Estate		-	-	(*,	respect of	primary issue of shares or con-	vertible		
В	Indirect Exposure			-			bonds or co	onvertible debentures or units of	f equity	_	
	Fund based and no National Housing Ba					(ix)		o stockbrokers for margin trading	n.	_	
	Companies (HFCs).			15.12	45.00	(x)		res to Venture Capital Funds	-		
	Total Exposure to			28.63	59.15		registered a	and unregistered);	,	-	-
	some cases the lendi ge on real estate. How					1		to Capital Market		0.03	0.03
	estate sector since neit					1 '		er of limits sanctioned or the amou	unt outsta	•	,
activ	ity nor the credit facili	ty used for i	eal estate develo	pment.				Comfort (LoCs):		•	s. in crore)
	(B) Exposure to Capi	ital Market		_ <del>`</del>	ts. in crore)	1	ticulars			2018-19	2017-18
Sr. No.	Particulars			2018-19	2017-18			ued during the year t of LoCs issued during the year		-	14
(i)	direct investment i	n equity sh	ares, convertibl	е		11		ncial obligation under the LoCs		-	-
	direct investment in equity shares, convertible bonds, convertible debentures and units of equiporiented mutual funds the corpus of which is r			y l			ne past and o		issueu	-	6.07
	exclusively invested in corporate debt;			-		13.	Subordinate	ed Debt raised during the year R	s. Nil (Pr	evious year	Rs. Nil)
	Disclosure of Restru	ctured Acco	<u>ounts</u>								
							SME Debt	011	T	<u>`</u>	ts. in Crore)
Sr. No.	As at 31 March 2019  Type of Restructuring → Unde			Under CDR Mechanism				Others		Total	

	As at 31 March 2019																				(Rs. in	Crore)
Sr. No.	Type of Restructuring →	Under CDR	Me	chan	ism				Rest	SME tructi chan	uring			0	thers	8			Т	otal		
	Asset Classification $\rightarrow$ Details $\downarrow$		Standard	Sub-Standard	Doubful	Loss	Total	Standard	Sub-Standard	Doubful	Loss	Total	Standard	Sub-Standard	Doubful	Loss	Total	Standard	Sub-Standard	Doubful	Loss	Total
1	Restructured Accounts as on	No. of borrowers	-	-	-	-	-	-	-	-	-	-	1	1	-	-	1	1	1	-	-	1
	April 1, 2018	Amount outstanding	-	-	-	-	-	-	-	-	-	-	5.32	5.30	-	-	10.62	5.32	5.30	-	-	10.62
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	3.56	-	-	3.56	-	3.56	-	-	3.56
2	Additional/Fresh restructuring	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	during the year (*)	Amount outstanding	-				-	-	-	-	-	-	(0.81)	-	-	-	(0.81)	(0.81)	-	-	-	(0.81)
		Provision thereon					-	-	-	-	-	-	4.51	1.74	-	-	6.25	4.51	1.74	-	-	6.25
3	Upgradations to restructured	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	standard category during	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	the FY	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard	No. of borrowers	-				-	-				-	-				-	-	-	-	-	-
	advances which cease to	Amount outstanding	-				-	-				-	-				-	-	-	-	-	-
	attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	Provision thereon	_					_				-	_				_	_			-	_
5	Downgradations of	No. of borrowers	-	-	-	-	-	-	-	-	-	-	1	1	-	1	-	1	1	-	1	-
	restructured accounts during	Amount outstanding	-	-	-	-	-	-	-	-	-	-	(4.51)	(5.30)	-	9.81	-	(4.51)	(5.30)	-	9.81	-
	the FY	Provision thereon	-	-	-	-	-	-	-	-	-	-	(4.51)	(5.30)	-	9.81	-	(4.51)	(5.30)	-	9.81	-
6	Write-offs of restructured	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	accounts during the FY	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Restructured Accounts as on	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	1	1
	March 31, 2019	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	9.81	9.81	-	-	-	9.81	9.81
		Provision thereon		-		-	-	-	-	-	-	-	-	-	-	9.81	9.81	-	-	-	9.81	9.81

(\*) decrease in asset outstanding mainly on account of netting of interest capitalised. Exposure to a single borrower was broken-up as Standard and NPA as per S4A scheme of RBI. Hence the number of accounts has been shown as 1 in the total column.

	As at 31 March 2018																			(R	s. in	Crore		
Sr. No.	Type of Restructuring →	Under 0	DR Me	echa	nism				Rest		E De uring iism			C	ther	S			Total					
	Asset Classification → Details ↓		Standard	Sub-Standard	Doubful	Loss	Total	Standard	Sub-Standard	Doubful	Loss	Total	Standard	Sub-Standard	Doubful	Loss	Total	Standard	Sub-Standard	Doubful	Loss	Total		
1	Restructured Accounts as	No. of borrowers	1	-	1	-	2	-	-	-	-	-	-	-	-	-	-	1	-	1	-	2		
	on April 1, 2017	Amount outstanding	10.21	-	28	-	37.89	-	-	-	-	-	-	-	-	-	-	10.21	-	27.68	-	37.89		
		Provision thereon	0.77	-	27.68	-	28.45	-	-	-	-	-	-	-	-	-	-	0.77	-	27.68	-	28.45		
2	Additional/Fresh	No. of borrowers	-	-	-	-	-	-	-	-	-	-	1	1	-	-	1	1	1	-	-	1		
	restructuring during the year (*)	Amount outstanding	(0.27)				(0.27)	-	-	-	-	-	5.32	5.30	-	-	10.62	5.05	5.30	-	-	10.35		
	year ( )	Provision thereon					-	-	-	-	-	-	-	3.56	-	-	3.56	-	3.56	-	-	3.56		
3	Upgradations to	No. of borrowers	1	-	-	-	1	-	-	-	-	-	-	-	-	-	-	1	-	-	-	1		
	restructured standard category during the FY (**)	Amount outstanding	9.94	-	-	-	9.94	-	-	-	-	-	-	-	-	-	-	9.94	-	-	-	9.94		
	category during the rit ( )	Provision thereon	0.77	-	-	-	0.77	-	-	-	-	-	-	-	-	-	-	0.77	-	-	-	0.77		
4	Restructured standard	No. of borrowers	-				-	-				-	-				-	-	-	-	-	-		
	advances which cease to attract higher provisioning	Amount outstanding	-				-	-				-	-				-	-	-	-	-	-		
	and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	Provision thereon	-				-	_				_	-				-	-	-		1	-		
5	Downgradations of	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	restructured accounts during the FY	Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	uning the FT	Provision thereon	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-		
6	Write-offs of restructured	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1		
	accounts during the FY	Amount outstanding	-	-	27.68	-	27.68	-	-	-	-	-	-	-	-	-	-	-	-	27.68	-	27.68		
		Provision thereon	-	-	27.68	-	27.68	-	-	-	-	-	-	-	-	-	-	-	-	27.68	-	27.68		
8	Restructured Accounts as	No. of borrowers	-	-	-	-	-	-	-	-	-	-	1	1	-	-	1.00	1	1	-	-	1		
	on March 31, 2018	Amount outstanding	-	-	-	-	-	-	-	-	-	-	5.32	5.30	-	-	10.62	5.32	5.30	-	-	10.62		
1	I .																							

Provision thereon - - - - - - - - - - 3.56 - 3.56 - 3.56 - 3.56 Exposure to a single borrower was broken-up as Standard and NPA as per S4A scheme of RBI. Hence the number of accounts has been shown as 1 in the total column.

(\*) decrease in asset outstanding mainly on account of recovery.

(\*\*) account partially upgraded as per the scheme for sustainable structuring of stressed assets. 15. The Bank has not extended any finance for margin trading during the year.

16. The bank has not exceeded regulatory single and group borrower exposure limits during the year. (Previous year: Nil). 17 Details of financial assets cold to Societisation/Reconstruction Company for Asset Reconstruction

2017-18
-
NA
NA
NA
NA

# 18. Disclosures relating to Securitisation:

The Bank is not the originating Bank to any securitization transactions during the year under review (previous year Nil)

# 19. Credit Default Swaps:

The Bank has not entered into any credit default swaps during the year under review (previous year Nil)

20. Disclosure on remuneration: Information relating to the composition and mandate of the Remuneration Committee

Summary terms of reference, roles and responsibilities: The Board appoints not less than three members for a one year term. The Chairman is an Independent Director and the majority of members should also be independent

The Chairman and the Deputy Chairman must be elected by the members of the Committee, in its first meeting after the appointment of the members Minimum number of meetings required each year: 2
Quorum shall be more than half of the members and must include the Chairman or the Deputy Chairman. The attendance by proxies is not permitted.

The Chairman or Deputy Chairman shall be available at the Annual General Meeting to answer questions relating to the Committee's functions. The Committee conducts an annual self-assessment of the performance of the Committee / members and report conclusions and recommendations to

Summary of responsibilities:

Assesses, evaluate and advise to the Board of Directors on all matters associated with nominations and remunerations of the Directors and the Executive Management. Also, to ensure that the Bank adopts and enhances sound corporate governance practices, which are consistent with the Corporate Governance Code of the Kingdom of Bahrain and the regulatory requirements and also reflects the best market practices in corporate governance and makes recommendations to the Board as appropriate.

Murad Ali Murad Chairman

Sh. Khalifa bin Duaij Al Khalifa - Member Marwan Mohammed Al Saleh - Member

Mohamed Abdulrahman Hussain - Member (b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.

The remuneration is designed with the following pay components. Fixed pay includes cash payouts like Basic Pay, Allowances, Medical Benefits, Leave Travel Allowance, and retirement accruals like Provident Fund, & Gratuity; it also includes Furnished Residential Quarters, Telephone, use of Bank's car, Club Membership, Medical Insurance Benefit etc.

Variable Pay is a monetary reward paid to the employee in recognition of their contribution to the performance of the Bank. Employee Performance Share Plan, under which eligible employees are allocated shares which are vested with reference to a performance measure which is tested over a 3 consecutive financial years.

The Objectives of remuneration policy are:

Effective governance of compensation.

Effective alignment of compensation with prudent risk taking.

Effective supervisory oversight and engagement by stakeholders. (c) Description of the ways in which current and future risks are taken | Ensuring effective alignment of compensation with prudent risk taking. The annual goals into account in the remuneration processes including the nature of executives in Business segment shall include Key Performance Indicators that measure and type of the key measures used to take account of these risks. Ithe risk profile such as RAROC, NPAs, ROA, ROE and weighted average loan grading of portfolio etc. Suitable qualitative KPIs are used for other support and control executives. (d) Description of the ways in which the Bank seeks to link At the end of the period, the performances are appraised against measurable business and

performance during a performance measurement period with other qualitative goals, in a scale of 1 to 5 (5 being maximum). The increment percentage is then decided based on the approved performance matrix and pay positioning. levels of remuneration. (e) A discussion of the Bank's policy on deferral and vesting of Variable pay, in form of Bonus is decided with reference to the performance measurement variable remuneration and a discussion of the Bank's policy and is capped at 70% of the Fixed Pay. Variable pay upto 50% is paid immediately on and criteria for adjusting deferred remuneration before vesting. If the variable pay exceeds 50% but upto 60%, then 60% of such vested bonus and after vesting.

(f) Description of the different forms of variable remuneration (i.e. i) cash, shares, ESOPs and other forms) that the Bank utilizes and the rationale for using these different forms.

is paid immediately and the balance 40% is deferred over the next 3 years. If the same is between 60% and 65%, then 50% of vested bonus is paid, (and if the same is 65% or above, then 40% of vested bonus is paid) and the balance is deferred over the next 3 years. Bonus: paid on the basis of performance measurement, to incentivize the performance and as motivation.

