



AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED - INDIA BRANCHES

(Incorporated in Australia with limited liability)

INDEPENDENT AUDITORS' REPORT

To
The Chief Executive Officer
Australia and New Zealand Banking Group Limited - India Branches

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Australia and New Zealand Banking Group Limited - India Branches** ('the Bank'), which comprise the Balance Sheet as at 31 March 2019, the Profit and Loss Account and the Cash Flow Statement for the year then ended, notes to financial statements, including a summary of the significant accounting policies and other explanatory information.
2. 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 section 29 of the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and circulars and guidelines issued by Reserve Bank of India (the 'RBI'), in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Bank as at 31 March 2019, its profit and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information other than the Financial Statements and Auditor's Report thereon

4. The Bank's Executive Committee is responsible for the other information. The other information received by us comprises the information included in the Basel III - Pillar 3 disclosures, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditors report.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

5. The Bank's Management is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by the RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. 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.
7. Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

8. 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
 - Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls 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's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
10. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with Bank's Management 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.
11. 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.

Other Matter

12. The financial statements of the Bank for the year ended 31 March 2018, were audited by the predecessor auditor, B S R & Associates LLP, Chartered Accountants, who have expressed an unmodified opinion on those financial statements of the Bank vide their audit report dated 14 June 2018.

Report on Other Legal and Regulatory Requirements

13. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
14. As required by the sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:



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- a) 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 and have been found satisfactory;
- b) the transactions of the Bank, which have come to our notice during the course of our audit, have been within the powers of the Bank; and
- c) Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally at Mumbai branch, as all the necessary records and data required for the purposes of our audit are available at Mumbai branch. Further, during the course of our audit, we have visited three branches to examine the record maintain at such branches for the purpose of our audit.
15. The provisions of section 197 read with Schedule V to the Act are not applicable to the Bank since the Bank is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
16. This report does not include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order 2016 ('the Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, since in our opinion and according to the information and explanations given to us, the Order is not applicable.
17. Further, as required by section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
- c) the financial accounting systems of the Bank are centralised, therefore returns are not necessary to be submitted by the branches;
- d) the aforesaid financial statements dealt with by this report are in agreement with the books of account;
- e) in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), to the extent they are not inconsistent with the accounting policies prescribed by the RBI;
- f) the requirements of section 164(2) of the Act are not applicable considering the Bank is a branch of Australia and New Zealand Banking Group Limited, which is incorporated in Australia;
- g) we have also audited the internal financial controls over financial reporting (IFCoFR) of 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 and our report dated 21 June 2019 as per 'Annexure I' expressed an unmodified opinion; and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Bank does not have any pending litigations which would impact its financial position as at 31 March 2019;
- ii. the Bank has made provision as at 31 March 2019, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; refer Note 12 to the financial statements;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank during the year ended 31 March 2019; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-

Khushroo B. Panthaky
Partner

Membership No.: 042423

Place: Mumbai
Date: 21 June, 2019



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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE TO THE MANAGEMENT OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LTD. - INDIA BRANCHES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019.

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of **Australia and New Zealand Banking Group Limited - India Branches** ('the Bank') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Bank as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Bank's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Bank's IFCoFR 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 IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Bank has, in all material respects, adequate Internal Financial Controls over Financial Reporting and such controls were operating effectively as at 31 March 2019, based on criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Khushroo B. Panthaky
Partner
Membership No.: 042423

Place: Mumbai
Date: 21 June, 2019



**AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED - INDIA BRANCHES**

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BALANCE SHEET

PROFIT AND LOSS ACCOUNT

	Schedule	As at 31 March 2019 (₹ '000s)	As at 31 March 2018 (₹ '000s)
CAPITAL AND LIABILITIES			
Capital	1	11,311,074	11,311,074
Reserves and surplus	2	2,573,911	2,421,920
Deposits	3	40,373,442	27,341,670
Borrowings	4	1,543,058	-
Other liabilities and provisions	5	21,389,829	12,445,506
Total Capital and liabilities		77,191,314	53,520,170
ASSETS			
Cash and balances with Reserve Bank of India	6	2,234,524	3,722,476
Balances with banks and money at call and short notice	7	1,899,772	3,051,520
Investments	8	33,629,949	15,512,361
Advances	9	22,512,650	19,533,446
Fixed assets	10	533,252	621,921
Other assets	11	16,381,167	11,078,446
Total Assets		77,191,314	53,520,170
Contingent liabilities	12	1,174,477,158	761,614,960
Bills for collection	-	21,663,458	15,176,996
Significant accounting policies and notes to financial statements	17, 18		

