BNP PARIBAS - INDIAN BRANCHES

SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES FOR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

(1) BACKGROUND

The financial statements for the financial year ended 31st March 2015, comprise accounts of Indian branches of BNP Paribas SA, which is incorporated in France with limited liability.

(2) BASIS OF PREPARATION

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

(3) USE OF ESTIMATES

The preparation of the financial statements in conformity with the accounting principles generally accepted in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities as at the date of the financial statements. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision in the accounting estimates is recognized prospectively in the current and future periods.

(4) REVENUE RECOGNITION

(i) Interest income is recognised on accrual basis except in case of non-performing assets where it is recognised upon realisation as per the RBI guidelines and in accordance with the Accounting Standard on revenue recognition.

(ii) Income on discounted instruments is recognized over the tenure of the instrument on a constant yield basis/straight line basis.

(iii) Commission on LCs and guarantees is recognised over the life of the instrument on a straight line basis.

(iv) Other fee incomes are recognised at the time the services are rendered and a right to receive the same is established.

(v) The Indian branches participate in an integrated dealing room activity with its Head Office and other branches and account for its profits / losses on Derivative transactions under a Residual Profit Split method.

(5) TRANSACTIONS INVOLVING FOREIGN EXCHANGE

(i) Transactions denominated in foreign currencies are accounted at rates prevailing on the date of the transaction. Exchange differences arising on foreign currency transactions settled during the period are recognized in the Profit and Loss Account of the period.

(ii) Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing exchange rates notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant gains or losses are recognized in the Profit and Loss Account.

(iii) Outstanding spot contracts and foreign exchange swap contracts in banking book are revalued at the rates of exchange notified by FEDAI, the resulting gains or losses are recognised in the Profit and Loss Account and the swap premium is amortised to profit and loss account over the life of the contracts.

Outstanding forward exchange contracts designated as 'Trading' are revalued at the period end exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of interim maturity (and at foreign exchange rates implied by the swap curves for respective currencies for contracts with maturities greater than 12 months), discounted to present value and the resultant profits or losses are included in the Profit and Loss account. The notional principal of these contracts is reported under 'Contingent Liabilities'.

(iv) Contingent liabilities in respect of outstanding forward exchange contracts, guarantees, acceptances, endorsements and other obligations are stated at the closing spot rates of exchange notified by FEDAI at the year-end.

(6) DERIVATIVE TRANSACTIONS

(i) Outstanding derivative transactions designated as 'Trading', which include interest rate swaps ('IRS'), currency swaps ('CS') and currency options are marked to market using the Present Value methodology. The resulting gains or losses are included in the Profit and Loss Account. The net unrealised gains or losses on these products are recorded in the Balance Sheet under Other Assets or Other Liabilities and Provisions.

(ii) Derivative transactions undertaken for hedging purposes are accounted for on an accrual basis, except those undertaken for hedging an asset or liability that is carried at lower of cost or market value in the financial statements. In such cases, the derivatives are marked to market with the resulting profits or losses being recorded as adjustments to the market values of the designated assets or liabilities.

(iii) Premium paid and received on options is accounted up-front in the Profit and Loss Account. The options are marked to market using the Present Value methodology and the resulting profits or losses are recognised in the Profit and Loss Account.

(iv) Amounts due to the Bank under derivative contracts which remain overdue for more than 90 days and mark to market gains on other derivative contracts with the same counterparty are reversed through Profit and Loss Account.

(7) INVESTMENTS

(i) **Accounting and Classification**

- In accordance with the extant guidelines issued by the RBI, the Bank classifies its investment portfolio into three categories viz., 'Held to Maturity', 'Available for Sale' and 'Held for Trading'. Under each of these categories, investments are further classified under six groups namely, Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Subsidiaries and Joint Ventures and Others. The Bank decides the categorisation of each investment at the time of acquisition.

- Investments in securities are accounted on 'settlement date' basis.

(ii) **Valuation**

- <u>Held to Maturity:</u>

Government securities and debentures and bonds acquired by the Bank with the intention to hold them up to maturity are classified as held to maturity investments and are valued at cost. Deposits with Financial Institutions in lieu of shortfall in meeting priority sector targets are classified under held to maturity investments and valued at cost. Unquoted debentures and bonds deemed to be in the nature of an advance are valued at cost. In case the cost price is higher than the face value, such premium is amortised over the period to maturity. Where the cost price is less than the face value, such discount is ignored.

Diminution other than temporary, if any, in the value of such investments is determined and provided for on each investment individually.

- <u>Available for Sale:</u>

Investments in this category are marked to market and the net depreciation, if any, within each group is recognized in the Profit and Loss account. Net appreciation, if any, is ignored. The market value of Government securities is determined on the basis of market quotations at the year-end published by Fixed Income Money Market and Derivatives Association of India ('FIMMDA').

Unquoted debentures and bonds, other than those deemed to be in the nature of an advance, are valued on the yield to maturity basis in accordance with the methodology specified by the RBI guidelines.

In case of quoted debentures and bonds, where there have been transactions on the stock exchanges within fifteen days prior to the valuation date, the market price adopted is the price of the scrip as recorded on the stock exchange. In case no trades are available during the last fifteen days, the market price is derived based on the YTM rates of Government Securities of similar tenor by applying appropriate mark-up (reflecting credit risk borne by the bank). The YTM and the mark-up rates applied are as published by FIMMDA.

Discounted instruments are valued at carrying cost. Discount accrued on these are reported under 'Other Assets – Interest Accrued'.

- <u>Held for Trading:</u>

The individual scripts in the Held for Trading securities are marked to market at monthly intervals. Net depreciation under each group, if any, is provided for; net appreciation, if any, is ignored.

(iii) **Transfer between categories**

Transfer of securities between categories of investments is carried out in accordance with the RBI guidelines and accounted for at the lower of the acquisition cost, book value and the market value on the date of transfer and depreciation, if any, on such transfer is fully provided for.

(iv) **Profit or loss on sale / redemption of investments**

- Held to Maturity:

Profit or loss on sale/redemption of such investments is included in the Profit and Loss Account. Profit, if any, after being adjusted for tax and statutory reserve transfer, is thereafter appropriated to the Capital Reserve.

- Available for Sale and Held for Trading:

Profit or loss on sale/redemption of such investments is included in the Profit and Loss Account.

(v) **Repurchase and Reverse Repurchase transactions**

Repurchase (Repo) and Reverse repurchase (Reverse repo) transactions are accounted for as collateralised borrowing and lending transactions respectively with an agreement to repurchase on agreed terms in accordance with RBI guidelines. The difference between the clean price of the first leg and the clean price of the second leg is recognized as interest income / expense over the period of the transaction in the Profit and Loss account.

Repurchase and reverse repurchase transactions with the RBI under the Liquidity Adjustment Facility are accounted for as secured borrowing and lending transactions.

(vi) Separate queues are followed for trading and non-trading securities per intention at inception of the transaction. In case of an inefficiency of a hedge, where underlying is an investment, the hedging strategy is unwound. Consequently, the hedged investment is reclassified to Available for Sale category.

(vii) Non – Performing Investments are identified and valued based on RBI guidelines.

(8) ADVANCES

(i) Advances are classified as performing and non-performing based on prudential norms for income recognition, asset classification and provisioning issued by RBI. Interest on non-performing advances is recognized in the profit and loss account on realization.

(ii) Advances are net of loan loss provisions, provisions for impaired assets, ECGC claims and bills rediscounted.

(iii) Loan loss provisions in respect of non-performing advances are made based on management's assessment of the degree of impairment of the advances, subject to the minimum provisioning level in accordance with prudential norms prescribed by RBI.

(iv) General provision for loan losses on standard assets @ 0.25% to 2.00% is made on the various classes of standard assets as prescribed by RBI. Such provisions are reflected under "Other liabilities and Provisions" and are not considered for arriving at Net NPA's.

(v) In addition to the provisions required to be held as per asset classification status, provisions are held for individual country exposures, including indirect country risk (other than for home country exposures) as per RBI guidelines. Exposure is classified into seven risk categories as mentioned in Export Credit Guarantee Corporation of India Ltd. (ECGC) guidelines and provisioning is done for that country if the net funded exposure is one percent or more of bank's total assets based on rates laid down by RBI.

(9) FIXED ASSETS AND DEPRECIATION

(i) Fixed assets are stated at cost less accumulated depreciation, provision for impairment and adjusted for any revaluations as ascertained by the Management. The carrying amount of fixed assets is reviewed at each Balance Sheet date for any indication of impairment based on internal/external factors.

Impairment loss on a revalued asset is recognised directly against any revaluation surplus of the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for the same asset. In case of revalued / impaired assets, depreciation is provided over the remaining useful life of the assets with reference to revised asset values / lives.

(ii) Depreciation on fixed assets is provided on straight-line method, over estimated useful lives of the assets, as determined by the management based on historical experience of the bank subject to the minimum rates of depreciation prescribed in Schedule II to the Companies Act, 2013.The below rates are reflective of the Management's estimate of the useful lives of the related fixed assets.

Asset Class	Estimated useful as assessed by the Bank
Owned Premises	48 years, 9 months
Improvements to Owned Premises	10 years
Vehicles	5 years
Computers and Servers	3 years
Furniture and Fixtures	10 years
Plant and Machinery & Office Equipment	5 years
Mobile Phones	2 years

(iii) Improvements to Leasehold premises are depreciated over the primary period of the lease, subject to a maximum of 10 years.