Employee Performance Share Plan: Shares are allotted as per plan approved by Country Head & CEO (India) is the eligible employee for this Plan. Shares are vested after 3 years. This is to attract and retain the performing / critical talent and to provide long term wealth creation opportunities. (g) Number of meetings held by the Remuneration Committee during ii) 4 meetings were held during 2018-19.(Previous year – 4 integrilled) Rs. 0.14 crores was paid as remuneration.(Previous year – Rs. 0.14 crores)

Number of employees having received a variable remuneration award during the financial year / (Previous Year - 5) Number and total amount of sign-on awards made during the financial year. (Previous Year - Nil) Details of guaranteed bonus, if any, paid as joining / sign on bonus. (Previous Year – Nil) Details of severance pay, in addition to accrued benefits, if any. (Previous Year – Nil) Nil Nil Total amount of outstanding deferred remuneration, split | Total Deferred Remuneration outstanding:

Total amount of deferred remuneration paid out in the Deferred Remuneration paid in 2018-19: financial year.

remuneration, split into cash, shares and share-linked | Cash: Rs.0.24 Crores (Previous Year – 0.21 Crore) **Employee Performance Share Plan:** 45,465 shares. (Previous Year – 57,950 shares) Cash: 0.21 Crore (Previous Year – 0.19 Crore) Employee Performance Share Plan: 12,758 shares in the current year. (Previous Year

Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred as

	<ul><li>– 6,172 shares)</li></ul>		
the and			Rs. in cror
	2018-19	Fixed	Variable
	Deferred	-	-
	Non-deferred	3.64	0.45
	2017-18	Fixed	Variable
	Deferred	-	0.22
	Non-deferred	2.98	0.32
- 1			

Total amount of outstanding deferred remuneration and retained remuneration exposed to expost explicit and / or implicit adjustments Total amount of reductions during the financial year due to ex- post explicit adjustments. (Previous Year - Nil) Total amount of reductions during the financial year due to ex-post implicit adjustments. (Previous Year - Nil)

21. Risk Category wise Country Exposure: (Rs. in crore)							
As on Marc		As on March 31, 2019 As on March 31, 2018			As on March 31, 2019		ch 31, 2018
Risk category	Exposures	Provisions	Exposures	Provisions			
Insignificant	702.67	0.43	270.88	0.15			
Low Risk	193.83	0.11	182.58	0.14			
Moderate Low Risk	7.15	-	-	-			
Moderate Risk	3.22	-	-	-			
Moderate High Risk	-	-	8.58	-			
High Risk	-	-	-	-			
Very High Risk	-	-	-	-			
Total	906.87	0.54	462.04	0.29			
Total	Total 906.87 0.54 462.04 0.29						

# 22. Details of non-performing financial assets purchased/sold:

	A. Details of non-performing financial assets purchased (Rs. in crore)				
		Particulars	2018-19	2017-18	
1.	(a)	No. of accounts purchased during the year	Nil	Nil	
	(b)	Aggregate outstanding	NA	NA	
2.	(a)	Of these, number of accounts restructured during the year	Nil	Nil	
	(b)	Aggregate outstanding	NA	NA	

	B. Details of non-performing financial assets sold	(F	Rs. in crore)
Pa	rticulars	2018-19	2017-18
1.	No. of accounts sold	Nil	Nil
2.	Aggregate outstanding	NA	NA
3.	Aggregate consideration received	NA	NA
	D		

#### 23. Provision on Standard Asset: (Rs. in crore) As on 31.03.2019: Rs. 6.59

As on 31.03.2018; Rs. 6.45

24. Concentration of Deposits, Advances, Exposures and NPAs:

Concentration of Deposits	(F	ls. in crore)
Particulars	2018-19	2017-18
Total deposits of twenty largest depositors	954.53	731.58
% of deposits of twenty largest depositors to total deposits of the Bank	42.46%	40.94%
Concentration of Advances (net)	(F	Rs. in crore)

Concentration of Advances (net)	(Rs. in crore)		
Particulars	2018-19	2017-18	
Total Advances to twenty largest borrowers	1099.71	1009.55	
% of Advances to twenty largest borrowers to total			
advances of the Bank	45.67%	51.40%	
*Advances are computed as per the definition of credit exposure including			

derivatives furnished in RBI master circular on exposure norms DBOD.No.Dir.BC 12/13.03.00/2015-16 dated July 1, 2015.

Note:- Advances to borrowers exclude exposure to Banks

Concentration of Exposures (net)	(F	ls. in crore)
Particulars	2018-19	2017-18
Total Exposure to twenty largest borrowers/customers	1099.71	1009.55
% of exposures to twenty largest borrowers/customers to total exposure of the Bank on borrowers/customers	45.38%	50.97%
*Exposure is computed based on credit and investment in RBI circular on exposure norms DBOD.No.Dir.BC. 12		

July 1, 2015. Note:- Exposure to borrowers/customers exclude exposure to Banks.

Concentration of NPAs (net) (including non-performing Investments)

2018-19 2017-18 **Particulars** 78.76 23.47 Total Exposure to top four NPA accounts 25. Overseas Assets, NPAs and Revenue: (Rs. in crore **Particulars** 2018-19 2017-18 Nil Nil Total Assets Total NPAs Nil Nil Total Revenue Nil Nil 2018-19 2017-18

(Rs. in crore

0.61

0.71

26. Off-balance Sheet SPVs sponsored: Particulars Domestic:-Name of the SPV sponsored Overseas:-

Name of the SPV sponsored Nil Nil 27. Fee/remuneration received in respect of bancassurance business: (Rs. in crore 2018-19 2017-18 Sr. Nature of Income

3. For selling mutual fund products

No. 1. For selling life insurance policies 0.04 0.04 2. For selling non-life insurance policies 0.01

28. Unsecured Advances: (Rs. in crore **Particulars** 2018-19 2017-18 Total amount of advances for which intangible securities such as charge over rights, licenses, authority etc has Nil been taken Estimated value of intangibles collaterals as stated above Nil Nil

0.24

Nil

# 29. Disclosure on derivatives:

The Bank has not dealt with any Forward Rate Agreement (FRA)/Interest Rate Swaps. The Bank does not deal in Exchange Traded Interest Rate Derivatives. Hence, the disclosure in respect of the same is not applicable The Bank has very limited exposure to derivatives viz. forward foreign exchange contracts

# a. Qualitative Disclosure

1) The structure and organisation for management of risk in derivatives

Treasury operation is segregated into three different department's viz front office, mid-office and back office. The primary role of front office is to conduct business, that of mid-office is to ensure compliance in accordance with set norms and policies and that of back office is to process / settle the transactions.

The Bank has in place policies / procedures which have been approved by the Management Committee to ensure adherence to various risk parameters and prudential limits.

monitoring systems:

Risk Measurement:

For forward foreign exchange contracts, risk is measured through a daily report called Value at Risk (VaR), which computes VaR on the foreign exchange, gaps using FEDAI VaR factors.

Risk Reporting and Risk monitoring systems:

The Bank has the following reports/systems in place which are reviewed

by the top management: (i) VaR

(ii) Net open position (iii) AGL / IGL

(iv) Dealer wise limits

(v) Stop loss limits (vi) Bankline limits

3) Policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges mitigants:

The Bank has the following two policy papers in place, approved by Management Committee

(i) Integrated Foreign Exchange policy and

(ii) Asset - Liability Management (ALM) Policy The Bank monitors the hedges/mitigants on a continuous basis through

daily and monthly reports that are reviewed by the dealing room/top 4) Accounting policy for recording hedge and non-hedge transactions

recognition of income, premiums and discounts, valuation of outstanding contracts, provisioning and credit risk mitigation. As stated in Schedule 17: Principal accounting policies point no 3 (a)

b. Quantitative Disclosure (Rs. in crore)

rore)	Sr. No	Particular	(Forward	y swaps I Foreign contracts)
7-18			As on March 31, 2019	As on March 31, 2018
23.47	1	Derivatives (Notional Principal Amount)		
crore)		a) For hedging	-	32.58
7-18		b) For trading	531.91	485.11
lil lil	2	Marked to Market Positions		
lil li		a) Asset (+)	1.07	1.28
		b) Liability (-)	3.87	0.67
7-18	3	Credit Exposure	11.73	9.55
il	4	Likely impact of one percentage change in interest rate (100*PV01)	-	-
		a) on hedging derivatives	-	-
lil		b) on trading derivatives		
: crore)	5	Maximum and Minimum of 100*PV01 observed during the year	-	-
7-18		a) on hedging	-	-
		b) on trading	-	-
0.04	30.	No penalties were levied by Reserve Bank of I	ndia during the	year. (Previous

BBK/03/JUNE/19



(Incorporated in Bahrain with Limited Liability)

31. Draw down from Reserves:

Investment Reserve Account:	(F	Rs. in crore)
Particulars	2018-19	2017-18
Opening Balance	1.90	1.90
(+) Additions during the year	0.05	-
(-) Utilized during the year	-	-
Closing Balance	1.95	1.90

#### 32. Analysis and Disclosure of complaints:

	A. <u>Customer Complaints</u>				
Sr. No.	Particulars	2018-19	2017-18		
(a)	No. of complaints pending at the beginning of the year	Nil	Nil		
(b)	No. of complaints received during the year	5	1		
(c)	No. of complaints redressed during the year	4	1		
(d)	No. of complaints pending at the end of the year	1	Nil		

	(No ATM complaints were received during the year: Previous year Nil)  *Data provided by management and relied upon by the auditors.			
	B. Awards passed by the Banking Ombudsman			
Sr.         Particulars         2018-19         2017-18           No.				
(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 \*Data provided by management and relied upon by the auditors.

33. Sale and transfer to/from HTM category There was no sale and transfer to/from HTM category during the year. (Previous

#### year Nil) 34. Fixed Assets

The following table sets forth, for the periods indicated, the movement in computer software acquired by the Bank, as included in fixed assets:

		(110. 111 01 010)
Particulars	As at 31 March 2019	As at 31 March 2018
At cost at March 31st of preceding year	13.03	9.13
Additions during the year	0.30	3.90
Deductions during the year	-	-
Depreciation to date	10.84	9.36
Net block	2.49	3.67

#### 35. Measures taken on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds

### a) Information Technology Governance

The Bank's IT activities are overseen through well-structured committees, with representation from Risk Management, Business, and Operations etc. Important issues are reported and discussed at IORC periodically.

#### b) Information Security

The Bank has a well laid Information Security Policy addressing Confidentiality, Integrity and availability besides authenticity, nonrepudiation and accountability. Frequent Vulnerability Audit and Penetration Tests are done to assure the robustness of the systems and to identify the requirements of enhancements and improvement in protection etc. to meet the organisation's objectives.

#### c) IT operations

The Bank has a well-defined IT Organisation Structure to address the requirements of Operational Control, Application Development, Maintenance, Facilities Management and Infrastructure Management. IT initiatives are guided by Board Approved IT Strategy.

# d) IT services outsourcing

Only ATM card management activity of the Bank is outsourced. e) IS Audit

The vital observations of IS Audit last conducted have been addressed.

### There was no instance of cyber-crime resulting in loss of money to the

Bank. The Bank has set up required machinery to monitor the frauds. g) Business Continuity Planning The Bank has in place a well-defined Business Continuity Plan and has

also established Business Continuity Centers to support the Branch Operations in Mumbai and Hyderabad. Periodical testing and drills are conducted. Back-ups as per Policy are maintained. h) Customer education

The user manual for usage of eBanking channel and do's and don'ts are made available in the website of the Bank. Caution message to guard against the Phishing attempts is displayed while accessing the website, for the knowledge of the customers. The latest developments with regard to the delivery channels are presented and discussed in the periodical Customer Service Meetings.

#### Legal issues

Nil

There were no legal issues in the IT area during the period under review

#### 36. Corporate Social Responsibility

The Head Office of the Bank undertakes various activities/contributions in the areas of social, health, sports, education, environment as a CSR initiative. The Bank's Management Committee has constituted a CSR committee.

As required under provisions of Companies Act, 2013, Bank is required to contribute 2% of average profits before tax of three immediately preceding financial years which works out to Rs.0.32 crores. During the year, Bank has contributed an aggregate of Rs. 0.32 crores towards measures of flood relief, environment preservation and eradication of hunger and malnutrition which is included under Other Expenditure of Schedule 16.

37.	37. Sector-wise Advances (Rs. in crore)								
SI.	Sector		Current y	rear ear	P	Previous year			
No.		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector		
Α	Priority Sector								
1	Agriculture and allied activities	-	-	-	0.52	-	-		
2	Advances to industries sector eligible as priority sector lending (*)	413.56	-	-	429.14	-	-		
3	Services	85.28	-	-	90.95	-	-		
4	Personal loans	-	-	-	-	-	-		
	Sub-total (A)	498.85	-	-	520.60	-	-		
В	Non Priority Sector								
1	Agriculture and allied activities	-			-				
2	Industry (*)	689.38	78.35	11.36%	578.47	18.17	3.14%		
3	Services (#)	485.00	-	-	471.58	-	-		
4	Personal loans	53.97	1.20	2.23%	55.44	0.45	0.81%		
	Sub-total (B)	1,228.35	79.55	6.48%	1,105.48	18.62	1.68%		
	Total (A+B)	1,727.20	79.55	4.61%	1,626.80	18.62	1.15%		
	* Industry of which								
	Chemicals, dyes paints etc.	287.40	-	0.00%	223.73	-	0.00%		
	All Engineering	95.75	-	0.00%	121.03	-	0.00%		
	Infrastructure	184.27	78.35	42.52%	192.10	18.17	9.46%		
	# Services of which								
	NBFC	189.91	-	-	263.79	-	-		

# 38. Transfer to Depositor Education and Awareness Fund (DEAF)

	(r	s. III crore		
Particulars	2018-19	2017-18		
Opening balance of amounts transferred to DEAF	1.10	1.03		
(+)Amounts transferred to DEAF during the year	0.06	0.07		
(-) Amounts reimbursed by DEAF towards Claims	(0.04)	(0.03)		
Closing balance of amounts transferred to DEAF	1.12	1.10		
The amount transferred to DEAE is also shown as contingent liability under Schedule				

12 of the Balance Sheet

# 39. Unhedged Foreign Currency Exposure

The Bank encourages its borrowers' to hedge their un-hedged exposure. The Bank assesses the un-hedged foreign currency exposure of the borrowers as a part of credit risk assessment. A policy is in place to manage the credit risk arising out of un-hedged foreign currency exposure of the borrowers. The Bank also reviews the portfolio on a periodic basis and maintains provision towards the un-hedged foreign currency exposure of the Borrowers in line with the extant RBI guidelines.

The Bank has maintained provision of Rs. 0.21 crores (previous year of Rs. 0.26 crores) and additional capital of Rs. Nil crores (previous year of Rs. Nil crores) on account of Unhedged Foreign Currency Exposure of its borrowers as at March 31, 2019.

# 40. Intra group exposures

BI/201 3-14/487 DBOD.No.BP.BC. 96/21.06.102/2013-1 dated Feb 11, 2014 deals with Management of Intra Group Exposure and Transactions. As per Point no. 2.4 c on entities exempted from definition of group entities of the said circular, exposure of Foreign Banks' (operating as branches in India) to their Head Office and overseas branches of the parent bank are not covered under these guidelines (except for proprietary derivative transactions undertaken with them). Also, the Bank has no other Group Entities in India and thus no Intra-Group exposure to be reported as on March 31, 2019.

# 41. Liquidity Coverage Ratio

# a) Quantitative disclosure

,	Quantitative	ui
	2018-19	

	20	18-19								
		Particulars	Q1 20	18-19	Q2 20	18-19	Q3 20	18-19	Q4 20	18-19
			Total Unweighted	Total Weighted	Total Unweighted	Total Weighted	Total Unweighted	Total Weighted	Total Unweighted	Total Weighted
			Value (average)	Value (average)	Value (average)	Value (average)	Value (average)	Value (average)	Value (average)	Value (average)
Hig	jh Quali	ty Liquid Assets								
1	Total	High Quality Liquid Assets (HQLA)	242.30	242.30	280.99	280.99	312.89	312.89	415.71	415.71
Cas	sh Outfl	ows								
2		deposits and deposits from small ss customers, of which:	198.96	19.79	207.81	20.69	176.38	17.56	191.69	19.10
	(i)	Stable deposits	2.05	0.10	1.75	0.09	1.56	0.08	1.43	0.07
	(ii)	Less stable deposits	196.91	19.69	206.06	20.60	174.82	17.48	190.26	19.03
3	Unsecu	ured wholesale funding, of which :	190.73	85.73	300.66	111.43	424.91	225.61	437.33	245.33
	(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
	(ii)	Non-operational deposits (all counterparties)	190.73	85.73	300.66	111.43	424.91	225.61	437.33	245.33
	(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secure	d wholesale funding	-	-	5.00	-	5.33	-	16.67	-
5	Additio	nal requirements, of which	-	-	-	-	-	-	-	-
	(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii)	Outflows related to loss of funding on debt products-	-	-	-	-	-	-	-	-
	(iii)	Credit and liquidity facilities	337.86	31.67	327.98	30.63	349.51	33.09	552.47	55.10
6	Other of	contractual funding obligations	205.32	6.16	233.92	7.02	259.49	7.78	301.73	9.05
7	Other of	contingent funding obligations	131.33	131.33	266.01	266.01	161.78	161.78	148.03	148.03
8	Total C	ash Outflows	1064.20	274.68	1341.38	435.79	1377.40	445.82	1647.91	476.61
Cash Inflows										
9	Secu	red lending (e.g. reverse repos)	14.67	-	12.00	-	43.00	-	15.67	-
10	Inflow	s from fully performing exposures	10.67	5.33	13.92	6.96	16.16	8.08	20.31	10.16
11	Other	cash inflows	95.52	95.52	180.94	180.94	128.25	128.25	254.04	254.04
12	Total	Cash Inflows	120.85	100.85	206.86	187.90	187.41	136.33	290.02	264.20
Tot	al Adjus	sted Value								
21	TOTA	IL HQLA		242.30		280.99		312.89		415.71
22	Total	Net Cash Outflows		173.83		247.89		309.49	]	215.64
23	Liquid	dity Coverage Ratio (%)		139.39%		113.35%		101.10%		192.78%

			Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted	Unweighted	Weighted
			Value (average)							
Hiç	gh Quali	ty Liquid Assets								
1	Total	High Quality Liquid Assets (HQLA)	371.53	371.53	475.75	475.75	276.24	276.24	231.22	231.22
Ca	sh Outfl	ows								
2		deposits and deposits from small ss customers, of which:	182.29	18.14	173.18	16.61	203.29	20.24	216.12	21.52
	(i)	Stable deposits	1.81	0.09	1.74	0.09	1.78	0.09	1.81	0.09
	(ii)	Less stable deposits	180.48	18.05	171.43	16.52	201.51	20.15	214.31	21.43
3	Unsecu	ured wholesale funding, of which :	299.45	132.95	324.59	152.88	309.80	136.72	350.15	150.13
	(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
	(ii)	Non-operational deposits (all counterparties)	299.45	132.95	324.59	152.88	309.80	136.72	350.15	150.13
	(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secure	d wholesale funding	17.94	-	-	-	10.00	-	21.66	-
5	Additio	nal requirements, of which	-	-	-	-	-	-	-	-
	(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	_	-	-
	(ii)	Outflows related to loss of funding on debt products-	-	-	-	-	-	-	-	-
	(iii)	Credit and liquidity facilities	398.44	37.83	446.19	41.55	448.69	42.60	315.22	29.25
6	Other o	contractual funding obligations	55.00	55.00	37.33	37.33	-	-	46.67	46.67
7	Other o	contingent funding obligations	122.47	3.67	126.18	3.79	136.02	4.08	161.41	4.84
8	Total C	ash Outflows	1,075.59	247.59	1,107.48	252.16	1,107.80	203.64	1,111.23	252.41
Ca	sh Inflov	vs								
9	Secur	red lending (e.g. reverse repos)	155.33	-	233.67	-	54.48	-	14.33	-
10	Inflow	s from fully performing exposures	9.47	4.74	8.78	4.39	24.20	12.10	8.65	4.32
11	Other	cash inflows	159.37	159.37	181.23	181.23	171.75	171.75	94.18	94.18
12	Total	Cash Inflows	324.17	164.11	423.68	185.62	250.43	183.85	117.16	98.50
Tot	tal Adjus	sted Value								
21	TOTA	L HQLA		371.53		475.75		276.24		231.22
II					1		1		1	

83.48

445.04%

Q2 2017-18

Total

Total

Q3 2017-18

Total

Total

Q4 2017-18

Total

Total

Q1 2017-18

Total

Total

#### Qualitative disclosure

22 Total Net Cash Outflows

23 Liquidity Coverage Ratio (%)

2017-18

**Particulars** 

The LCR standard aims to ensure that a bank maintains an adequate leve of unencumbered HOLA that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario as specified by supervisors. At a minimum, the stock of liquid assets should enable the Bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective action can be taken.

#### (a) Main drivers of LCR and evolution of contribution of inputs

The Liquidity Coverage Ratio (LCR) standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 days' time horizon under a significantly severe liquidity stress scenario, by which time it is assumed that appropriate corrective actions can be taken. The LCR position depends upon the level of High Quality Liquid Assets (HQLA) and level of inflows and outflows in 30 days stress horizon computed as per the RBI guidelines in this regard.

#### (b) Intra period changes

The intra period changes are mainly on account of changes in unencumbered excess SLR positions

#### (c) The composition of High Quality Liquid Assets (HQLA) Banks' High Quality Liquid Assets consists of the following

Cash

Balance with RBI in excess of CRR requirement

- Un encumbered portion of investments in Government securities in excess of SLR requirement.
- Investments in Government securities held within the mandatory SLR requirement, to the extent allowed by RBI under Marginal Standing
- Investment in Government Securities held up to 8% of Net Demand and Time Liabilities (NDTL) permissible under Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR).

### (d) Concentration of funding

The Bank seeks to diversify its funding sources across retail, commercial, corporate and institutional clients, as well as across products, tenors and currency. Funding from significant counterparties, products/instruments and currency is monitored regularly as part of its ongoing liquidity management. The Bank endeavors to fund its customer's loans from deposits and capital, thereby ensuring minimal / no reliance on interbank

#### (e) Derivative exposure and potential collateral calls Bank does not have derivative business except forward contracts.

Exposure to derivative contracts has been incorporated in the calculation of LCR.

# (f) Currency Mismatch in LCR

LCR computation is aggregated across currencies, with the predominant currency being INR. The Bank's foreign currency liabilities support its foreign currency exposures, however all HQLA is maintained in INR only.

# (g) Centralisation of liquidity management

Banks' liquidity management and monitoring is centralized. Bank has a Board adopted liquidity management policy in line with RBI regulation

#### (h) Other Inflows and outflows in the LCR calculation that are not captured

All Inflows and outflows are comprehensively captured in LCR. Bank's LCR is higher than minimum required LCR and as such Bank is in compliance with RBI guidelines.

#### 42. Details of Investments held as Security Receipts received by sale of NPA to securitization/Reconstruction Company are as follows (Rs. in crore)

Particulars Backed by NPAs sold Total Backed by NPAs sold by by other banks/ financial the Bank as institutions/ non-banking underlying financial companies as underlying As at March | March March 31 March 31, March March 31. 31. 2019 2018 31. 31. 2019 2018 2019 2018 Book value of investments in 14.86 14.92 Nil Nil 14.86 14.92 security receipts

#### 43. The Bank has reported an instance of fraud involving Rs. 0.16 crores during the financial year ended 31st March 2019. The bank does not expect to incur any loss in the said instance and hence no provision has been made for the same. (Previous year -Nil).

#### 44. The Bank does not provide any factoring services. 45. Divergence in asset classification and provisioning for NPA's-(Ref: DBR

BP.BC.NO. 63/21.04.018/2016-17 dated April 18, 2017) There was no divergence in asset classification and provisioning observed by

RBI for the financial year ended 31st March 2018. 46. Priority Sector Lending Certificates (PSLC) (RBI circular FIDD.CO.Plan

BC.23/ 04.09.01/2015-16 dated April 7, 2016) During the financial year the bank has not traded in priority sector portfolio by

selling or buying PSLC's.(Previous year: Nil) 47. i) Disclosures on the Scheme for Sustainable Structuring of Stressed

# Assets (S4A).

							(Rs. in	crore)
	As o	n 31 <sup>st</sup> N	larch 2	019	As	on 31st March 2018		
No. of accounts where S4A has	ate ıt Iing	Amount outstanding		Held	ate rt ling	Amo outsta	ount inding	Held
been applied	Aggregate amount outstanding	In part A as NPA	In part B as NPA	Provision Held	Aggregate amount outstanding	In part A as Standard	In part A as Standard	Provision
Classified as Standard	-	-	-	-	10.62	5.32	5.30	5.32
Classified as Loss	9.81	4.51	5.30	9.81	-	-	-	-

# Disclosures on Strategic Debt Restructuring Scheme (Accounts which

- are currently under the stand-still period): Nil (Previous year: Nil).
- iii) Disclosures on Flexible Debt Restructuring Scheme: Nil (Previous year: Nil). iv) Disclosures on Restructuring of advances to MSME: Nil (Previous year: Nil)
- Disclosures on Resolution of Stressed Assets -Revised Framework As per RBI circular no: DBR.No. BP.BC.101/21.04.048/2017-18 dated February 12, 2018: Nil (Previous year: Nil).