(iv) Depreciation of software is provided based on the useful life of the software or five years whichever is lower.

(v) Assets purchased / sold during the year are depreciated on a pro-rata basis for actual number of days the asset has been put to use.

(vi) Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.

(10) LEASES

Finance leases, which effectively transfer to the Bank substantially all the risks and benefits incidental to ownership of the leased item are capitalised at the lower of the fair value or present value of the minimum lease payments at the inception of the lease term and disclosed as fixed assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income.

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

(11) EMPLOYEE BENEFITS

The Bank has created separate recognised funds for Provident Fund, Pension and Gratuity.

Provident Fund
Contributions to the Bank's Provident Fund, which is a defined contribution scheme, are accounted for on accrual basis and recognized in the profit and loss account.

Gratuity and Pension
Gratuity and pension schemes are defined benefit plans. The net present value of the Bank's obligation towards the defined benefit plans is actuarially determined based on the projected unit credit method as at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Profit and Loss Account.

Compensated Absences
Liability for compensated absences for employees is provided on the basis of an actuarial valuation conducted by an independent actuary, using projected unit credit method as at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Profit and Loss Account.

Deferred Bonus
The Bank accounts for its defined benefit obligations for non-funded deferred bonus benefits on the basis of an independent actuarial valuation as per the projected unit credit method made at the end of each financial year.

Employee Share Based Payments
The eligible employees of the Bank have been granted stock awards under various plans, of equity shares of the ultimate holding company, BNP PARIBAS SA, France. As per the various plans, these stock awards vest in a graded manner up to five years. During the year the Bank has charged an amount pertaining to these costs under the head "Payments to and provisions for employees" as compensation cost.

Other employee benefits are recognised based on the likely entitlement thereof.

(12) INCOME TAXES

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount required in accordance with the Income Tax Act, 1961 and applicable laws and rules thereunder. Deferred tax assets and liabilities for the year, arising on account of timing differences between taxable income and accounting income, are recognised in the Profit & Loss Account and the cumulative effect thereof is reflected in the Balance Sheet.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

Deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. In situations where the Bank has unabsorbed depreciation or carried forward losses, deferred tax assets are recognised only if there is virtual certainty that sufficient future taxable income will be available to realize these assets.

Deferred tax assets are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably / virtually certain to be realised.

(13) PROVISIONS AND CONTINGENCIES

A provision is recognised when the Bank has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation or present obligation that may but probably will not require an outflow of resources embodying economic benefits. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised or disclosed in the financial statements

(14) IMPAIRMENT

(i) The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

(ii) After impairment, depreciation is provided on the revised carrying amount of the assets over their remaining useful lives.

(iii) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(15) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

(16) SEGMENT REPORTING

The Bank operates in three segments viz. Treasury, Corporate and Wholesale Banking and Other Banking Operations. These segments have been identified in line with AS-17 on segment reporting after considering the nature and risk profile of the products and services, the target customer profile, the organization structure and the internal reporting system of the bank.

Segment revenue, results, assets and liabilities include the amounts identifiable to each of the segments as also amounts allocated, as estimated by the management. Assets and liabilities that cannot be allocated to identifiable segments are grouped under unallocated assets and liabilities.

BNP PARIBAS - INDIAN BRANCHES

SCHEDULE 18 NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

(1) CAPITAL ADEQUACY

The Bank is subject to the Basel III Capital adequacy guidelines stipulated by RBI with effect from April 01, 2013. The guidelines provide a transition schedule for Basel III implementation till March 31, 2018.

RBI has withdrawn the parallel run and prudential floor between Basel 1 and Basel 2 vide RBI Master Circular on Basel III Capital regulations DBOD.No.BP.BC.2 /21.06.201/2013-14 dated July 01, 2013. The capital adequacy ratio (including CVA charge) as at March 31, 2015 is 11.61% as per details below (previous year 13.89%).

(Rs. in crores)

Sr. No	Particulars	As at March 31, 2015	As at March 31, 2014
i)	Common Equity Tier 1 capital ratio (%)	10.36	12.14
ii)	Tier 1 capital ratio (%)	10.36	12.14
iii)	Tier 2 capital ratio (%)	1.25	1.75
iv)	Total Capital ratio (CRAR) (%)	11.61	13.89
v)	Percentage of the shareholding of the Government of India in public sector banks	Nil	Nil
vi)	Amount of equity capital raised	Nil	849.11
vii)	Amount of Additional Tier 1 capital raised; of which PNCPS: PDI:	Nil	Nil
viii)	Amount of Tier 2 capital raised; of which Debt capital instrument: Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	Nil	Nil

(2) INVESTMENTS **(Rs. in crores)**

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
(1) Value of Investments		
(i) Gross value of investments	6,705.79	5,746.39
(a) In India	6,705.79	5,746.39
(b) Outside India	-	-
(ii) Provisions for Depreciation	0.01	0.02
(a) In India	0.01	0.02
(b) Outside India	-	-
(iii) Net Value of Investments	6,705.78	5,746.37
(a) In India	6,705.78	5,746.37
(b) Outside India	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	0.02	1.03
(ii) Add: Provisions made during the year	0.01	-
(iii) Less: Write-off / write-back of excess provisions during the year	0.02	1.01
(iv) Closing balance	**0.01**	**0.02**

(3) REPO TRANSACTIONS

The details of face value of securities purchased / sold under repurchase agreements (excluding LAF and MSF transactions) are as follows:

For the year ended March 31, 2015:

(Rs. in crores)

Particulars	**Minimum Outstanding during the year**	**Maximum Outstanding during the year**	**Daily Average Outstanding during the year**	**As at March 31, 2015**
Securities sold under repo				
(i) Government Securities	15.60	1,638.16	361.59	3,014.96
(ii) Corporate Debt Securities	-		-	-
Securities purchased under reverse repo				
(i) Government Securities	15.00	1,320.97	525.60	-
(ii) Corporate Debt Securities	-	-	-	-

For the year ended March 31, 2014:

(Rs. in crores)

Particulars	**Minimum Outstanding during the year**	**Maximum Outstanding during the year**	**Daily Average Outstanding during the year**	**As at March 31, 2014**
Securities sold under repo				
(i) Government Securities	31.20	1,846.00	522.13	1,190.80
(ii) Corporate Debt Securities	-	-	-	-
Securities purchased under reverse repo				
(i) Government Securities	50.00	1,391.92	458.29	-
(ii) Corporate Debt Securities	-	-	-	-

The above figures exclude days with Nil outstanding.

(4) NON-SLR INVESTMENT PORTFOLIO

(i) Issuer composition of Non-SLR investments

As at March 31, 2015: **(Rs.in crores)**

Issuer **(1)**	**Amount** **(2)**	**Extent of private placement** **(3)**	**Extent of 'Below Investment Grade' Securities** **(4)**	**Extent of unrated securities** **(5)**	**Extent of unlisted securities** **(6)**
Public sector undertakings ('PSUs')	0.01	0.01	-	0.01	0.01
Financial institutions ('FIs')**	1.74	1.74	-	1.74	1.74
Banks	-	-	-	-	-
Private corporate *	100.00	100.00	-	-	-
Subsidiaries / Joint Ventures	-	-	-	-	-
Others	-	-	-	-	-
Provision held towards depreciation	-	-	-	-	-
Total	**101.75**	**101.75**	**-**	**1.75**	**1.75**

As at March 31, 2014: **(Rs. in crores)**

Issuer **(1)**	**Amount** **(2)**	**Extent of private placement** **(3)**	**Extent of 'Below Investment Grade' Securities** **(4)**	**Extent of unrated securities** **(5)**	**Extent of unlisted securities** **(6)**
Public sector undertakings ('PSUs')	0.01	-	-	0.01	0.01
Financial institutions ('FIs')**	4.60	-	-	4.60	4.60
Banks	572.34	97.71	-	-	-
Private corporate	-	-	-	-	-
Subsidiaries / Joint Ventures	-	-	-	-	-
Others	-	-	-	-	-
Provision held towards depreciation	-	-	-	-	-
Total	**576.95**	**97.71**	**-**	**4.61**	**4.61**

* Includes unlisted equity shares having book value of Rs. One thousand (2014 – Rs. One thousand) and unlisted optionally convertible preference shares having book value of Rs. One thousand (2014 – Rs. One thousand) and investments in rated and listed non-convertible debentures of Rs. 100 crores (2014 – Nil).

**Investments in Financial Institutions represent deposits placed with Small Industries Development Bank of India, National Bank for Agriculture and Rural Development and National Housing Bank in lieu of priority sector shortfall.

Amounts reported under columns 3, 4, 5 and 6 above are not mutually exclusive.

(ii) Non-performing Non-SLR investments:

Movement in Gross non-performing investments in securities other than Government and other approved securities:

(Rs. in crores)

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Opening balance	-	-
Additions during the year *	7.37	-
Reductions during the year	0.04	-
Closing balance	7.33	-
Total provisions held	**7.33**	**-**

*Addition during the year pertains to optionally convertible redeemable preference shares allotted to the bank on restructuring of non-performing advances under Corporate Debt Restructuring (CDR) scheme of RBI.