### 48. Implementation of Indian Accounting standards (Ind As)

111.42

426.97%

The Institute of Chartered Accountants of India has issued Ind-AS (a revised set of accounting standards) which largely converges the Indian accounting standards with International Financial Reporting Standards (IFRS). The Ministry of Corporate Affairs (MCA) has notified these accounting standards (Ind-AS) for adoption. The Reserve Bank of India (RBI) through its press release dated March 22, 2019 has deferred the implementation of Indian Accounting Standards (Ind-AS) till further notice for scheduled commercia banks. In preparedness towards achieving the same, the Bank had prepared proforma financial statements as required by Reserve Bank of India (RBI) vide its circular ref. DBR.BP.BC.No.106/21.07.001/2015-16 dated June 23, 2016 ref. DO.DBR.BP.No.2535/21.07.001/2017-18 dated September 13, 2017 and mail dated July 20, 2018 for every quarter, starting from quarter ended June 30, 2018 up to March 31, 2019 and submitted the same to the RBI. The Bank will continue its preparation towards migration to adopting Ind-AS as per regulatory requirement.

50.91

542.59%

158.40

145.97%

#### Disclosure requirements as per Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI)

#### 49. Employee Benefits (AS-15)

#### Gratuity

The following tables summarise the components of net benefit expense recognised in the Profit and Loss Account and the funded status and amoun recognised in the Balance Sheet for the respective plans.

Profit and Loss account: Net employee benefit expense (recognised in payment to and provision to employees).

	(F	Rs. in crore)
Particulars	2018-19	2017-18
Current service cost	0.43	0.41
Interest cost	0.30	0.26
Expected return on plan assets	0.27	0.22
Actuarial (gains)/losses	0.25	-
Past Service Cost	-	-
Net expenses	0.71	0.45

t l	Balance Sheet: Details of provision for gratuity	(F	ts. in crore)
3	Particulars	2018-19	2017-18
י ר	Fair value of plan assets	3.84	3.38
ĸ	Present value of obligations	4.55	3.83
	Asset/(Liability)	(0.71)	(0.45)
	Asset/Liability recognised in the balance sheet	(0.71)	(0.45)

Changes in the present value of the defined benefit obligation are as follows (Rs. in crore)

- 1		1-	
ı	Particulars	2018-19	2017-18
t s	Opening defined benefit obligation	3.84	3.58
	Interest cost	0.30	0.26
	Current service cost	0.43	0.41
ı	Past service cost	-	-
١	Cost of Plan Amendment	-	-
1	Benefits paid	(0.24)	(0.40)
۱	Actuarial (gains) / losses on obligation	0.22	(0.01)
1	Closing defined benefit obligation	4.55	3.84

Changes in the fair value of plan assets are as follow	v: <b>(F</b>	Rs. in crore)
Particulars	2018-19	2017-18
Opening fair value of plan assets	3.38	3.03
Expected return	0.27	0.22
Contributions by employer	0.45	0.55
Benefits paid	(0.24)	(0.40)
Actuarial gains / (losses) on plan assets	(0.02)	(0.02)
Closing fair value of plan assets	3.84	3.38

Experience adjustments:	(F	Rs. in crore)
Particulars	2018-19	2017-18
(Gain)/Loss on obligation due to change in assumption	0.13	(0.24)
Experience (Gain)/Loss on obligation	0.09	0.23
Actuarial Gain/(Loss) on planned assets	(0.02)	(0.02)

Principal assumptions used in determining gratuity for the Bank's plans are shown below:

2049 40 2047 49

(Rs. in crore)

ı	ratuculais	2010-19	2017-10
١	Discount Rate (%) p.a.	7.69%	7.88 %
١	Expected rate of return on assets (%) p.a.	7.69%	7.88%
l	Salary escalation rate (%) p.a.	8.00%	8.00%
ı	Attrition Rate (%) p.a. : For first 4 years	10.00%	25.00%
ı	: After 4 years	4.00%	2.00%

# Compensated Absences

The actuarial liability of compensated absences of unencashable accumulated sick leaves of the employees of the Bank is given below:

Particulars	2018-19	2017-18
Total actuarial liability for sick leave	0.44	0.44

Principal assumptions used in determining sick leave provision for the Bank's plans are shown below

Particulars	2018-19	2017-18
Discount Rate (%) p.a.	7.69%	7.88%
Salary escalation rate (%) p.a.	8.00%	8.00%

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

# **Unamortised Pension and Gratuity Liabilities**

Amortisation of pension and gratuity liabilities expenditure in terms of circular no. DBOD.No.BP.BC.80/21.04.018/2010-11 dated February 09, 2011 is Rs. Nil for the year under review (Previous Year: Rs. Nil).

In February 2019, the honorable Supreme Court of India in its judgemen clarified that certain special allowances should be considered to measure obligations under Employees Provident Funds and Miscellaneous Provisions Act, 1952 (the PF act). The Bank has been advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider that there is any probable obligation for past periods. Hence, the Bank has not disclosed contingent liability amount for past liability.



(Incorporated in Bahrain with Limited Liability)

50 Segment Reporting

Segment Information about Primary Business Segments for the year March 31, 2019.					
Business Segments	Treasury	Corporate Banking	Retail Banking	Other Banking Operations	Total
Revenue	38.87	137.17	5.81	4.31	186.16
Unallocated Revenue					0.02
Total Segment revenue					186.18
Expense	40.25	92.29	6.82	0.89	140.25
Unallocated Expense					7.65
Total Segment Expense					147.90
Operating Profit	(1.38)	44.89	(1.01)	3.42	45.92
Unallocated operating profit					(7.63)
Net Operating Profit					38.29
Segment Result	(1.38)	21.42	(1.57)	3.42	21.89
Unallocated result					(7.63)
Total Segment Result					14.26
Income Taxes (net of deferred tax)					(4.11)
Net Profit					10.15
Other Information					
Segment Assets	1,205.53	1,696.47	53.24	0.19	2,955.43
Unallocated Assets					58.97
Total Assets					3,014.40
Segment Liabilities	281.56	914.53	1,368.36	0.15	2,564.60
Unallocated Liabilities					449.80
Total Liabilities					3,014.40

In computing the above information, certain estimates and assumptions have been made which have been relied upon by the auditors

Segment Information about Primary Business Segments	Treasury	Corporate Banking	Retail Banking	Other Banking Operations	(Rs. in crore)
	•			- '	
Revenue	47.57	97.02	5.97	3.21	153.77
Unallocated Revenue					(0.04)
Total Segment revenue					153.73
Expense	33.00	72.36	6.00	1.13	112.49
Unallocated Expense					5.31
Total Segment Expense					117.80
Operating Profit	14.57	24.66	(0.03)	2.08	41.28
Unallocated operating profit					(5.34)
Net Operating Profit					35.94
Segment Result	12.70	9.41	(0.28)	2.14	23.97
Unallocated result					(5.35)
Total Segment Result					18.62
Income Taxes (net of deferred tax)					(6.29)
Net Profit					12.33
Other Information					
Segment Assets	648.92	1588.33	56.75	0.24	2294.24
Unallocated Assets					63.49
Total assets					2357.73
Segment Liabilities	86.25	684.70	1141.77	0.20	1912.92
Unallocated liabilities					444.81
Total liabilities					2357.73

#### Notes:

- The Bank operates as a single unit in India and as such has no identifiable geographical segments subject to dissimilar risk and returns. Hence no nformation regarding the same has been given.
- The Bank is organised into three main business segments, namely: (ii) Treasury – primarily comprising of Dealing Room operations, trading/investments in Bonds and Government securities.
  - Corporate Banking primarily comprising of Wholesale Loans and
  - Advances to Corporates, Investments in Corporate Bonds. Retail Banking - Primarily comprising of retail loans & advances to
- (iii) The above segments are based on the currently identified segments taking
- into account the nature of services provided, the risks and returns, overall organisation structure of the Bank and the internal financial reporting system (iv) Segment revenue, results, assets and liabilities include the respective amounts
- identifiable to each of the segments and amounts apportioned/allocated on a The classification of assets to the respective segments conform to the guidelines issued by RBI vide DBOD.No.BP.BC.81/21.01.018/2006-07 dated
- April 18, 2007. (vi) Segment revenues stated above are aggregate of Schedule 13 - Interest income and Schedule 14 - Other Income with zero spread on account of
- transfer pricing. 51. Related Parties

Bank of Bahrain & Kuwait, Bahrain, its branches and representative office. Subsidiaries of Parent

- CrediMax Invita Bahrain
- **Global Payment Services** Invita-Kuwait
- BBK Shares Incentive
- Invita Claims Management Company **Associated Company of Parent**

- Securities Investment Company Bahrain Kuwait Insurance (BKIC)
- Ithmaar Bank
- Pension Fund Commission (PEC) Social Insurance Organisation (GOSI)
- Kuwait Investment Authority (KIA) The Benefit Company Naseej Company
- Alosra Bank Sakana Holistic Housing Solutions
- Diyyar Al Harameen Al Ola Limited 12. BBK Geojit Securities KSC
- 14. Aegila Capital Management Limited 15. Bahrain Liquidity Fund
- 16. Magnum Partners Holding Limited
- 17. Evoque Holdings Jersey Limited **Key Management Personnel**

# Mr. Mallikariun Kota – Country Head & CEO - India

In line with the RBI circular DBR.BP.BC.No.23/21.04.018/2015-16 dated July 01, 2015 the Bank is not required to disclose details pertaining to related party where under a category there is only one entity (i.e. Head Office & its branches) Similarly there has been only one entity/person under Key Management

Personnel at any point of time and therefore those details are also not disclosed. There were no transactions with other related parties during the year.

# 52. Operating Leases

a) Details of total of future minimum lease payments are as follows

a) Details of total of lattice minimum lease payments are as lonows.				
(Rs. in cro				
Particulars	2018-19	2017-18		
Not later than one year	6.32	6.25		
Later than one year and not later than five years	3.61	8.60		
Later than five years	Nil	Nil		

- Lease payments of Rs. 6.69 crore (previous year Rs. 6.79 crore) have been recognized in the Profit and Loss Account for the year.
- The lease agreements entered into pertain to use of premises (including fixed assets) at the branches. The lease agreements do not have any undue restrictive or onerous clauses other than those normally prevalent in similar agreement regarding use of assets, lease escalations, renewals and a restriction on sub-leases.

### 53. Deferred Taxes

In accordance with Accounting Standard 22 on "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India, the Bank has recognized Deferred Tax Asset (DTA) on timing differences to the extent there is reasonable certainty based on contracts and arrangements in place

which will enable the Deferred Tax Asset to be reversed.				
Items on which DTA is created are as follows:	(Rs. in crore)			
	As at March 31, 2018			
Deferred Tax Assets				
Provision on Advances	16.64	6.09		
Provision for Employee Benefits	0.23	0.28		
Bonus payable	0.62	0.76		
Depreciation on Fixed Assets	-	-		
Carried forward losses	1.52	15.37		
Others	0.12	0.11		
Total	19.13	22.61		
Deferred Tax Liability				
Depreciation on Fixed Assets	0.88	0.25		
Total	0.88	0.25		
Net Deferred tax asset	22.36			
*				

# 54. Provisions and contingencies

at the contracted rate.

- (i) Claims against the Bank not acknowledged as debts: Includes legal proceeding in the normal course of business, which is disputed by the Bank
- (ii) Liabilities on account of forward contracts: The Bank enters into forward exchange contracts with Inter-Bank participants on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date
- (iii) Guarantees given on behalf of constituents, acceptances, endorsements

As a part of its normal 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 the customer failing to fulfill its financial or performance obligations.

55. There are no outstanding dues towards principal amount or interest thereon remaining unpaid to any supplier covered under Micro, Small and Medium Enterprises Development Act, 2006 as at the end of accounting year. Further, no interest was due or payable by the Bank to any supplier during the year under the provisions of the said Act. The determination has been made to the extent such parties were identified based on the available information (2018: Nil).

56. Provision for Long Term Contracts

The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements.

57. Previous year's figures have been regrouped wherever necessary to conform to current year's presentation.

# For Bank of Bahrain & Kuwait B.S.C - Indian Branches

likariun Kota Country Head & CEO - India

Vice President Financial Control - India Place: Mumbai Dated: June 21, 2019

#### Disclosures under the New Capital Adequacy Framework (BASEL II guidelines) for the year ended March 31, 2019

# Scope of application:

The bank has no subsidiary and hence no consolidation is applicable.

Capital Structure:

Qualitative Disclosures

Tier 1 – Capital of the bank comprises of capital funds injected by HO, Statutory reserves and retained earnings

Regulatory deductions are on account of intangible assets being deferred tax

Tier 2 Capital consists of general loss reserves subject to restrictions as per

RBI quidelines.

. 1		guarilitative Disclosures.	No. III CIOIE)
	a.	a. Tier I Capital	
		Capital	
		Reserves	134.86
	b.	Deduction from Capital (Deferred Tax Asset and Software)	20.74
	C.	Tier II Capital	9.29
		Total Eligible Capital	416.30

#### Capital Adequacy: Qualitative Disclosures:

The primary objective of the Bank's capital management framework is to ensure that the Bank complies with externally imposed capital requirements and maintains healthy capital ratios in order to support its business and to maximize the return on equity.

CAR of the Bank is estimated to be well above the regulatory CAR of 11.5 % for the next two years. For maintaining adequate capital, Bank has the additional option of augmenting the capital by raising subordinated debt.

The Bank has finalized its ICAAP Policy and the same will be reviewed on a

Quantitative Disclosures:

	Capital requirement for credit risk	
		Rs. 1,382.30 crore
l		Rs. 0.00
l	Total @ 11.50% CRAR	Rs. 158.96 crore
1		

Capital requirement for market risk Standardized duration approach

• • • • • • • • • • • • • • • • • • • •	
Interest Rate Risk	Rs. 6.84 crore
Foreign exchange risk (including gold)	Rs. 1.58 crore
Equity Risk	Rs. 0.01 crore
Specific Risk Capital Charge - Security Receipts	Rs. 3.91 crore
Capital requirement for operational risk:	

Basic indicator approach			
Capital required for operational risk	Rs. 13.12 crore		
Total and Tier 1 capital ratios			
Tier I Capital	Rs. 407.01 crore		
Tier II Capital	Rs. 9.29 crore		
Total	Rs. 416.30 crore		
Total CRAR	25.96%		
Core CRAR	25.38%		

#### General Disclosures:

Risk Management involves identifying, measuring, monitoring and managing risks on a regular basis. The objective of risk management is to increase return on equity and achieve a return on equity commensurate with the risks

The Bank faces a range of risks in its business and operations. These include among other things (i) Liquidity Risk (ii) Market Risk (iii) Credit Risk (iv)

Country Head - India is the head of Indian operations who functions under the guidance of the Head office at Bahrain. The Bank has a full-fledged risk management department which looks after the risk functions pertaining to Indian operations. The Risk related policies and procedures applicable to Indian operations are discussed and approved by the Management Committee The head office at Bahrain has a fully equipped risk management department which guides the Indian counterparts on the risk related issues.

#### Liquidity Risk:

Liquidity risk is defined as the potential inability of the Bank to meet its financial obligations (liquidity needs) due to funding mismatch, The Bank has in place ALM policy which describes the measures for tracking and managing liquidity. It is the Bank's policy to keep part of its assets in high quality liquid assets such as inters bank placements, government bonds, bills and other short term instruments to meet maturing liabilities. The day to day management of liquidity is looked after by treasury with support from Asset-Liability managemen Committee (ALCO). The monitoring is done by risk management department

#### Market Risk:

Market risk is defined as the risk of losses in on or off balance sheet positions arising from movements in market prices of interest rate related instruments equities, Forex and commodity prices.

The Bank has clearly defined policies for conducting investment and foreign exchange business, which stipulates limits for these activities. The Bank has no direct exposure to equity except the cases where debt has been converted as a part of Debt Restructuring package. The Bank has no exposure to commodity

Traditional gap analysis and Duration gap analysis are followed for interest rate risk management. Fixing of IGL/AGL and forex VAR are followed for managir the forex risk.

### Credit Risk:

Credit Risk is defined as the risk of the bank's borrowers or counterpartie failing to meet their obligations in accordance with the agreed terms. The go of credit risk management is to maximize the Bank's risk adjusted rate of retuin by maintaining credit-risk exposures within acceptable parameters. The bar has well defined policies and procedures for identifying, measuring, monitoring and controlling credit risk in all its activities. Credit limits are approved after thorough assessment of the creditworthiness of the borrower or counterpart including the purpose and structure of credit and its source of repaymer Credit proposals are reviewed by the designated credit officer independent before obtaining approval from the appropriate authority.

Credit growth, quality and portfolio composition are monitored continuous to maximize return and reduce incidence of impairment. The Bank monito concentration risk by setting up limits for maximum exposure to individu borrower or counterparty, country, bank or industry. These limits are approve after detailed analysis and are monitored regularly

The Bank's credit administration unit ensures that credit facilities are release after proper approval and against proper documentation. It also monito excesses over limits, past dues, expired credits, and highlights corrective action immediately

The Bank has a risk asset rating guidelines and all credits are assigned a ratin in accordance with the defined criteria. All lending relationships are reviewed at least once a year and more frequently wherever warranted. The Intern Audit Department conducts independent reviews of risk assets periodical and submits its report to Senior Management/Audit Committee. It is the Bank's policy to ensure that provisions for credit loss are maintained at adequate levels

The bank line limits are set by Head Office at Bahrain giving due weightage to political, economic and commercial risks attached to various countries and the size, track record and performance indicator of various banks. These limits

#### Definition of past due and impaired assets (for accounting purpose) Non-performing Assets:

The Bank has followed the 90-day norm for NPA classification.

Accordingly, an advance is treated as a Non-performing asset when

- Interest and /or installment of principal amount remains overdue for a period of 90 days or above in respect of a term loar
- The account remains out of order for a period of more than 90 days in respect of Overdraft/Cash Credit
- (iii) Bills remain overdue for a period of more than 90 days in case of bills purchased/discounted
- (iv) Any amount to be received remains overdue for a period of more than 90 days in respect of other accounts.

Discussion of Bank's Credit Risk Management policy

As discussed under the sub head Credit risk

#### **Quantitative Disclosures:**

- Total gross credit risk exposures Fund based Rs. 2985.60 crore
- Non-fund based Rs. 1021.83 crore
- Geographic distribution of exposure-Fund based and non fund based The Bank operates as a single unit in India and as such has no identifiable

geographical segment subject to dissimilar risk and returns. Hence no

information regarding the same has been given. Industry type distribution of exposures-funded and non-funded exposure

separately

iity	U	Indust	ry break up as 31-03-201	9					
ate						Amount in	crores		
ng		CODE	INDUSTRY	FUND BASED O/S			NFB O/S		
				STD	NPA	TOTAL	STD	NPA	TOTAL
		003	Iron & Steel	-	-	-	-	-	-
ies		005	All Engineering	95.75	-	95.75	71.06	-	71.06
oal		006	Electricity	-	-	-	-	-	-
ırn ınk		007	Cotton Textiles	18.56	-	18.56	0.04	-	0.04
ing		009	Other Textiles	19.82	-	19.82	-	-	-
ter		012	Food Processing	75.05	-	75.05	-	-	-
rty		017	Chemicals, dyes paints etc.	287.40	-	287.40	39.42	-	39.42
nt. itly		171	Of Which fertilizers	30.00	-	30.00	-	-	-
itiy		172	Of Which petro chemicals	-	-	-	-	-	-
sly		173	Of Which drugs &						
ors			pharmaceuticals	149.25	-	149.25	21.57	-	21.57
ual	IJ	021	Construction	57.50	-	57.50	-	-	-
ed	١	025	Infrastructure	105.93	49.60	155.84	68.00	-	68.00
ed		252	Of which telecommunications			-		_	-
ive		253	Of which road & ports	35.26	49.60	85.17	20.00	-	20.00
		026	Other industries	399.62	-	399.62	91.87	-	91.87
ing	l	027	NBFCS	154.72	-	154.72	-	-	-
ed nal		028	Residual advances to balance gross advances	433.31	0.24	433.53	67.61	_	67.61
ally			Total	1,647.65	49.83	1,697.49	338.00	-	338.00
	_								

(Rs. in crore)

Residual Contractual Maturity break-down of assets:

								(113.	iii ci oi e							
S			1 Day	2 - 7 Days	8 to 14 Days	15 to 30 Days	31 days upto 2 months	2 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	5 to10 years	10 to 20 years	Over 20 Years	Total
k	1	Cash	1.48	-	-	-	-	-	-	-	-	-	-	-	-	1.48
e	2	Balance with RBI	-	-	19.32	3.87	3.80	6.56	5.25	25.75	24.28	5.34	0.20	-	-	94.37
e	3	Balances with banks & money at call & short notice		474.84	-	-	-	-	-	-	-	-	-	-	-	559.66
s	4	Investments	-	-	13.13	59.95	51.21	40.66	53.05	168.55	132.29	27.21	17.74	-	-	563.78
٧l	5	Advances	0.63	13.81	24.79	68.26	96.41	58.57	127.12	68.17	1,055.92	170.83	12.96			1,697.49
ś	6	Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	24.61	24.61
of	7	Other assets	-	-	0.08	9.23	6.54	0.19	0.06	0.09	34.57	-	22.25	-	-	73.02

Rs. 4.69 crore

Rs. 48.79 crore

Amount of NPA's Gross Rs. 74.75 crore Substandard Doubtful 1 Rs. 0.07 crore Doubtful 2 Rs. 0.04 crore Doubtful 3 Rs. 0.00 crore

Net NPA's **NPA Ratios** 

4.61% Gross NPA's to Gross Advances Net NPA's to net advances 2.88% Movement of NPA's (Gross)

Disclosed in Schedule 18 of the year accounts Note no 7

Movement of provisions for NPA's Disclosed in Schedule 18 of the year accounts Note no 7.

Amount of Non –Performing Investments Rs. 5.85 crore Amount of provision held for Non – Performing Investments Rs. 5.85 crore Movement of provision for depreciation on investments

Movement of provision for depreciation on investments	(Rs. in crore)
Particulars	2018-2019
Opening Balance	5.98
Add: Provisions for depreciation made during the year	4.68
Less: Write-off /Write back of provisions during the year	4.81
Closing balance	5.85

#### Closing balance 5. Credit Risk: Portfolios subject to standardized approach

# Qualitative Disclosures:

As per RBI Guidelines, the Bank has identified CARE, CRISIL, Brickworks ICRA, SMERA and India Ratings in India as the domestic credit rating agencies and FITCH, MOODY and S & P as international credit rating agencies for all exposures (Corporate exposures and banking exposures) wherever applicable The bank is not using any process to transfer public issue ratings on to comparable assets in the banking book.

Also rated facilities have been considered as those facilities where the bank's exposure has been explicitly rated; else that exposure has been treated by the bank as unrated

# **Quantitative Disclosures:**

The quantitative disclosures for exposure amounts after risk mitigation subject

to the standardized approach are given in three major risk buckets-Rs. 3,264.63 crore Below 100% risk weight Rs. 1.224.68 crore 100% risk weight Rs. 51.08 crore More than 100% Deducted Nil

#### Credit risk mitigation: Standardized approach Qualitative Disclosures:

The Bank has in place credit risk mitigation and collateral management policy which summarizes the Bank's approach for and an indication of the extent to which the bank makes use of on and off balance sheet netting. The valuation of collaterals is being carried out periodically. The collaterals considered for Risk mitigation includes bank's fixed deposits, insurance policies and counter guarantees of Banks including Head Office and Branch guarantee

# Quantitative Disclosures:

Total Exposure covered by eligible financial collateral after the application of haircuts:

Corporate Exposure includes both fund based and Non Fund based exposure.

Rs. in crore as of 31-03-2019 Financial Mitigant Gross outstanding 49.59 Corporate loans 124.53 0.00 0.00 Retail Loans

Securitisation: Standardised approach

Market Risk

**Qualitative Disclosures:** The Bank is following the standardized duration for calculating market

risk on the following portfolios Securities held under HFT and AFS categories

The Bank has not securitized any of its assets portfolios

Forward foreign exchange contracts

- Risk Management Department is responsible for identification assessment, monitoring and reporting the market risks.
- Risk Management and reporting is based on parameters such as Modified Duration, Maximum permissible exposures, Net Open Position limits, Gap limits, Value at Risk (VAR).
- d) The Bank does not have any direct exposure to Capital Market.

# **Quantitative Disclosures:**

Qualitative Disclosures:

The capital requirements for i) Interest rate risk ii) Equity position risk

Rs.6.84 crore Rs.0.01 crore iii) Foreign exchange risk Rs.1.58 crore iv) Specific Risk Capital Charge - Security Receipts Rs.3.91 crores 9. Operational Risk

and accuracy. The Bank has got in place concurrent audit and internal audit systems which help in identifying and rectifying the operational deficiencies The approved Business Continuity Plan is in place and implementation of the same is in process. The regular back-ups are made for important data and stored outside the bank's premises. All our branches are integrated under core banking software. A system of prompt submission of reports on frauds is in

Operational Risk is the exposure to loss resulting from inadequate or failed

internal processes or people or systems or from external events. The Bank has

clearly defined operations procedures for each of its products and services. It

also has advanced computer systems that enable it to run operations with speed

place in the Bank

Interest Rate Risk in the Banking book The Asset Liability Management Committee which is responsible for evolving appropriate systems and procedures for ongoing identification and analysis of Balance Sheet risks and laying down parameters for efficient managem of these risks through Assets Liability Management Policy of the Bank. ALCO therefore periodically monitors and controls the risks and returns, funding and deployment, setting Bank's lending and deposit rates, and directing the

investment activities of the Bank It is the Bank's policy to keep its assets and liabilities mismatches at acceptable levels to maintain steady net interest income. The Bank monitors interest rate risk based on gap limits. The Interest rate sensitivity statements are prepared on a fortnightly basis to monitor the interest rate risk. The Asset Liability management committee (ALCO) reviews the interest rate risk periodically and suggests measures to tackle the dynamic situations.