(5) INVESTMENTS UNDER HTM CATEGORY

(Rs. in crores)

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Opening Balance of Investments (HTM)	4.60	-
Sale/transfer/maturity during the year	3.71	-
Addition during the year	0.85	4.60
Closing Balance of Investments (HTM)	**1.74**	**4.60**

Investments under HTM category represents deposits with financial institutions placed in lieu of priority sector shortfall. Sale/transfers/maturity during the year in excess of 5% of the book value of investments held in HTM category at the beginning of the year are on account of maturity of deposits placed in earlier years. The deposits are carried at book value and there is no excess of book value over market value for which provision is not made.

(6) DERIVATIVES

Forward Rate Agreement / Interest Rate Swap:

(Rs. in crores)

S. No.	**Particulars**	**As at March 31, 2015**	**As at March 31, 2013**
i)	The notional principal of swap agreement (including forward rate agreement)	392,178.87	382,272.27
ii)	Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	1,205.80	2,512.51
iii)	Collateral required by the Bank upon entering into swaps	NA	NA
iv)	Concentration of credit risk arising from the swaps to banking industry	93.02%	93.92%
v)	The fair value of the swap book (loss)	(176.96)	7.88

In the Management's opinion, all derivative transactions have been entered into with reputed counterparties under approved credit lines and carry negligible inherent credit risk.

Nature and terms of the swaps (including FRA):

(Rs. in crores)

Nature	Benchmark Index	Terms	As at March 31, 2015	As at March 31, 2014
Trading	MIBOR	Fixed payable v/s floating receivable	143,951.67	143,728.47
		Fixed receivable v/s floating payable	145,302.91	146,869.32
Trading	MIFOR	Fixed payable v/s floating receivable	32,628.50	24,886.50
		Fixed receivable v/s floating payable	30,320.45	26,034.45
Trading	INBMK	Fixed payable v/s floating receivable	850.00	850.00
		Fixed receivable v/s floating payable	950.00	950.00
Trading	MIOIS	Fixed receivable v/s floating payable	20.00	35.00
Trading	EURIBOR	Fixed payable v/s floating receivable	282.20	-
		Floating receivable v/s Floating payable	974.26	1,223.74
		Fixed receivable v/s floating payable	564.40	330.74
Trading	LIBOR	Fixed payable v/s floating receivable	14,176.41	14,115.77
		Fixed receivable v/s floating payable	11,385.22	12,797.77
		Floating receivable v/s Floating payable	8,575.42	8,124.89
Trading	Others	Fixed payable v/s floating receivable	512.50	499.58
		Fixed receivable v/s Fixed payable	699.04	646.78
		Fixed receivable v/s floating payable	182.44	702.95
		Floating receivable v/s Floating payable	803.45	476.33
			392,178.87	**382,272.27**

(7) EXCHANGE TRADED INTEREST RATE DERIVATIVE

The Bank has not entered into any exchange traded interest rate derivatives during the year. (2014 - Rs. Nil)

(Rs. in crores)

	Particulars	As at March 31, 2015	As at March 31, 2014
(i)	Notional Principal amount of exchange traded interest rate Derivatives undertaken during the year	Nil	Nil
(ii)	Notional Principal amount of exchange traded interest rate Derivatives outstanding as at the end of the year	Nil	Nil
(iii)	Notional Principal amount of exchange traded interest rate Derivatives outstanding and not "highly effective"	Nil	Nil
(iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not " highly effective"	Nil	Nil

(8) DISCLOSURE ON RISK EXPOSURE IN DERIVATIVES

(i) Qualitative Disclosures:

The structure and organisation for management of risk in derivatives trading:

There are business line and market risk limits governing the derivative trading activities. The activities/ products that the Bank may undertake as well as the fixing of the limits for the same are determined through a comprehensive process involving the Management, legal, operations, IT and risk functions. Advanced front office and market risk systems are in place to monitor the positions and compliance with various risk limits. There is a clear segregation of the front office, market risk monitoring and control and the back office functions relating to transactions in derivatives.

The scope and nature of risk measurement, risk reporting and risk monitoring systems:

Appropriate parameters such as PV01, GEaR, issuer risk and counterparty credit risk exposure are used for risk measurement through sophisticated systems. These cover all products and activities in derivatives. There is a system of regular reporting of positions and risks to the Management. Further there is a system of identifying and reporting exceptions to the Management.

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

The Bank uses appropriate hedging instruments to hedge / mitigate risks both in the banking and trading books. The effectiveness of the hedge is monitored periodically. The accounting policy for recording derivative transactions is in place which includes recognition of income and the treatment of gains / losses on cancellation / termination of contracts.

(ii) Quantitative Disclosures: **(Rs. in crores)**

Particulars	Currency Derivatives		Interest Rate Derivatives	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
1) Derivatives (Notional Principal Amount)				
a) For hedging	6,250.00	5,991.50	-	-
b) For trading	232,028.27	224,560.65	392,178.87	382,272.27
2) Marked to Market Positions				
a) Asset (+)	3,835.16	5,903.63	1,205.80	2,512.51
b) Liability (-)	(3,867.65)	(6,358.92)	(1,382.75)	(2,504.63)
3) Credit Exposure	13,083.54	14,612.01	4,191.03	5,471.36
4) Likely impact of one percent change in interest rate (100*PV01) (Note 1)				
a) on hedging derivatives	7.74	22.56	-	-
b) on trading derivatives	104.67	65.02	182.68	123.53
5) Maximum and Minimum of 100*PV01 observed during the year (Note 2)				
a) on hedging				
- i) Maximum	18.39	22.56	-	-
- ii) Minimum	7.74	5.21	-	-
b) on trading				
- i) Maximum	107.49	85.70	197.90	158.50
- ii) Minimum	55.09	34.92	93.62	23.92

Notes:

1) Based on the absolute value of PV01 of the outstanding derivatives as at year end.

2) Based on the absolute value of PV01 of the outstanding derivatives as at month-ends during the year.

(9) NON - PERFORMING ASSETS

(Rs. in crores)

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
(i) Net NPAs to Net Advances (%)	0.00%	0.00%
(ii) Movement of Gross NPAs		
(a) Opening balance	16.25	16.25
(b) Additions during the year *	4.15	-
(c) Reductions during the year **	(8.23)	-
(d) Amounts written off	-	-
(e) Closing balance	12.17	16.25
(iii) Movement of Net NPAs		
(a) Opening balance	-	-
(b) Additions during the year	0.22	-
(c) Reductions during the year	(0.22)	-
(d) Amounts written off	-	-
(e) Closing balance	-	-
(iv) Movement of provision for NPAs (excluding provisions on standard assets)		
(a) Opening balance	16.25	16.25
(b) Additions during the year *	3.93	-
(c) Written back during the year ***	8.01	-
(d) Written off during the year	-	-
(e) Closing balance	12.17	16.25

* Addition to NPA and additions to provision for NPAs during the year includes Rs. 3.85 crores on restructuring of existing NPAs under Corporate Debt Restructuring (CDR) Scheme of RBI.

** Includes reduction on account of conversion of non-performing loan to non-performing Investments upon CDR amounting to Rs. 7.37 crore.

*** Includes write back of provision of Rs. 7.37 crore on account of conversion of non-performing loan to non-performing investments upon CDR.

(10) PARTICULARS OF ACCOUNTS RESTRUCTURED

The particulars of loan asset subject to restructuring during the year ended March 31, 2015 is given in the table hereunder. No loan asset of the Bank was subjected to restructuring during the year ended March 31, 2014.

(Rs. in crores)

Sl No	Type of Restructuring--->		Under CDR Mechanism				
	Asset Classification--->		Standard	Sub-Standard	Doubtful	Loss	Total
	Details						
1	Restructured Accounts as on April 1of the FY (opening figures)*	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
2	Fresh restructuring during the year	No. of borrowers	-	-	3	-	3
		Amount outstanding	-	-	19.50	-	19.50
		Provision thereon	-	-	19.50	-	19.50
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-				-
		Amount outstanding	-				-
		Provision thereon	-				-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
		Provision thereon	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
		Amount outstanding	-	-	-	-	-
7	Restructured Accounts as on March 31of the FY (closing figures*)	No. of borrowers	-	-	3	-	3
		Amount outstanding	-	-	19.50	-	19.50
		Provision thereon	-	-	19.50	-	19.50

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

During the year ended March 31, 2015, the bank has not undertaken restructuring under SME Debt Restructuring Mechanism and Others.

(11) DETAILS OF FINANCIAL ASSETS SOLD TO SECURITISATION / RECONSTRUCTION COMPANY FOR ASSET RECONSTRUCTION

There were no financial assets which were sold to a securitisation / asset reconstruction company

(Rs. in crores)

Particulars	As at March 31, 2015	As at March 31, 2014
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier year	-	-
(v) Aggregate gain/loss over net book value	-	-

(12) DETAILS OF NON-PERFORMING FINANCIAL ASSETS PURCHASED / SOLD

The Bank has not purchased / sold any non-performing financial assets.