# Interest rate Risk in the banking Book (IRRBB)

# Qualitative Disclosures

The bank has practice of monitoring Interest rate risk in Banking Book on a monthly basis. The liabilities and assets are grouped in to different buckets based on the interest re-pricing horizon. The gaps between the Assets and Liabilities are analyzed with the help of pre-determined gap limits. The reasons for the breaches are identified and necessary steps are initiated

# Quantitative Disclosures

The impact on the bank's financial condition due to change in interest rate is being monitored. The impact of 200 basis points change upward/ downward in interest rate on Net Interest Income (NII) amounted to an expected loss of INR 11.63 crore based on Asset Liability position of March 2019 using the traditional gap analysis.

TABLE DF-11: COMPOSITION OF CAPITAL Part II: Template to be used before March, 2019 (i.e. during the transition period of Basel III regulatory adjustments)

(Rs. in Million)

П					(110: 111 1111111011
	Sr No.	Particulars	Amount	Amt Subject to Pre Basel III Treatment	Ref No.
l	Com	mon Equity Tier 1 capital: instruments and reserves			
اا	1	Funds from Head Office	2,929		A1
	2	Retained earnings	1,349		B1+B2+B3+B4
	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	4,278		



Process		<b>BBK کُوڭ</b> بنک البدرین والکویت BANK OF BAHRAIN & KUWAIT B.S.C INDIAN BRA	NCHES		
Section Common Engineering or Common Engineering Co	Sr	(Incorporated in Bahrain with Limited Liability)		Amt Subject to Pre	Ref No.
Control of the Cont	-				
Commission of the commission			-		
Secretaria programs on exercision was exercised and programs of the programs	_				D1 E1
Personal processors of the control			-		
Personal construction of the control of the contr	14	Gains and losses due to changes in own credit risk on fair valued liabilities	-		
Security of the property of	16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-		
debt or cipil parcent shows the Francisch  Bet State of Enganger or conduction and of particle and section of the particle and of the state of the s		Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory	-		
20 August announcement price proposed most control of the residence of an activation of a control of the contro	19	share capital (amount above 10% threshold)	-		
2   Service programs of the common control of mismon will be control or service		Mortgage servicing rights4 (amount above 10% threshold)  Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax	-		
28 plants application plant or the control of the c			-		
Source   Common Regular programme   Common Regular pour of programme   Common Regular pour   Common	25	of which: deferred tax assets arising from temporary differences	-		
20 colon	26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	-		
Section   Proceedings   Proceedings   Procedure   Pr		of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated	-		
or amont picket (TYPE OF ALISTICATION COMMITTED COMMITTE	26d	of which: Unamortised pension funds expenditures Regulatory Adjustments Applied to Common Equity	-		
to borreflexioners in Contract excellent in Total registered by explanations to Contract excellent in Section 2015.  Total registered projects are guidely in Advanced in the Interference section and advanced in Contract in	27	of which: [INSERT TYPE OF ADJUSTMENT]	-		
30 Decly insued coalitying indications first 1 restruments date actions stack august (2) 1-30 Certain Coalitions and suph varce specialises and early varce specialises and early varce specialises accounting stacks for (Perspecial circle Horizoners) (2) 20 American desiration stacks and varce specialises accounting stacks for (Perspecial circle Horizoners) (2) 20 Decly Justice agriculture of the property of the		to cover deductions	207		
1 control counted as each you deep placetae concerning particularly Processed No. 2 million of the particular Security of Security (1997) and of the Processed Security (1997) and of the particular Security Security (1997) and of the particular Security Se	29	Common Equity Tier 1 capital (CET1)			
30 Overland and control indistruments alloyed for prises or from delification for 19 miles by subsidiaries and 19 miles of 19	31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-		
in hid by thir parties is insected in access in group ATT)  of Another insected in access to access on the company of the comp	33	Directly issued capital instruments subject to phase out from Additional Tier 1	-		
Section   Text   capital software regulatory adjustments		held by third parties (amount allowed in group AT1)	-		
Respond control for the control of t	36	Additional Tier 1 capital before regulatory adjustments	-		
Section   Sect	37	Investments in own Additional Tier 1 instruments	-		
of rispulsary conscillation part of eligible infor positions/13  14 Interviewers in the Actions in the T capital of unconsolidade insurance subdistance  15 Interviewers in the Actions in the T capital of unconsolidade insurance subdistance  16 Interviewers in the Actions in the T capital of unconsolidade insurance subdistance  17 Interviewers in the Actions in the T capital of unconsolidated insurance subdistance  18 Interviewers in the Actions in the T capital part of unconsolidated insurance subdistance  19 Interviewers in the Actions in the T capital part of unconsolidated in the Unco	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)	-		
Sortidate in the Additional Test Capital in Central		of regulatory consolidation (net of eligible short positions)10	-		
with the bank Regulatory Agulaments Application Additional Ter 1 in expect of Amount's Subject to Pre-Savel III Treatment of whorch TIA Association of the manageage servicing rights for of related but reaching and servicing and the state of the control of the control TIA Association of the manageage servicing rights for of related but reaching and servicing and the control of th	41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-		
or intentional for the control project of control p	41b	with the bank	-		
of whork; [MSERT TYPE OF ADJUSTMENT or, each setting adjustments which are deducted from Tier 1 at 150%]  47 Regulatory significants applies to Additional Tier 1 capital  48 Regulatory significants applies to Additional Tier 1 capital  49 Total regulatory adjustments applies to Additional Tier 1 capital  40 Total regulatory adjustments applies to Additional Tier 1 capital  41 Total regulatory adjustments applies to Additional Tier 1 capital  42 Total regulatory adjustments applies and adjustments and provisional and adjustments and adju		of which:DTA	-		
Provision Provision   Provis		of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 1	-		
4.9 Total regulatory adjustments to Additional Ter 1 capital (ATT) 4.8 Additional Ter 1 capital (ATT) 4.9 Additional Ter 1 capital (ATT) 4.9 Ter 1 capital (ATT) 5. Ter 1 capital (ATT) 6. Ter 2 capital (	42	of which: [INSERT TYPE OF ADJUSTMENT]	-		
Maintenant Ter 1 capital reckoned for capital adequacy11	43	Total regulatory adjustments to Additional Tier 1 capital	-		
The 2 capital instruments and provisions  4 Directly issued capital instruments place related stock surplus  4 Directly issued capital instruments subject to phase out from Tier 2  5 Directly issued capital instruments subject to phase out from Tier 2  6 Directly issued capital instruments subject to phase out from Tier 2  6 Directly issued capital instruments subject to phase out from Tier 2  6 Directly issued instruments subject to phase out from the capital phase out of a facility of the capital phase out of the phase out of a facility of the capital phase out of the phase o	44a	Additional Tier 1 capital reckoned for capital adequacy11	4 070		
47 Dezeyl issued capital instruments subject to phase out from Tier 2 49 of which: Instruments (and CET1 and IT instruments on flowed in group Tier 2) 40 of which: Instruments (assed by subsidiaries subject to phase out 50 Provisions/provision for Standard advances unhedged foreign currency exposures and country risk 51 of which: Instruments (assed by subsidiaries subject to phase out 52 of which: Instruments (assed by subsidiaries subject to phase out 53 of which: Instruments 53 of Standard advances unhedged foreign currency exposures and country risk 54 of which instruments 55 of Standard advances unhedged foreign currency exposures and country risk 56 of Standard (assessment) 57 of Tier 2 capital offeror regulatory adjustments 58 of Standard (assessment) 58 of Standard (assessment) 59 of Standard (assessment) 50 of Standard (assessment) 51 of Standard (assessment) 52 of Standard (assessment) 53 of Standard (assessment) 54 of Standard (assessment) 55 of Standard (assessment) 56 of Standard (assessment) 57 of Standard (assessment) 58 of Standard (assessment) 59 of Standard (assessment) 50 of Standard (assessment) 51 of Standard (as	Tier	2 capital: instruments and provisions	4,070		
and held by third patries (amount allowed in group Ter 2)  of which instruments issued by subdishiers suspect to phase out  of Provisions (provisions)  Trivisions (provisi	47	Directly issued capital instruments subject to phase out from Tier 2	-		
Solid Provisions (Provisions of Standard advances unhedged foreign currency exposures and country risk provisions)   93		and held by third parties (amount allowed in group Tier 2)	_		
The Z capital regulatory adjustments  22 Investments in convolt Tex? Instruments  33 Responsal cross-sholdings in Tex? Instruments  44 Investments in the capitate of handing, financial and insurance entities that are outside the scope of regulatory common share capital of the entity financial and insurance entities that are outside the scope of regulatory common share capital of the entity financial and insurance entities that are outside the scope of regulatory common share capital of the entity financial and insurance entities that are outside the scope of regulatory consolidation (not of eighber short) positions)  55 Significant investments it in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (not of eighber short) positions)  56a of which: Investments in the Tex? 2 capital of majority owned financial entities which have not been consolidated with the bank.  69a of which: Investments have the said in Treatment  69b of which: Singest TryPE of ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2  80a of which: Investment in the Tex? 2 capital of each of the capital entities of the capita	50	Provisions(provision for Standard advances,unhedged foreign currency exposures and country risk	93		C1+C2
53 Repopical cross-holdings in Ter 2 Instruments 4 Investments in the capital of bearing, francaical and insurance entities that are outside the scope of regulatory 4 consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued 4 common share capital of the entity (amount above the 10% fireshold) 5 Significant investments 13 in the capital bearings, financial and insurance entities that are outside the scope 5 of regulatory consolidation (net of eligible short positions) 6 In or which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries 6 of which: Shortfall in the Tier 2 capital of majority owner of financial entities which have not been consolidated 6 with the bank 6 Regulatory Adjustments Applied To Tier 2 in respect of 6 Amounts Subject to Pre-Basel III Treatment 6 of which: Investments in Part 2 capital 7 of which: Investment 2 capital in Treatment 7 of which: Investment 3 capital 7 of which: Investment 3 capital 7 of which: Investment 4 capital 7 of which: Investment 5 capital 7 of which: Investment 5 capital 7 of which: Investment 5 capital 7 of which: Investment 6 capital 8 Tier 2 capital reckoned for capital adequacy14 9 39 9 Tier 2 capital reckoned for capital adequacy14 9 39 9 Tier 2 capital reckoned for capital adequacy16 9 Total capital (Tc) 1 the 12 capital reckoned as Tier 2 capital 9 Total capital (Tc) 1 the 12 capital reckoned as 1 capital reckoned 5 capital adequacy (S8a + 58b) 9 Total capital (Tc) 1 the 12 capital adequacy (S8a + 58b) 9 Total capital core with 3 weighted assets 9 Total capital core with 3 weighted assets 10 Total regulate or capital adequacy (S8a + 58b) 10 Total capital core with 3 weighted assets 10 Total capital core with 3 weighted assets 11 the 10 core of this weighted assets 12 core of which: total market risk weighted assets 13 core of which: total market risk weighted assets 10 common Equity Tier 1 (as a percentage of risk weighted assets) 10 common Equity Tier 1 (as a percentage of risk weighted assets)			93		
commonitation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold).  55 Significant investments if in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (not of eligible short points).  56a of which: Investments in the Tier 2 capital of unconsolidated insurance entities that are outside the scope of regulatory consolidation of the eligible short points of the entity of	_		-		
55 Sprificant investments 1 in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (not elligible short positions) 56a of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiantes 57b of which: Shortfall in the Tier 2 capital of unconsolidated insurance subsidiantes 58b of which: Shortfall in the Tier 2 capital of unconsolidated insurance subsidiantes 57b of which: Shortfall in the Tier 2 capital of unconsolidated entities which have not been consolidated 57b of which: INSERT TYPE OF ADJUSTMENT 57b Total regulatory adjustments to Tier 2 capital 57c Total capital (Tier Tier Tier Tier Tier Tier Tier Tier	54	consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued	-		
beautiful the tree of the control of	55	Significant investments 13 in the capital banking, financial and insurance entities that are outside the scope	-		
Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment of wirch: INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%] of which: INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%] of which: INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%] of which: INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%] of which: INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%] of which: INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%] of the Zepital additional Tier 1 capital adequacy 144 e.g. 93 of Tier 2 capital (Tier 2 capital additional Tier 1 capital recknowed as Tier 2 capital of Total capital (Tier 2 capital additional Tier 1 capital recknowed as Tier 2 capital of Total capital (Tier 2 1+ Tier) (45 + 58c) e.g. 4.163 of Total capital (Tier 2 1+ Tier) (45 + 58c) e.g. 4.163 of Total capital (Tier 2 1+ Tier) (45 + 58c) e.g. 4.163 of which: total credit risk weighted assets of which: total reperational risk weighted assets of which total risk weighted assets of weighted risk weighted assets of weighted risk weighted		of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	-		
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 e.g. existing adjustments which are deducted from Tier 2 aptial reckoned for capital adequacy14 57 Total requistory adjustments to Tier 2 capital 58 Tier 2 capital (T2) 59 Total reckoned for capital adequacy14 59 Secses Additional Tier 1 capital reckoned as Tier 2 capital 50 Excess Additional Tier 1 capital reckoned as Tier 2 capital 50 Total Tier 2 capital admissible for capital adequacy (58a + 58b) 50 Total risk weighted assets (50a + 60b + 50c) 51 Total Tier 2 capital admissible for capital adequacy (58a + 58b) 52 Total risk weighted assets (50a + 60b + 60c) 51 Total risk weighted assets (50a + 60b + 60c) 51 Total risk weighted assets (50a + 60b + 60c) 51 Total risk weighted assets (50a + 60b + 60c) 51 Total risk weighted assets (50a + 60b + 60c) 51 Total risk weighted assets (50a + 60b + 60c) 51 Total risk weighted assets (50a + 60b + 60c) 51 Total risk weighted assets (50a + 60b + 60c) 51 Total risk veighted assets (50a + 60b + 60c) 52 Total risk veighted assets (50a + 60b + 60c) 53 Total capital risk weighted assets (50a + 60b + 60c) 54 Total risk veighted assets (50a + 60b + 60c) 55 Total risk veighted assets (50a + 60b + 60c) 55 Total capital risk veighted assets (50a + 60b + 60c) 56 Total capital (as a percentage of risk weighted assets) (50a + 60c) 57 Total capital (as a percentage of risk weighted assets) (50a + 60c) 58 Total capital (as a percentage of risk weighted assets) (50a + 60c) 59 Total capital (as a percentage of risk weighted assets) (50a + 60c) 50 Total capital (as a percentage of risk weighted assets) (50a + 60c) 50 Total capital (as a percentage of risk weighted assets) (50a + 60c) 50 Total capital (as a percentage of risk weighted assets) (50a + 60c) 50 Total capital rismum risk veighted requirement (50a + 60c) 50 Total capital rismum risk veighted risk risk veighted assets) (50a + 60c) 50 Total capital rism		with the bank	-		
at 50% of which: [INSERT TYPE OF ADJUSTMENT		Amounts Subject to Pre-Basel III Treatment	-		
Face   Ter 2 capital (T2)   93   93   95   95   95   95   95   95		at 50%]	-		
Sea   Ter 2 capital reckoned for capital adequacy14   93		Total regulatory adjustments to Tier 2 capital	93		
59 Total capital (TC = T1 + T2) (45 + 58c) 60 Total risk weighted assets (604 + 60b + 60c) 61 of which: total market risk weighted assets 60b of which: total market risk weighted assets 61 common Equity Tier 1 (as a percentage of risk weighted assets) 62 Tart 1 (as a percentage of risk weighted assets) 63 Total capital ratios 64 Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets) 63 of which: capital conservation buffer requirement 64 of which: capital conservation buffer requirement 65 of which: capital conservation buffer requirement 66 of which: ashie specific countercyclical buffer requirement 77 of which: ashie specific countercyclical buffer requirement 88 Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) 90 National Tier 1 minimum ratio (if different from Basel III) 91 National Tier 1 minimum ratio (if different from Basel III minimum) 91 National Tier 1 minimum ratio (if different from Basel III minimum) 92 Non-significant investments in the capital of other financial entities 93 Significant investments in the capital of other financial entities 94 Non-significant investments in the capital of other financial entities 95 Capital rations of provisions in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) 96 Capital rations of provisions in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) 97 Cap on inclusion of provisions in Tier 2 under standardised approach (prior to application of cap) 98 Current cap on CET1 instruments subject to phase out arrangements 99 Current cap on		Tier 2 capital reckoned for capital adequacy14	93		
Total risk weighted assets (60a + 60b + 60c)   16,036	58c	Total Tier 2 capital admissible for capital adequacy (58a + 58b)			
60b of which: total market risk weighted assets 1,170 Capital ratios 1,073 Capital ratios 1 Common Equity Tier 1 (as a percentage of risk weighted assets) 25,38% The 1 (as a percentage of risk weighted assets) 25,38% The 1 (as a percentage of risk weighted assets) 25,38% The 1 (as a percentage of risk weighted assets) 25,96% The 1 (as a percentage of risk weighted assets) 25,96% Capital regular (as a percentage of risk weighted assets) 25,96% Capital regular (as a percentage of risk weighted assets) 25,96% Countercyclical buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirement 2,50% Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) - 2,50% National minima (if different from Basel III) 1,50% National Tier 1 available to meet buffers (as a percentage of risk weighted assets) - 2,50% National Tier 1 minimum ratio (if different from Basel III minimum) 5,50% National Tier 1 minimum ratio (if different from Basel III minimum) 7,00% National Tier 1 minimum ratio (if different from Basel III minimum) 9,00% Amounts below the thresholds for deduction (before risk weighting) - 2,50% Non-significant investments in the capital of other financial entities - 3,50m(asset) 1,50m(asset) 1,50m(asset	60	Total risk weighted assets (60a + 60b + 60c)	16,036		
Capital ratios Common Equity Tier 1 (as a percentage of risk weighted assets) 25.38% 25.38% 3 Total capital (as a percentage of risk weighted assets) 25.38% 3 Total capital (as a percentage of risk weighted assets) 25.38% 3 Total capital (as a percentage of risk weighted assets) 25.96% 4 Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirement 5 of which: capital conservation buffer requirement 6 of which: G-SIB buffer requirement 7 of which: G-SIB buffer requirement 8 Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) 9 National Common Equity Tier 1 minimum ratio (if different from Basel III minimum) 9 National Common Equity Tier 1 minimum ratio (if different from Basel III minimum) 7 Now National Tier 1 minimum ratio (if different from Basel III minimum) 9 Now National Tier 1 minimum ratio (if different from Basel III minimum) 9 Now National Tier 1 minimum ratio (if different from Basel III minimum) 9 Now Non-significant investments in the capital of other financial entities 9 Non-significant investments in the capital of other financial entities 9 Non-significant investments in the common stock of financial entities 9 Non-significant investments in the common stock of financial entities 9 Non-significant investments in the capital of other financial entities 9 Non-significant investments in the capital of other financial entities 9 Non-significant investments in the capital of other financial entities 9 Non-significant investments in the capital of other financial entities 9 Non-significant investments in the capital of other financial entities 9 Non-significant investments in the capital of other financial entities 9 Non-significant investments in the capital of other financial entities 9 Non-significant investments in the capital of other financial entities 9 Non-significant investments in the capital of ot	60b	of which: total market risk weighted assets	1,140		
Tier 1 (as a percentage of risk weighted assets)  Total capital (as a percentage of risk weighted assets)  Total capital (as a percentage of risk weighted assets)  Total capital (as a percentage of risk weighted assets)  Total capital (as a percentage of risk weighted assets)  Total capital (as a percentage of risk weighted assets)  Total capital (as a percentage of risk weighted assets)  Total capital conservation buffer requirement (accountercyclical buffer requirement)  Total countercyclical buffer requirement (accountercyclical buffer requirement)  Total common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)  National minima (if different from Basel III)  National Tier 1 available to meet buffers (as a percentage of risk weighted assets)  National minima (if different from Basel III)  National Tier 1 minimum ratio (if different from Basel III minimum)  National Tier 1 minimum ratio (if different from Basel III minimum)  National total capital minimum ratio (if different from Basel III minimum)  Non-significant investments in the capital of other financial entities  Non-significant investments in the capital of other financial entities  Non-significant investments in the common stock of financial entities  Non-significant investments in the common stock of financial entities  Non-significant investments in the common stock of financial entities  Non-significant investments in the common stock of financial entities  Non-significant investments in the capital of other financial entities  Non-significant investments in the capital of other financial entities  Non-significant investments in the capital of other financial entities  Non-significant investments in the capital of other financial entities  Non-significant investments in the capital of other financial entities  Non-significant investments in the capital of other financial entities  Non-significant investments in the capital of other financial entities  Non-significant investments in the capital of other financial enti		Capital ratios			
Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)  of which: capital conservation buffer requirement  of of which: bank specific countercyclical buffer requirement  of of which: G-SIB buffer requirement  common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)  National minima (if different from Basel III)  National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)  7.00%  National Tier 1 minimum ratio (if different from Basel III minimum)  7.00%  National Tier 1 minimum ratio (if different from Basel III minimum)  7.00%  National Tier 1 minimum ratio (if different from Basel III minimum)  Amounts below the thresholds for deduction (before risk weighting)  Non-significant investments in the capital of other financial entities  classification investments in the capital of other financial entities  - Significant investments in the common stock of financial entities  - Provisions eligible for inclusion of related tax liability)  N.A.  Applicable caps on the inclusion of provisions in Tier 2  Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)  7. Cap on inclusion of provisions in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)  7. Cap for inclusion of provisions in Tier 2 under standardised approach  Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)  Our application of cap)  Our application of cap  Ou	62	Tier 1 (as a percentage of risk weighted assets)	25.38%		
65 of which: capital conservation buffer requirement 66 of which: bank specific countercyclical buffer requirement 67 of which: Salb buffer requirement 68 Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) 69 National Common Equity Tier 1 minimum ratio (if different from Basel III minimum) 69 National Tier 1 minimum ratio (if different from Basel III minimum) 7,00% 70 National Tier 1 minimum ratio (if different from Basel III minimum) 8,00% 8 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 capital of other financial entities 74 Mortgage servicing rights (net of related tax liability) 75 Deferred tax assets arising from temporary differences (net of related tax liability) 76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) 77 Cap on inclusion of provisions in Tier 2 under standardised approach 78 Provisions eligible for inclusion in Tier 2 under standardised approach 79 Cap for inclusion of provisions in Tier 2 under standardised approach 79 Cap for inclusion of provisions in Tier 2 under standardised approach 79 Cap for inclusion of provisions in Tier 2 under standardised approach 79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach 79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach 79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach 79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach 79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach 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 af		Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and			
67 of which: G-SIB buffer requirement 68 Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) 69 National minima (if different from Basel III) 69 National Tier 1 minimum ratio (if different from Basel III minimum) 7,00% 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) 7,00% 72 Non-significant investments in the capital of other financial entities 73 Significant investments in the capital of other financial entities 74 Mortgage servicing rights (net of related tax liability) 75 Deferred tax assets arising from temporary differences (net of related tax liability) 80 N.A. 81 Applicable caps on the inclusion of provisions in Tier 2 under standardised approach 82 Provisions eligible for inclusion in Tier 2 under standardised approach 83 Provisions eligible for inclusion in Tier 2 under standardised approach 94 Provisions eligible for inclusion in Tier 2 under standardised approach 95 Provisions eligible for inclusion in Tier 2 under standardised approach 96 Provisions eligible for inclusion in Tier 2 under internal ratings-based approach 97 Cap on inclusion of provisions in Tier 2 under internal ratings-based approach 98 Provisions eligible for inclusion in Tier 2 under internal ratings-based approach 99 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach 90 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach 90 Cap for inclusion of provisions under the applicable between March 31, 2017 and March 31, 2022) 90 Current cap on CET1 instruments subject to phase out arrangements 91 N.A. 92 Current cap on CET1 instruments subject to phase out arrangements 92 N.A. 93 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) 93 N.A.		of which: capital conservation buffer requirement	2.50%		_
National minima (if different from Basel III)  89 National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)  80 National Tier 1 minimum ratio (if different from Basel III minimum)  81 National total capital minimum ratio (if different from Basel III minimum)  82 Non-significant investments in the capital of other financial entities  83 Significant investments in the capital of other financial entities  84 Mortgage servicing rights (net of related tax liability)  85 Deferred tax assets arising from temporary differences (net of related tax liability)  86 Applicable caps on the inclusion of provisions in Tier 2  87 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)  87 Cap on inclusion of provisions in Tier 2 under standardised approach  88 (prior to application of cap)  99 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  90 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  91 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  90 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  91 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  92 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  93 Current cap on CET1 instruments subject to phase-out arrangements  94 (current cap on CET1 instruments subject to phase out arrangements  95 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)  96 N.A.  97 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  97 N.A.  98 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  98 N.A.	67	of which: G-SIB buffer requirement	-		
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) 75 Deferred tax assets arising from temporary differences (net of related tax liability) 76 Applicable caps on the inclusion of provisions in Tier 2 77 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) 77 Cap on inclusion of provisions in Tier 2 under standardised approach 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 79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach 79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach 79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach 79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach 79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach 70 Capital instruments subject to phase-out arrangements 70 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 83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) 84 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) 85 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) 86 Amount excluded from AT1 due to cap (excess over cap after redemptions a	69	National minima (if different from Basel III)	5.50%		
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)  75 Deferred tax assets arising from temporary differences (net of related tax liability)  76 Applicable caps on the inclusion of provisions in Tier 2  77 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)  77 Cap on inclusion of provisions in Tier 2 under standardised approach  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  79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  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  83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  84 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  85 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%		
73 Significant investments in the common stock of financial entities 74 Mortgage servicing rights (net of related tax liability) 75 Deferred tax assets arising from temporary differences (net of related tax liability) 76 N.A.  77 Applicable caps on the inclusion of provisions in Tier 2 78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) 79 Cap on inclusion of provisions in Tier 2 under standardised approach (prior to application of cap) 70 Cap for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) 70 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach (prior to application of provisions in Tier 2 under internal ratings-based approach  79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  70 Capital instruments subject to phase-out arrangements  70 Current cap on CET1 instruments subject to phase out arrangements  80 Current cap on CET1 due to cap (excess over cap after redemptions and maturities)  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  83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  84 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  85 N.A.		Amounts below the thresholds for deduction (before risk weighting)	-		
75 Deferred tax assets arising from temporary differences (net of related tax liability)  Applicable caps on the inclusion of provisions in Tier 2  76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)  77 Cap on inclusion of provisions in Tier 2 under standardised approach  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  79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  79 Capital instruments subject to phase-out arrangements  70 (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  83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  84 N.A.  85 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  86 N.A.	73	Significant investments in the common stock of financial entities	N.A.		
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)  77 Cap on inclusion of provisions in Tier 2 under standardised approach  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  79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach  79 Capital instruments subject to phase-out arrangements  70 Capital instruments subject to phase-out arrangements  70 Current cap on CET1 instruments subject to phase out arrangements  80 Current cap on CET1 due to cap (excess over cap after redemptions and maturities)  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  83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  84 N.A.  85 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  86 N.A.		Deferred tax assets arising from temporary differences (net of related tax liability)			
77 Cap on inclusion of provisions in Tier 2 under standardised approach  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  79 Capital instruments subject to phase-out arrangements  70 Capital instruments subject to phase-out arrangements  70 Current cap on CET1 instruments subject to phase out arrangements  80 Current cap on CET1 due to cap (excess over cap after redemptions and maturities)  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  83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  84 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  85 N.A.	76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior	93		
(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  N.A.  81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)  N.A.  82 Current cap on AT1 instruments subject to phase out  arrangements  N.A.  83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  N.A.		Cap on inclusion of provisions in Tier 2 under standardised approach			
(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  83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  84 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  85 N.A.		(prior to application of cap)			
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)  N.A.  82 Current cap on AT1 instruments subject to phase out  Arrangements  N.A.  83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  N.A.					
arrangements N.A.  83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) N.A.	81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N.A.		
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  N.A.	82	Current cap on AT1 instruments subject to phase out	N.A.		
5.   Surroin dup on 12 monuments subject to phase out arrangements	83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N.A.		