A. Details of non-performing financial assets purchased:

(Rs. in crores)

Particulars	As at March 31, 2015	As at March 31, 2014
1. (a) No. of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2. (a) Of these, no. of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-

B. Details of non-performing financial assets sold:

(Rs. in crores)

Particulars	As at March 31, 2015	As at March 31, 2014
1. No. of accounts sold during the year	-	-
2. Aggregate outstanding	-	-
3. Aggregate consideration received	-	-

(13) PROVISIONS ON STANDARD ASSETS

(Rs. in crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Provisions towards Standard Assets (closing balance)	83.23	83.23
Provisions towards Standard Assets (P&L charge)	-	5.19

(14) BUSINESS RATIOS

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
(a) Interest Income as a percentage to working funds	7.41	7.31
(b) Non - Interest Income as a percentage to working funds	1.49	1.56
(c) Operating Profit as a percentage to working funds	2.47	2.26
(d) Return on assets (net profit as a percentage to working funds)	1.31	1.17
(e) Business (deposits plus advances) per employee (Rs. crores)	73.48	69.55
(f) Profit per employee (Rs. crores)	0.80	0.55

Note:

(a) Working funds is the monthly average of total assets as reported to the RBI under Section 27 of the Banking Regulation Act, 1949.

(b) Operating Profit = Interest income + Other income - Interest expense - Operating expense.

(c) Business is the closing deposits excluding Inter-bank Deposits + Advances.

(d) Productivity ratios are based on the number of employees as at the year end.

(15) MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2015:

(Rs. in crores)

Particulars	1 day	2 to 7 days	8 to 14 days	15 to 28 days	29 days and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	836.16	1,185.00	798.27	1,128.12	1,049.75	401.75	393.35	8,245.90	286.29	0.01	14,324.60
Advances	53.17	908.55	606.35	1,116.80	2,821.99	1,445.51	918.64	5,801.24	454.60	72.46	14,199.31
Investments	835.34	554.03	205.82	240.78	455.86	665.57	159.83	2,760.05	826.98	1.52	6,705.78
Borrowings	157.15	1,479.00	1,570.00	-	-	-	77.79	325.59	134.22	-	3,743.75
Foreign currency assets	68.71	1,038.89	77.05	131.88	876.84	581.82	13.02	644.96	313.08	10.34	3,756.59
Foreign currency liabilities	1,106.89	0.16	16.12	-	1.27	0.22	88.66	6,655.71	134.22	1.88	8,005.13

As at March 31, 2014:

(Rs. in crores)

Particulars	1 day	2 to 7 days	8 to 14 days	15 to 28 days	29 days and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	28.70	1,147.22	947.33	486.56	719.07	1,020.92	229.67	7,549.42	308.76	0.05	**12,437.70**
Advances	51.56	506.31	600.23	652.05	1,533.84	1,344.25	930.73	6,305.82	479.87	26.64	**12,431.32**
Investments	2,007.76	376.98	113.07	249.31	824.76	342.34	214.10	781.17	544.40	292.48	**5,746.37**
Borrowings	66.48	1,324.75	-	-	245.00	120.00	-	177.74	359.86	-	**2,293.83**
Foreign currency assets	115.46	362.92	3.53	189.69	211.96	180.92	1.16	550.00	301.54	17.87	**1,935.05**
Foreign currency liabilities	100.94	223.10	68.97	0.14	6.63	26.87	11.54	6,864.70	496.47	0.64	**7,800.01**

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

(16) LENDING TO SENSITIVE SECTORS / Exposures

(i) Exposure to the Real Estate Sector:

(Rs. in crores)

Category	As at March 31, 2015	As at March 31, 2014
a) Direct Exposure		
i) Residential Mortgages – Lending fully secured by Mortgages on Residential property that is or will be occupied by the borrower or that is rented. (Individual housing loans eligible for inclusion in priority sector advances may be shown separately)	-	-

Category	As at March 31, 2015	As at March 31, 2014
ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	179.25	165.06
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures – a. Residential, b. Commercial Real Estate.	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	198.13	241.52
Funded	10.00	-
Non – Funded	188.13	241.52
Total Exposure to Real Estate Sector	**377.38**	**406.58**

(ii) Exposure to the Capital Market:

(Rs. in crores)

Items	As at March 31, 2015	As at March 31, 2014
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt (# Rs 50,000/-)	#	#
(ii) Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investments in equity shares (including IPOs, ESOPS), bonds and debentures, units of equity oriented mutual funds	8.00	11.80
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances.	107.50	152.57
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market markers	175.00	150.00
(vi) Loans sanctioned to corporates against the security of shares/ bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows/issues	-	-
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceilings (both direct and indirect)	-	-
Total Exposure to Capital market	**290.50**	**314.37**

(17) RISK CATEGORY WISE COUNTRY EXPOSURE

The risk category wise exposure (net) and provisions held by the bank are as under:

(Rs. in crores)

Risk Category	Exposure (net) as at March 31, 2015	Provision held as at March 31, 2015	Exposure (net) as at March 31, 2014	Provision held as at March 31, 2014
Insignificant	343.07	-	344.29	-
Low	27.25	-	13.85	-
Moderate	13.71	-	9.46	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off – Credit	-	-	-	-
Total	**384.03**	**-**	**367.60**	**-**

The bank did not have funded exposure (net) exceeding 1% of the total funded assets to any country as at March 31, 2015 and March 31, 2014. Exposure to BNP Paribas, Head Office, France are considered as exposure to home country as per the policy of the bank.

(18) PRUDENTIAL LIMITS

The RBI has prescribed credit exposure limits for banks in respect of their lending to single / group borrowers. The exposure limits prescribed are 15% of the capital funds of banks in case of single borrowers (except for Oil Companies who have been issued Oil Bonds by Government of India, for whom; the limit is prescribed at 25% of the capital funds) and 40% of the capital funds of banks in case of group borrowers. In case of infrastructure projects, an additional exposure upto 5% of capital funds is allowed. The Bank's credit exposures to single / group borrowers are within the aforesaid limits, except for specific cases given below:

March 31, 2015

The particulars of customers where prudential exposure limits prescribed under the RBI guidelines for Single Borrower Limits were exceeded during the year are given below. The said excess in limits(within a further 5 % of capital funds) has been approved by the Management Committee.

Party Names	Maximum during the year (%)	As at March 31, 2015 (%)
Hindalco Industries Limited	19.60%	19.43%
Cognizant Technology Solutions India Private Limited	15.83%	12.95%
Reliance Industries Limited	15.10%	13.08%

March 31, 2014

The particulars of customers where prudential exposure limits prescribed under the RBI guidelines for Single Borrower Limits were exceeded during the year are given below. The said excess in limits(within a further 5 % of capital funds) has been approved by the Management Committee.

Party Names	**Maximum during the year (%)**	**As at March 31, 2014 (%)**
Indian Oil Corporation	28.11%	6.71%
Reliance Industries Limited	18.92%	18.92%
Larsen & Toubro Limited	18.87%	14.86%
HCL Technologies Limited	18.68%	14.05%
Cognizant Technology Solutions India Private Limited	18.42%	16.33%
Volkswagen India Private Limited	16.65%	15.27%
Air Liquide (I) Holding	16.15%	12.26%
Capgemini India Private Limited	15.97%	7.03%

(19) UNSECURED ADVANCES

The total amount of advances outstanding as at the year-end for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral is Rs. 400 crores (2014 - Rs. 200 crores).

Total Unsecured advances as per Schedule 9B(iii) is Rs.7,993.70 crores (2014 -Rs.7,787.58 crores).

(20) PROVISION FOR TAX

The breakup of debit / (credit) to Profit and Loss Account is given below

(Rs. in crores)

Particulars	**For the year ended March 31, 2015**	**For the year ended March 31, 2014**
Provision for Tax	265.30	182.12
Reversal of Provision for Tax for prior period	(40.32)	-
Provision for Deferred Tax	(1.48)	(3.66)
Provision for Wealth Tax	0.08	0.08
Total	**223.58**	**178.54**

(21) PENALTIES IMPOSED BY RESERVE BANK OF INDIA

The Reserve Bank of India has not imposed any penalty on the bank during the year 2014-2015. (2013-2014– Rs. Nil)

(22) ACCOUNTING STANDARD 5- NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGE IN ACCOUNTING POLICIES

Included in current year's Profit and Loss account is Head Office expenses amounting to Rs. 6.44 crores (Previous year 2014 includes prior period reversal of Head Office expenses amounting Rs. 4.03 crores) and reversal of provision for income tax of Rs. 40.32 crores (2014 – Nil) pertaining to prior periods.

(23) ACCOUNTING STANDARD 9 – REVENUE RECOGNITION

No unresolved significant uncertainties have been identified during the year for postponing revenue recognition to future years.

(24) ACCOUNTING STANDARD 10 – ACCOUNTING OF FIXED ASSETS

Revaluation of Premises

The Bank had revalued upward its entire premises as at March 31, 1993 by Rs. 37.34 crores and its premises at Mumbai as at March 31, 1995 by a further Rs. 33.77 crores based on their market values determined by a Government registered valuer. The surplus arising out of such revaluations had been credited to the Revaluation Reserve. During the year ended March 31, 2005, the Bank had sold part of its revalued premises. The Revaluation Reserve relating to the sold premises had been reversed for its depreciated value of Rs. 17.45 crores (original value Rs. 21.84 crores) as at April 1, 2004. The Bank had revalued downward its premises in Mumbai as at March 31, 2005 based on their market values determined by a global property consultant. The resulting impairment of Rs. 16.90 crores had been recognised directly against the revaluation surplus held for the same premises.