Step '	DF-12 COMPOSITION OF CAPITAL-RECONCIL			(Rs in Million
Sr No.	Particulars	Balance sheet as in financial statements	regulator	heet under y scope of lidation
Α	Capital & Liabilities			
i	Paid-up Capital	2,92	.9	2,929
	Reserves & Surplus	1,44	1	1,441
	Minority Interest		-	
	Total Capital	4,37	0	4,370
ii	Deposits	22,47	'9	22,47
	of which: Deposits from banks		0	(
	of which: Customer deposits	22,47	'9	22,479
	of which: Other deposits (pl. specify)		-	
iii	Borrowings	2,80	00	2,800
	of which: From RBI			
	of which: From banks	2,70	00	2,70
	of which: From other institutions & agencies	10	00	100
	of which: Others (Borrowings outside India)		-	
	of which: Capital instruments		-	
iv	Other liabilities & provisions	49	95	49
	Total	30,14	4	30,14
В	Assets			
i	Cash and balances with Reserve Bank of India	95	i9	95
	Balance with banks and money at call and short notice	5,59	7	5,59
ii	Investments:	5,63	8	5,63
	of which: Government securities	5,24	0	5,24
	of which: Other approved securities		-	
	of which: Shares		-	
	of which: Debentures & Bonds		-	
	of which: Subsidiaries / Joint Ventures / Associates		-	
	of which: Others (Commercial Papers, Mutual Funds etc.)	39	18	39
iii	Loans and advances	16,97	75	16,97
	of which: Loans and advances to banks		-	
	of which: Loans and advances to customers	16,97	75	16,97
iv	Fixed assets	24		24
٧	Other assets	73	30	73
	of which: Goodwill and intangible assets		-	
	of which: Deferred tax assets	18	32	18
vi	Goodwill on consolidation		-	
vii	Debit balance in Profit & Loss account		-	
	Total Assets	30,14	4	30,14
tep 2				(Rs. in Millio
Sr	Particulars	Balance sheet	Balance sheet	Reference
	Particulars	Balance sheet	Baranco snoot	Keterene

Step 2			(	Rs. in Million)
Sr Part No.	ticulars	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference No.
A Cap	ital & Liabilities			
i <u>Paid</u>	d-up Capital	2,929	2,929	
of w	hich: Amount eligible for CET1	2,929	2,929	A1
of w	hich: Amount eligible for AT1			
Res	erves & Surplus	1,441	1,441	
of wl	hich:			
Stati	utory Reserve	521	521	B1
Prop	perty Investment Reserve	10	10	B2
Capi	ital Reserve	30	30	В3
Capi	ital Adequacy	788	788	B4
Inve	stment Reserve Account	20	20	C1
Bala	ance in Profit /Loss A/c	73	73	
Tota	al Capital	4,370	4,370	
ii Dep	osits	22,479	22,479	
of wi	hich: Deposits from banks	0	0	
of wi	hich: Customer deposits	22,479	22,479	
of w	hich: Other deposits (pl. specify)	-	-	
iii Borr	rowings	2,800	2,800	
of wi	hich: From RBI	-	-	
of w	hich: From banks	2,700	2,700	
of w	hich: From other institutions & agencies	100	100	
of w	hich: Others (Borrowings outside India)	-	-	
iv <b>Oth</b> e	er liabilities & provisions	495	495	
of wl	hich:Provision for Standard Advances,Country Risk,Unhedged foreign currency Exposures)	73	73	C2
TOT	AL Capital & Liabilities	30,144	30,144	
B ASS	BETS			
i Casl	h and balances with Reserve Bank of India	959	959	
Bala	ance with banks and money at call and short notice	5,597	5,597	
ii Inve	estments	5,638	5,638	
of w	hich: Government securities of which: Other approved securities	5,240	5,240	
of w	hich: Shares	-	-	
of w	hich: Debentures & Bonds	-	-	
of w	hich: Subsidiaries / Joint	-	-	
Vent	tures / Associates	-	-	
of w	hich: Others (Commercial Papers, Mutual Funds etc.)	398	398	
iii Loa	ans and advances	16,975	16,975	
of w	hich: Loans and advances to Banks	-	-	
	hich: Loans and advances to customers	16,975	16,975	
iv <b>Fix</b> e	ed assets	246	246	
	hich:Intangibles	25	25	D1
_	ner assets	730	730	
of w	thich: Goodwill and intangible assets			
	hich: Deferred tax assets	182	182	E1
	odwill on consolidation	-		
	oit balance in Profit & Loss account	-	-	
	al Assets	30,144	30,144	

# Leverage Ratio

a) Pa No. Pa No. 1 To 2 Acc occ occ occ occ occ occ occ occ occ	Table DF 17- Summary comparison of accounting assets vs. leverage ratio exposure measure  articulars  otal consolidated assets as per published financial statements djustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but utside the scope of regulatory consolidation djustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the everage ratio exposure measure djustments for derivative financial instruments djustment for securities financial transactions (i.e. repos and similar secured lending) djustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures) ther adjustments everage ratio exposure	In Rs.000's  30,144,042  -  117,215  - 4,160,369
Sr. No.  1 To 2 Account 3 Accles 6 Acc 7 Ot 8 Le b)	articulars  otal consolidated assets as per published financial statements djustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but utside the scope of regulatory consolidation djustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the everage ratio exposure measure djustments for derivative financial instruments djustment for securities financing transactions (i.e. repos and similar secured lending) djustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures) where adjustments everage ratio exposure	30,144,042 - - 117,215 - 4,160,369
2 Account   3 Accilent   4 Acc   5 Acc   6 Acc   7 Ott   8 Le   b)   1 Or   2 (A	djustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but utside the scope of regulatory consolidation  djustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the everage ratio exposure measure  djustments for derivative financial instruments  djustment for securities financing transactions (i.e. repos and similar secured lending)  djustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)  ther adjustments  everage ratio exposure	117,215 - 4,160,369
3 Acc level 4 Acc 5 Acc 6 Acc 7 Ott 8 Lee b)	utside the scope of regulatory consolidation djustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the everage ratio exposure measure djustments for derivative financial instruments djustment for securities financing transactions (i.e. repos and similar secured lending) djustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures) ther adjustments everage ratio exposure	4,160,369
level   4   Acc   5   Acc   6   Acc   7   Ott   8   Level   b)     1   Orr   2   (Acc   Acc   Acc	djustments for derivative financial instruments  djustment for securities financing transactions (i.e. repos and similar secured lending)  djustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)  ther adjustments  everage ratio exposure	4,160,369
5 Ac 6 Ac 7 Ot 8 Le b)	djustment for securities financing transactions (i.e. repos and similar secured lending)  djustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)  ther adjustments  everage ratio exposure	4,160,369
6 Ac 7 Ot 8 Le b) 1 Or 2 (A	djustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)  ther adjustments everage ratio exposure	
7 Ot 8 Le b) 1 Or 2 (A	ther adjustments everage ratio exposure	
8 Le b)  1 Or 2 (A	everage ratio exposure	207 426
b) 1 Or 2 (A		-207,426
1 Or 2 (A		34,214,200
2 (A	Table DF-18: Leverage ratio common disclosure template	(In Rs.000's)
2 (A	On-balance sheet exposures	
<u> </u>	n-balance sheet items (excluding derivatives and SFTs, but including collateral)	29,704,043
3 To	Asset amounts deducted in determining Basel III Tier 1 capital)	-207426
	otal on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	29,496,617
	Derivative exposures	
4 Re	eplacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	10,833
5 Ac	dd-on amounts for PFE associated with all derivatives transactions	106,382
6 Gr	cross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7 (D	Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8 (E	Exempted CCP leg of client-cleared trade exposures)	-
9 Ac	djusted effective notional amount of written credit derivatives	-
10 (A	Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11 To	otal derivative exposures (sum of lines 4 to 10)	117,215
	Securities financing transaction exposures	
12 Gr	cross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	440000
13 (N	Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14 C0	CR exposure for SFT assets	-
15 Ag	gent transaction exposures	-
16 To	otal securities financing transaction exposures (sum of lines 12 to 15)	440000
	Other off-balance sheet exposures	
17 Of	ff-balance sheet exposure at gross notional amount	10,644,302
18 (A	Adjustments for conversion to credit equivalent amounts)	-6,483,933
19 Of	ff-balance sheet items (sum of lines 17 and 18)	4,160,369
	Capital and total exposures	
	ier 1 capital	4,070,086
21 To	otal exposures (sum of lines 3, 11, 16 and 19)	34,214,201
22 Ba	Leverage ratio	