During the year ended 31st March 2009, the Bank had revalued upwards its premises in Mumbai, Chennai and Ahmedabad by Rs. 73.87 crores based on the market value determined by a government registered valuer. The surplus arising out of such revaluations had been credited to the Revaluation Reserve.

During the year ended March 31, 2011, the Bank has sold part of its revalued premises. The Revaluation Reserve relating to that premise has been reversed for its depreciated value of Rs. 0.31 crores (original value Rs. 0.49 crores) upto the date of sale.

Software

Included in 'Other Fixed Assets' is capitalised software amounting to:

(Rs.in crores)

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
At Cost		
Beginning of the year	3.37	3.37
Additions during the year	0.08	-
Deductions during the year	1.74	-
	1.71	3.37
Depreciation		
Beginning of the year	3.36	3.34
Additions during the year	0.01	0.02
Deductions during the year	1.74	-
	1.63	3.36
Net book value	**0.08**	**0.01**

(25) ACCOUNTING STANDARD 15 - EMPLOYEE BENEFITS

The Bank has recognised Rs. 2.96 crores (2014 - Rs. 2.57 crores) in the Profit and Loss Account for the year towards contribution to Provident Fund.

The gratuity and pension benefits are provided to the employees through funds managed by the Bank. Details of the same are as follows:

(Rs. in crores)

S.N	Particulars	Pension (Funded)		Gratuity (Funded)		Leave Benefit (Funded)	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
I	**Reconciliation of Defined Benefit Obligations**						
	Present Value of obligation as at the beginning of the year	20.13	21.04	13.44	12.75	7.04	6.78
	Interest Cost	1.77	1.63	1.18	0.98	0.62	0.51
	Current Service Cost	0.03	0.03	1.16	1.20	1.57	1.55
	Past Service cost	0.46	-	-	-	-	-
	Benefits Paid	(2.03)	(1.32)	(1.45)	(0.97)	(0.65)	(0.74)
	Actuarial (gain) / loss on obligations	2.41	(1.25)	1.67	(0.52)	0.17	(1.06)
	Present Value of obligation as at the year end	**22.77**	**20.13**	**16.00**	**13.44**	**8.75**	**7.04**
II	**Reconciliation of Fair Value of Plan Assets**						
	Fair Value of Plan Assets as at the beginning of the year	20.08	19.66	14.04	13.10	6.46	6.62
	Expected Return on Plan Assets	1.52	1.52	1.11	1.04	0.59	0.53
	Employer's Contribution	-	-	1.03	0.75	1.60	-
	Benefits Paid	(2.03)	(1.32)	(1.45)	(0.97)	(0.65)	(0.74)
	Actuarial gain / (loss)	0.15	0.22	0.03	0.12	(0.02)	0.05
	Fair Value of Plan Asset as at the year end	**19.72**	**20.08**	**14.76**	**14.04**	**7.98**	**6.46**
III	**Amounts recognised in the Balance Sheet**						
	Estimated present value of obligation as at the end of the year	22.77	20.13	16.00	13.44	8.75	7.04
	Fair Value of plan assets as at the end of the year	19.72	20.08	14.76	14.04	7.98	6.46
	Net Assets/(Liabilities) recognised in the Balance Sheet under 'Other Assets'/('Other Liabilities and Provisions')	**(3.05)**	**(0.05)**	**(1.24)**	**0.60**	**(0.77)**	**(0.58)**
IV	**Expenses recognised in Profit and Loss Account**						
	Current Service Cost	0.03	0.03	1.16	1.20	1.57	1.55

S.N	Particulars	Pension (Funded)		Gratuity (Funded)		Leave Benefit (Funded)	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
	Interest Cost	1.77	1.63	1.18	0.98	0.62	0.51
	Expected Return on Plan Assets	(1.52)	(1.52)	(1.11)	(1.04)	(0.59)	(0.53)
	Past Service cost	0.46	-	-	-	-	-
	Net actuarial (gain) / loss recognised	2.27	(1.47)	1.64	(0.64)	0.20	(1.11)
	Total expenses recognised in the Profit and Loss Account under Payments to and Provisions for employees	**3.01**	**(1.33)**	**2.87**	**0.50**	**1.80**	**0.42**
V	**Investment of Plan Assets**						
	Central Government Securities	27%	26%	-	-	-	-
	State Government Securities	-	-	-	-	-	-
	PSU/FI Bonds	-	-	-	-	-	-
	Insurer Managed Funds *	72%	73%	98%	98%	100%	100%
	Others	1%	1%	2%	2%	-	-
	Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
	* Insurer Managed Funds are invested in different instruments as per the following categories:						
	Debt	43.31%	78.12%	43.31%	78.12%	43.31%	78.12%
	Equity	-	4.93%	-	4.93%	-	4.93%
	FD & Other Assets	56.69%	16.95%	56.69%	16.95%	56.69%	16.95%
	Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
VI	**Principal Actuarial Assumptions**						
	Discount Rate	7.80%	9.25%	7.80%	9.25%	7.80%	9.25%
	Expected Rate of Return on Plan Asset	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%
	Salary Escalation Rate	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
	Mortality Rate	IAL 06-08 (Modified Ultimate) (2014-15) IAL 06-08 (Modified Ultimate) (2013-14)					
	Actual Return on Plan Assets:						
	Expected Return on Plan Assets	1.52	1.52	1.11	1.04	0.59	0.53
	Actuarial gain / (loss) on plan asset	0.15	0.22	0.03	0.12	(0.02)	(0.05)
	Actual return on plan asset	**1.67**	**1.74**	**1.14**	**1.16**	**0.57**	**0.48**

Experience Adjustments - Gratuity

S.N	Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
	Actuarial (gain) / loss on obligations	1.67	(0.52)	0.86	(0.07)	(0.62)
	Actuarial (gain) / loss on Plan Asset	(0.03)	(0.12)	(0.09)	(0.09)	0.05
	Total (gain) / loss for the year	**1.64**	**(0.64)**	**0.77**	**(0.16)**	**(0.57)**

Experience Adjustments - Pension

S.N	Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
	Actuarial (gain) / loss on obligations	2.41	(1.25)	2.10	2.25	0.39
	Actuarial (gain) / loss on Plan Asset	(0.15)	(0.22)	(0.18)	(0.35)	0.89
	Total (gain) / loss for the year	**2.26**	**(1.47)**	**1.92**	**1.90**	**1.28**

Experience Adjustments – Leave Benefit

S.N	Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
	Actuarial (gain) / loss on obligations	0.17	(0.53)	(0.86)	(1.18)	0.89
	Actuarial (gain) / loss on Plan Asset	0.02	(0.04)	(0.04)	1.82	0.22
	Total (gain) / loss for the year	**0.19**	**(0.57)**	**(0.90)**	**0.64**	**1.11**

The estimates of future salary increases considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors. The above information is as certified by the actuary and relied upon by the auditors.

Based on an actuarial valuation as at the Balance Sheet date, the bank has recognized in the profit and loss account Rs. 6.50 crores (2014 - Rs. 1.20 crores) towards deferred bonus.

(26) ACCOUNTING STANDARD 17 - SEGMENT REPORTING

i) In line with the RBI guidelines, the Bank has identified 'Treasury Operations', 'Corporate & Wholesale Banking' & 'Other Banking Operations' as the primary reporting segments.

ii) 'Treasury Operations' comprises of liquidity management, foreign exchange operations (merchant and inter-bank), money market and derivatives trading. 'Corporate & Wholesale Banking Operations' include commercial client relationships, cash management services and trade finance, while 'Other Banking Operations' include private banking & others.

iii) The Bank does not have overseas operations and is considered to operate only in the domestic segment.

iv) The methodology of funds transfer pricing between the segments is determined by the Bank's Assets and Liabilities Committee from time to time.

v) The Bank does not have any retail banking operations and hence the same has not been disclosed separately.

Business Segments

(Rs. in crores)

Business Segments / Particulars	**Treasury Operations**		**Corporate & Wholesale Banking**		**Other Banking Operations**		**Total**	
	2014-15	**2013-14**	**2014-15**	**2013-14**	**2014-15**	**2013-14**	**2014-15**	**2013-14**
Revenue	671.76	557.90	1,280.42	882.35	78.49	41.25	2,030.67	1481.50
Segment Result	250.18	251.71	258.03	159.09	13.58	(37.12)	521.79	373.68
Unallocated expenses							-	-
Operating Profit							521.79	373.68
Income taxes							(223.58)	(178.54)
Extraordinary profit/ loss							-	-
Net Profit							**298.21**	**195.14**
Other information								
Segment Assets	13,750.87	15,602.73	14,272.41	12,452.17	831.00	674.28	28,854.28	28,729.18
Unallocated Assets							30.79	29.31
Total Assets							**28,885.07**	**28,758.49**
Segment Liabilities	8,253.16	9,214.89	12,702.38	12,561.99	7,847.01	6,875.40	28,802.55	28,652.28
Unallocated Liabilities							82.52	106.21
Total Liabilities*							**28,885.07**	**28,758.49**

*Includes Capital and Reserves and Surplus.

Geographical Segment

	Domestic		**International**		**Total**	
	2014-15	**2013-14**	**2014-15**	**2013-14**	**2014-15**	**2013-14**
Revenue	2,030.67	1,481.50	**-**	**-**	2,030.67	1,481.50
Assets	28,885.07	28,758.49	**-**	**-**	28,885.07	28,758.49

In computing the above disclosure, certain estimates, assumptions and adjustments have been made by the Management which has been relied upon by the Auditors.

(27) ACCOUNTING STANDARD 18 - RELATED PARTY DISCLOSURES

In terms of Accounting Standard 18 (‘AS-18’) on ‘Related Party Disclosures’ notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the related guidelines issued by RBI, the details pertaining to related parties are as under:

(i) Related party relationships:

Sr. No.	Relationship	Party name
1	Parent (**)	BNP PARIBAS SA, France and its branches
2	Subsidiaries (with whom the Bank has transactions during the year)	Arval India Private Limited Banca Nazionale Del Lavoro S.P.A Banco BNP Paribas Brasil SA Bank of the West Banque Marocaine Pour Le Commerce Et L’Industrie BGL BNP Paribas BNP Paribas Arbitrage BNP Paribas Asset Management India Private Limited BNP Paribas Bank Polska S.A. BNP Paribas India Finance Private Limited. BNP Paribas India Holding Pvt Ltd BNP Paribas India Solutions Private Limited BNP Paribas, El Djazair BNP Paribas Malaysia Berhad BNP Paribas Securities India Private Limited BNP Paribas Sundaram Global Securities Operations Private Limited BNP Paribas Trustee India Private limited BNP Paribas Wealth Management India Private Limited BNP Paribas, Beijing BNP Paribas, Canada BNP Paribas, Fortis BNP Paribas, Guadeloupe BNP Paribas, Italy BNP Paribas, Poland Fortis Banque Turk Ekonomi Bankasi A.S. Union Bancaire Pour Le Commerce Et L'Industrie GIE BNP Paribas Assurance Cardiff BNP Paribas Securities Services S.A
3	Associates/ Joint Ventures of Parent (with whom the Bank has transactions during the year)	SBI Life Insurance Company Limited Geojit BNP Paribas Financial Services Limited Geojit Technologies Private Limited SREI Equipment Finance Private Limited Sundaram BNP Paribas Fund Services Ltd Sundaram BNP Paribas Home Finance Ltd
4	Key Management Personnel (**)	Jacques Michel - Chief Executive and Country Manager

ii) The details of transactions / financial dealings of the Bank with the above related parties as defined under AS-18 are as follows: **(Rs. in crores)**

Nature of transactions	Subsidiaries		Associates / Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Borrowings*	0.01	-	-	-	-	-	-	-	**0.01**	**-**
	(0.01)	-	-	-	-	-	-	-	**(0.01)**	**-**
Deposits*	275.37	299.41	46.66	1.82	-	-	-	-	**322.03**	**301.23**
	(358.24)	(670.12)	(148.30)	(19.80)	-	-	-	-	**(506.54)**	**(689.92)**
Money at call and short notice*	2.46	14.64	-	-	-	-	-	-	**2.46**	**14.64**
	(22.93)	(63.36)	-	-	-	-	-	-	**(22.93)**	**(63.36)**
Advances*	46.75	83.54	0.05	-	-	-	-	-	**46.80**	**83.54**
	(94.66)	(123.04)	(0.63)	-	-	-	-	-	**(95.29)**	**(123.04)**
Investments	-	-	-	-	-	-	-	-	**-**	**-**
Non-funded commitment*	322.03	213.68	-	-	-	-	-	-	**322.03**	**213.68**
	(347.61)	(229.29)	-	-	-	-	-	-	**(347.61)**	**(229.29)**
Leasing/HP arrangements availed	-	-	-	-	-	-	-	-	**-**	**-**
Leasing/HP arrangements provided	-	-	-	-	-	-	-	-	**-**	**-**
Purchase of fixed assets	-	-	-	-	-	-	-	-	**-**	**-**
Sale of fixed assets	-	-	-	-	-	-	-	-	**-**	**-**
					-	-	-	-		
Other Assets*	3.26	5.18	-	-	-	-	-	-	**3.26**	**5.18**
	(11.99)	(9.57)	-	-	-	-	-	-	**(11.99)**	**(9.57)**
Other Liabilities*	778.06	533.94	-	-	-	-	-	-	**778.06**	**533.94**
	(1,222.99)	(957.33)	-	(0.53)	-	-	-	-	**(1222.99)**	**(957.86)**
Interest expended	16.55	14.96	1.02	-	-	-	-	-	**17.57**	**14.96**
Interest earned	7.05	8.70	0.01	-	-	-	-	-	**7.06**	**8.70**
Rendering of services	42.48	51.07	0.31	1.14	-	-	-	-	**42.79**	**52.21**
Receiving of services	44.17	50.01	-	-	-	-	-	-	**44.17**	**50.01**
Salaries to Key Management Personnel **	-	-	-	-	-	-	-	-	-	-

(*) The outstanding amounts at the year-end have been disclosed. The amounts in brackets represent the maximum outstanding during the year.

(**) In line with the RBI guidelines, related party disclosures exclude transactions in a category where there is only one related party (i.e. Key Management Personnel (current year) and Head Office and its branches). Thus where there is only one entity in any category, particulars of those transactions have not been provided.

(28) ACCOUNTING STANDARD 19 - LEASES

Operating Lease:

Operating Leases comprises of leasing of office premises. Lease rentals on account of Non Cancellable leasing arrangements of Rs. 54.53 crores (2014 - Rs. 52.25 crores) has been included under 'Operating expenses – Rent, taxes and lighting'.

(Rs. in crores)

Future lease rentals payable as at the end of the year:	**As at March 31, 2015**	**As at March 31, 2014**
-Not later than one year	47.52	57.54
-Later than one year and not later than five years	210.78	72.41
-Later than five years	-	-

(29) ACCOUNTING STANDARD 22 – ACCOUNTING FOR TAXES ON INCOME

Components of Deferred Tax Assets are as under:

(Rs. in crores)

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Depreciation on fixed assets	8.75	5.44
Provision for employee benefits	9.64	10.94
Other provisions	12.40	12.93
Deferred Tax Assets	**30.79**	**29.31**

(30) PROVISIONS AND CONTINGENCIES

(Rs. in crores)

Particulars	**Year ended March 31, 2015**	**Year ended March 31, 2014**
Provision for depreciation on investments	(0.01)	(1.01)
Provision for Non-performing advances, net of recoveries*	(7.74)	-
Provision for Non-performing investments, net of recoveries**	7.33	-
Provision for Standard Assets	-	5.19
Provision for Unhedged Foreign Currency Exposure	41.11	-
Provision for tax (Refer Schedule 18 (20))	223.58	178.54
Other Provision and Contingencies***	-	(0.16)
Total	**264.27**	**182.56**

* Net of recoveries of Rs. 0.37 crore (2014 – Rs Nil).
** Net of recoveries of Rs. 0.04 crore (2014 – Rs Nil).
***Previous year other provisions pertain to reversal of provisions made towards miscellaneous items outstanding for more than 90 days.

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

(31) FLOATING PROVISIONS

The Bank does not have outstanding floating provisions as at 31st March 2015 (2014 - Rs. Nil)

(Rs. in crores)

Particulars	**Year ended March 31, 2015**	**Year ended March 31, 2014**
Opening balance	-	-
Provision made during the year	-	-
Amount of draw down made during the year	-	-
Closing balance	-	-

(32) DRAW DOWN FROM RESERVES

There is no draw down from reserves as at the current and previous year ends.

(33) COMPLAINTS/UNIMPLEMENTED AWARDS OF BANKING OMBUDSMEN

For the Financial Year	**2014- 15**	**2013- 14**
A. Customer Complaints		
(a) No. of complaints pending at the beginning of the year	2	2
(b) No. of complaints received during the year	7	7
(c) No. of complaints redressed during the year	8	7
(d) No. of complaints pending at the end of the year	1	2
B. Awards passed by the Banking Ombudsman		
(a) No. of unimplemented Awards at the beginning of the year	Nil	Nil
(b) No. of Awards passed by the Banking Ombudsmen during the year	Nil	Nil
(c) No. of Awards implemented during the year	Nil	Nil
(d) No. of unimplemented Awards at the end of the year	Nil	Nil

The above information is certified by the Management and relied upon by the auditors.

(34) LETTERS OF COMFORT

The Bank has not issued any Letter of Comforts (LOC) during the year and there are no LOCs outstanding as at the year-end (2014 - Rs. Nil).

(35) PROVISION COVERAGE RATIO

The provision coverage ratio as at March 31, 2015 is 100 % (2014 - 100%).

(36) BANCASSURANCE BUSINESS

During the year the Bank had earned Rs. 7.14 crores (2014 – Rs. 8.11crores) on account of fees for marketing of Mutual funds of which Rs. 4.05 crores (2014- Rs 4.80 crores) has been paid as fees to BNP Paribas Investment Services India Private Limited.

(37) CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs

(Rs. in crores)

Particulars	As at March 31, 2015	As at March 31, 2014
(A) Concentration of Deposits		
Total Deposits of twenty largest depositors	7,922.63	7,112.13
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	55.31%	57.18%
(B) Concentration of Advances (includes banks)		
Total Advances to twenty largest borrowers * (single borrowers)	16,425.32	18,847.49
Percentage of Advances to twenty largest borrowers to Total Advances of the banks	30.82%	40.99%
(C) Concentration of Exposures (includes banks)		
Total Exposure to twenty largest borrowers/customers **	16,425.32	18,847.49
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	30.82%	40.99%
(D) Concentration of NPAs #		
Total Exposure to top three NPA accounts	19.50	16.25

 # The above represents *Gross NPA*
* Advances represent credit exposure (Funded and Non-funded) including derivative exposure as defined by the RBI.
** Exposure includes credit exposure (Funded and Non-funded), derivative exposure and Investment exposure (including Under-writing and similar commitments).

(38) SECTOR-WISE ADVANCES

(Rs. in crores)

Sr.No	Sector	As at March 31, 2015			As at March 31, 2014		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Priority Sector**						
1	Agriculture and allied activities	40.02	-	-	8.30	-	-
2	Advances to industries sector eligible as priority sector lending	1,563.40	-	-	2,076.62	-	-
	Of which:						
	Drugs & Pharmaceuticals	*360.73*	-	-	*282.66*	-	-
	Chemical & Chemical Products	*143.11*	-	-	*159.92*	-	-
	Metal & Metal Products	*615.05*	-	-	*374.58*	-	-
	Engineering	*111.17*	-	-	*86.16*	-	-
	Vehicles, Vehicle Parts and Transport equipment	*157.49*	-	-	*216.32*	-	-
3	Services	1,110.11	12.17	1.10%	387.12	16.25	4.20%
	Of which:						
	Trade	*30.89*	-	-	*150.87*	-	-
	NBFCs	*185.09*	*12.17*	*6.58%*	*60.32*	*16.25*	*26.94%*
4	Personal loans	-	-	-	-	-	-
	Sub-total (A)	**2,713.53**	**12.17**	**0.45%**	**2,472.04**	**16.25**	**0.66%**

(Rs. in crores)

Sr.No	Sector	As at March 31, 2015			As at March 31, 2014		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
B	**Non Priority Sector**						
1	Agriculture and allied activities	49.00	-	-	42.00	-	-
2	Industry	5,652.86	-	-	4,813.46	-	-
	Of which:						
	Drugs & Pharmaceuticals	*388.95*	-	-	*344.48*	-	-
	Chemical & Chemical Products	*963.97*	-	-	*462.51*	-	-
	Metal & Metal Products	*105.01*	-	-	*86.05*	-	-
	Engineering	*655.02*	-	-	*807.62*	-	-
	Vehicles, Vehicle Parts and Transport equipment	*691.02*	-	-	*1,048.96*	-	-
3	Services	5,788.26	-	-	5,087.63	-	-
	Of which:						
	Trade	*640.59*	-	-	*1,013.06*		
	Banking and Finance (except NBFCs)	*937.50*	-	-	*299.58*	-	-
	NBFCs	*1,126.10*	-	-	*1,090.68*	-	-
4	Personal loans	7.83	-	-	32.44	-	-
	Sub-total (B)	**11,497.95**	**-**	**-**	**9,975.53**	**-**	**-**
	Total (A+B)	**14,211.48**	**12.17**	**0.09%**	**12,447.57**	**16.25**	**0.13%**

Figures in italics represent sub-sectors where the outstanding advance exceeds 10% of total outstanding advance to that sector.

(39) MOVEMENT OF NPAs

(Rs. in crores)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Opening Gross NPAs	16.25	16.25
Additions (Fresh NPAs) during the year *	4.15	
Sub-total (A)	**20.40**	**16.25**
Less:-		
(i) Upgradations	-	-
(ii) Recoveries (excluding recoveries made from upgraded accounts) **	(8.23)	-
(iii) Technical / Prudential Write-offs	-	-
(iv) Write-offs other than those under (iii) above	-	-
Sub-total (B)	**(8.23)**	**-**
Closing Gross NPAs (A-B)	**12.17**	**16.25**

* Addition to NPA during the year includes Rs. 3.85 crores on restructuring of existing NPAs under Corporate Debt Restructuring (CDR) Scheme of RBI.

** Includes reduction on account of conversion of non-performing loan to non-performing Investments upon CDR amounting to Rs. 7.37 crore.

The stock of technical write-offs and the recoveries made thereon is disclosed below:

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Opening balance of Technical / Prudential written – off accounts as at April 1	-	-
Add : Technical / Prudential write – offs during the year	-	-
Sub-total (A)	-	-
Less : Recoveries made from previously technical / prudential written – off accounts during the year (B)	-	-
Closing balance as at March 31 (A-B)	-	-

(40) OVERSEAS ASSETS, NPAs AND REVENUE

(Rs. in crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Total Assets	65.93	112.50
Total NPAs	-	-
Total Revenue	33.72	34.72

(41) OFF-BALANCE SHEET SPVs SPONSORED BY THE BANK

Name of the SPV sponsored	
Domestic	**Overseas**
Nil	Nil

(42) DESCRIPTION OF CONTINGENT LIABILITIES.

Contingent Liability	Brief Description
(1) Claims against the Bank not acknowledged as debts.	Pertains to legal proceedings, which are disputed by the Bank.
(2) Liability on account of outstanding forward exchange contracts.	The Bank enters into foreign 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 at the contracted rate.
(3) Guarantees given on behalf of constituents, Acceptances, Endorsements and other obligations.	As a part of its commercial banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. 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

Contingent Liability	Brief Description
(4) Other items for which Bank is contingently liable.	These include: **(Rs. in crores)**

	As at March 31, 2015	As at March 31, 2014
Currency Swaps	34,969.24	30,497.26
Interest Rate Swaps	392,178.87	382,272.27
Currency Options	15,994.42	12,938.39
Committed line of credit	470.91	317.50
Capital Commitments	0.53	0.52
Cash management cheques under clearing	17.03	13.05
Transfer to Depositor Education Awareness Fund (DEAF)	5.19	-

The Bank enters into currency swaps, interest rate swaps and currency options with inter-bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest / principal in one currency against another, based on pre-determined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as contingent liabilities are amounts used as a benchmark for the calculation of the interest component of the contracts.

(43) SUBORDINATED DEBT

(Rs. in crores)

Particulars	Coupon Rate	As at March 31, 2015	As at March 31, 2014
EUR 8.35 million for a period of 10 years (since September 2005)	EURIBOR + 45 bps	43.90	43.90
EUR 6.32 million for a period of 10 years (since March 2006)	EURIBOR + 40 bps	33.90	33.90
EUR 17.5 million for a period of 10 years (since October 2006)	EURIBOR + 40 bps	99.94	99.94
EUR 20 million for a period of 10 years (since September 2007)	EURIBOR + 50 bps	112.17	112.17
EUR 20 million for a period of 10 years (since December 2007)	EURIBOR + 60 bps	113.48	113.48
EUR 20 million for a period of 10 years (since June 2008)	EURIBOR + 110 bps	134.22	134.22
Total		**537.61**	**537.61**

Subordinated debt is reported in the financial statements at the exchange rate on the date the foreign currency was swapped into Indian Rupees. The subordinated debt is revalued, at the year end and the resulting gain or loss on revaluation is recognised in the Profit and Loss Account. The Subordinated debt as revalued as on March 31, 2015 amounts to Rs.619.29 crores (2014- Rs. 762.11 crores) and the revaluation loss thereon amounting to Rs. 81.68 crores (2014 – Rs. 224.50 crores) is included under 'Others' in Other Liabilities and Provisions.

(44) In terms of guidelines issued by RBI vide circular no. DBOD No. BC. 72/29.67.001/2011-12 dated 13th Jan 2012 on "Compensation of Whole Time Directors / Chief Executive Officers / Risk takers and Control function staff, etc.", the Bank has submitted a declaration received from its Head Office to RBI to the effect that the compensation structure in India, including that of CEO's, is in conformity with the FSB principles and standards

(45) In terms of guidelines issued by RBI vide circular no. DBS.CO.ITC.BC.No. 6 /31.02.008/2010-11 dated 29th Apr 2011 on “Working Group on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds- Implementation of recommendations”, the Bank has aligned its IT Policy to comply with the above guidelines which was approved in the Management Committee held on 21st Nov 2011.

(46) To the extent of the information received by the Bank from its vendors, there are no transactions with "suppliers" as defined under the Micro, Small and Medium Enterprises Development Act, 2006 during the financial year, hence the disclosures as required under the said Act are not applicable. This has been relied upon by the Auditors.

(47) CHANGE IN ESTIMATES :

Pursuant to notification of Schedule II to the Companies Act, 2013, the Bank has, with effect from April 1, 2014, reassessed the useful life of its fixed assets. Consequently thereto, the useful life of Office Equipment and Furniture and Fixtures has been revised from 8 and 12 years to 5 and 10 years respectively with effect from April 1, 2014.

Pursuant to such change, the carrying amount of such assets as on April 1, 2014 has been depreciated over the remaining useful life, resulting in the depreciation charge for the year being higher by Rs. 2.97 crore and where the remaining useful life has been exhausted, the carrying amount of such assets amounting to Rs. 0.27 crore has also been charged to the Profit and Loss Account.

(48) DISCLOSURES RELATING TO SECURITISATION

(Rs. in crores)

S. No.	Particulars	Amount
1.	No of SPVs sponsored by the bank for securitisation transactions*	-
2.	Total amount of securitised assets as per books of the SPVs sponsored by the bank	-
3.	Total amount of exposures retained by the bank to comply with MRR as on the date of balance sheet	
	a) Off-balance sheet exposures	
	First loss	-
	Others	-
	b) On-balance sheet exposures	
	First loss	-
	Others	-
4.	Amount of exposures to securitisation transactions other than MRR	
	a) Off-balance sheet exposures	
	i) Exposure to own securitizations	
	First loss	-
	Others	-
	ii) Exposure to third party securitisations	
	First loss	-
	Others	-
	b) On-balance sheet exposures	
	i) Exposure to own securitisations	
	First loss	-
	Others	-
	ii) Exposure to third party securitisations	
	First loss	-
	Others	-

(49) CREDIT DEFAULT SWAPS

The Bank has not transacted in credit default swaps during the year ended March 31, 2015 (2014 – Rs. Nil).

(50) INTRA – GROUP EXPOSURES

(Rs. in crores)

S. No	Particulars	As at March 31, 2015
1	Total amount of intra-group exposures	606.94
2	Total amount of top-20 intra-group exposures	606.94
3	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	1.07%
4	Details of breach of limits on intra - group exposures and regulatory action thereon, if any.	NIL

Intra-group exposure does not include bank's exposure to Head Office and overseas branches of the parent bank.

(51) TRANSFER TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEAF)

(Rs. in crores)

Particulars	As at March 31, 2015	As at March 31, 2014
Opening balance of amounts transferred to DEAF	-	-
Add : Amounts transferred to DEAF during the year	5.19	-
Less : Amounts reimbursed by DEAF towards claims	-	-
Closing balance of amounts transferred to DEAF	5.19	-

(52) UNHEDGED FOREIGN CURRENCY EXPOSURE

The bank is exposed to currency induced credit risk from two factors:

- -The impact due to unhedged forex exposures of corporates
- -The impact on the counterparty exposure for derivatives due to such movement

The impact on the counterparty exposure is covered under Table 11 of Basel III disclosure norms.
In order to specifically comply with the RBI Guidelines on "Capital and provisioning requirements for exposures to entities with unhedged foreign currency exposures", the Bank periodically monitors and evaluates the foreign currency exposures of its clients. The key points/basis for this estimation are stated below:

The bank ascertains whether the borrower/client has any formal hedging policy in place. Foreign currency exposure of client is monitored on basis of their standalone financials.

At the end of each quarter, the bank sends a template to its clients requesting them to provide details / amount of the following within 30 days from the date of intimation:

- Exports / Imports,
- Trade Related Information (FX denominated Account Receivables / Account Payables as of quarter end),
- Foreign Currency Denominated Loans (excluding such Forex Loans whereon impact of forex fluctuation losses are capitalised); especially those maturing or having cash flows over the next 5 years),
- Assets denominated in foreign currencies (such as cash/bank balances in foreign currencies, investments, etc),
- Liabilities denominated in foreign currencies (such as foreign currency denominated expenses) and
- Outstanding Hedged Trades, if any.

Based on the response received from the clients, the Bank analyses and evaluates its incremental capital and provisioning requirement quarterly on account of exposures to entities with unhedged foreign currency exposures.

In case no information is received from the client, information is sourced from the last approved credit rating proposal, the client’s latest available annual report / audited financial statements. Assumptions made, if any, will be specified / noted.

The extent of unhedged foreign currency exposures of clients is considered on a net basis (i.e. after considering natural hedges, if any).

The existing rating process of the Bank already factors the probable impact of unhedged foreign exchange exposure risk of clients (implying that the banks pricing mechanism to the clients encompasses the risk of foreign currency exposures and volatility of currency movements).

The bank uses Largest Annualised Volatility (LAV) for USD-INR currency pair over the period of last 10 years published by FEDAI for computation of likely loss as stipulated in the RBI circular. As at March 31, 2015, LAV is taken at 12.49%.

Incremental Capital and Provisioning requirements for exposures to entities with Unhedged Foreign Currency Exposure as at March 31, 2015.

(Rs. in crores)

Incremental Provisioning Requirement	Incremental Capital Requirement
41.11	107.26

(53) CORPORATE SOCIAL RESPONSIBILITY

The bank has a local Corporate Social Responsibility (CSR) committee responsible for the preparation and implementation of the CSR policy, review and approval of budgets, developing a monitoring framework for implementation and the preparation of the Annual Report. Bank has a local policy on CSR that support programs related to Education, Gender equality and women empowerment, Healthcare, Art and Culture, Rural development, Environment and contribution to the Prime Minister’s National Relief Fund and any other duly authorized initiative by the Management Committee of the bank.

As required under the Companies Act, 2013, Bank is required to contribute 2% of average net profits of 3 immediately preceding financial years amounting to Rs. 5.91 crores. During the year, CSR expenditure amounting to Rs. 1.60 crores has been spent on various projects/programs by the bank and such expenditure has been included under ‘Other Expenditure’ of Schedule 16.

Since the CSR provisions in the Companies Act, 2013 were notified from April 01, 2014, our focus during the first financial year has been to build capacity and putting in place strong governance and policies as well as a robust monitoring framework to ensure optimal and effective utilization of the funds that will guide CSR spending in the coming years.

The shortfall in CSR funding for financial year 2014-15 is on account of significant time spent on capacity building and development of internal framework to strengthen CSR monitoring and utilization as well as inability to identify and locate sufficient number of projects within our identified areas of intervention and which cleared our stringent due diligence on financial, regulatory and program parameters.

(54) LIQUIDITY COVERAGE RATIO

The Reserve Bank of India vide circular dated June 9, 2014 issued final guidelines on "Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards". The objective of LCR is to ensure short-term resilience of banks against severe liquidity stress scenario by maintaining sufficient high quality liquid assets (HQLAs) that can be readily sold or used as collateral to raise cash with little or no loss of value to survive an acute stress scenario lasting for 30 days. The LCR guidelines is binding on banks from January 01, 2015 and to provide transition time to banks, the LCR requirement is introduced in a phased manner starting with a minimum requirement of 60% from January 1, 2015 and reaching minimum 100% on January 1, 2019.

The bank has achieved LCR levels well above the minimum stipulated as a result of concerted efforts between local management and regional liquidity management group. The monthly as well as average LCR results have been achieved on account of various factors like conscious decision to increase excess SLR buffer, investing in eligible corporate bond and increase in retail deposits.

The composition of HQLA is well diversified and consists of the following assets:

- SLR investments above the mandatory requirement, held unencumbered.
- Borrowing limit as allowed by RBI upto 2% and 5% of NDTL under Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) respectively.
- Investment in NCDs of non-financial entities rated AA- and above subject to applicable haircut.
- Cash in hand and excess cash balances held with RBI.

The bank's funding mix is diversified, sourced from multiple sources geographically. The liability mix consists of wholesale deposits, retail deposits (including foreign currency deposits swapped into rupees), secured funding, capital and borrowings raised from Head Office. Further, 98% of the bank's retail deposits are considered to be non-callable.

Currently, the bank has no HQLA denominated in foreign currency given the availability of such instruments in the market. Further, considering the extent of swapped foreign currency deposits, the bank has limited exposure to deposits (outflows) held in foreign currency.

No liquidity need is expected to arise out of potential collateral calls on bank's derivatives exposure as collateral management of derivative transactions is centrally monitored and maintained by the bank's regional office where the master agreements would cover multitude of overseas entities as well. The bank believes that all material inflow and outflow transactions have been considered for LCR computation.

(Rs. in crores)

		As at March 31,2015	
		Total Unweighted Value (average)	**Total Weighted Value (average)**
High Quality Liquid Assets			
1	**Total High Quality Liquid Assets (HQLA)**		**3,278.23**
Cash Outflows			
2	Retail deposits and deposits from small business customers, of which:	6,340.10	634.01
(i)	Stable deposits	0.08	0.00
(ii)	Less stable deposits	6,340.01	634.00
3	Unsecured wholesale funding, of which:	5,428.69	2,515.01
(i)	Operational deposits (all counterparties)	323.29	80.62
(ii)	Non-operational deposits (all counterparties)	4,580.60	2,009.69
(iii)	Unsecured debt	524.79	424.70
4	Secured wholesale funding		-
5	Additional requirements, of which	722.45	335.48
(i)	*Outflows related to derivative exposures and other collateral requirements*	292.48	292.48
(ii)	*Outflows related to loss of funding on debt products*	-	-
(iii)	*Credit and liquidity facilities*	429.97	43.00
6	Other contractual funding obligations	5,830.87	291.54
7	Other contingent funding obligations	42,414.92	2,120.75
8	**Total Cash Outflows**	-	**5,896.78**
Cash Inflows			
9	Secured lending (e.g. reverse repos)	423.33	-
10	Inflows from fully performing exposures	3,050.61	2,137.14
11	Other cash inflows	327.83	327.83
12	**Total Cash Inflows**	**3,801.77**	**2,464.96**
			Total Adjusted Value
21	**TOTAL HQLA**		**3,278.23**
22	**Total Net Cash Outflows**		**3,431.82**
23	**Liquidity Coverage Ratio (%)**		**95.52%**

(55) PRIOR YEAR COMPARITIVES

Prior year amounts have been reclassified, wherever necessary, to conform to the current year's presentation.

For BNP Paribas – Indian Branches

Chief Executive Officer and Country Manager
Place: Mumbai
Date: June 25, 2015

Chief Operating Officer
Place: Mumbai
Date: June 25, 2015