	Schedule	For the year ended 31 March 2019 (₹ '000s)	For the year ended 31 March 2018 (₹ '000s)
I. INCOME			
Interest earned	13	3,621,589	2,875,013
Other income	14	949,718	1,048,414
Total		4,571,307	3,923,427
II. EXPENDITURE			
Interest expended	15	1,961,623	1,580,391
Operating expenses	16	1,364,377	1,426,028
Provisions and contingencies	16A	1,093,316	335,005
Total		4,419,316	3,341,424
III. PROFIT/(LOSS)			
Net profit for the year		151,991	582,003
Profit/(loss) brought forward from previous year		-	-
Total		151,991	582,003
IV. APPROPRIATIONS			
Transfer to Statutory Reserve	2	37,998	145,501
Transfer to/(from) Investment Reserve	2	(42)	295
Transfer to Investment Fluctuation Reserve	2	114,035	-
Transfer to Remittable Surplus retained in India for Capital to Risk-weighted Assets ratio (CRAR)	2	-	436,207
Balance carried over to balance sheet	2	-	-
Total		151,991	582,003
Significant accounting policies and notes to financial statements	17, 18		

The accompanying schedules form an integral part of the Balance Sheet.

The accompanying schedules form an integral part of the Profit and Loss Account.

As per our report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration
No: 001076N/N500013

Sd/-
Khushroo B. Panthaky
Partner
Membership No. 042423

Place: Mumbai
Date: 21 June 2019

For Australia and
New Zealand Banking
Group Limited - India Branches

Sd/-
Sanjeev Bajaj
Chief Executive Officer

Sd/-
Vinit Kumar Sarawgi
Chief Financial Officer

As per our report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration
No: 001076N/N500013

Sd/-
Khushroo B. Panthaky
Partner
Membership No. 042423

Place: Mumbai
Date: 21 June 2019

For Australia and
New Zealand Banking
Group Limited - India Branches

Sd/-
Sanjeev Bajaj
Chief Executive Officer

Sd/-
Vinit Kumar Sarawgi
Chief Financial Officer



**AUSTRALIA AND NEW ZEALAND
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CASH FLOW STATEMENT

	For the year ended 31 March 2019 (₹ '000s)	For the year ended 31 March 2018 (₹ '000s)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before taxation	215,168	946,499	
Adjustments for:			
Depreciation on Bank's property	101,647	106,334	
Provision in respect of non-performing assets (including general provision on standard assets and country risk exposure)	1,030,040	(28,799)	
(Appreciation)/Depreciation on investments	99	(692)	
(Profit)/Loss on sale of fixed assets	2,905	20,939	
Operating profit before working capital changes	1,349,859	1,044,281	
Adjustments for:			
(Increase)/Decrease in investments	(18,117,687)	443,483	
(Increase)/Decrease in advances	(3,978,878)	(148,270)	
Decrease/(Increase) in other assets	(5,302,721)	8,911,529	
(Decrease)/Increase in deposits	13,031,772	(1,093,345)	
(Decrease)/Increase in other liabilities and provisions	9,365,964	(8,605,448)	
	(3,651,691)	552,230	
Direct taxes paid	(515,184)	(339,069)	
Net cash flow from/(used in) operating activities (A)	(4,166,875)	213,160	
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets (Including Capital work in progress)	(16,091)	(10,553)	
Proceeds from the sale of fixed assets	208	518	
Net cash flow used in investing activities(B)	(15,883)	(10,035)	
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease)/increase in Short term borrowings	1,543,058	(1,144,713)	
Net cash flow from/(used in) financing activities (C)	1,543,058	(1,144,713)	
Net increase in cash and cash equivalents (A+B+C)	(2,639,700)	(941,588)	
Cash and cash equivalents at the beginning of the year (D)	6,773,996	7,715,584	
Cash and cash equivalents at the end of the year (E)	4,134,296	6,773,996	
Net (Decrease)/Increase in cash and cash equivalents (E-D) (F)	(2,639,700)	(941,588)	
Note : Cash and Cash equivalents represent			
	Schedule	As at 31 March 2019	As at 31 March 2018
Cash and Balance with Reserve Bank of India	6	2,234,524	3,722,476
Balance with banks and money at call and short notice	7	1,899,772	3,051,520
Total		4,134,296	6,773,996

As per our report of even date

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration
No: 001076N/N500013

Sd/-
Khushroo B. Panthaky
Partner
Membership No. 042423

Place: Mumbai
Date: 21 June 2019

For Australia and
New Zealand Banking
Group Limited - India Branches

Sd/-
Sanjeev Bajaj
Chief Executive Officer

Sd/-
Vinit Kumar Sarawgi
Chief Financial Officer



AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED - INDIA BRANCHES

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SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

	As at 31 March 2019 (₹ '000s)	As at 31 March 2018 (₹ '000s)	As at 31 March 2019 (₹ '000s)	As at 31 March 2018 (₹ '000s)
1. CAPITAL				
Deposit kept with Reserve Bank of India under Section 11 (2) (b) of the Banking Regulation Act, 1949	700,000	700,000		
Head Office Account				
Capital remitted by Head Office				
Opening balance	11,311,074	11,311,074		
Additions during the year	-	-		
Total	11,311,074	11,311,074		
2. RESERVES AND SURPLUS				
a Statutory Reserve				
Opening Balance	637,620	492,119		
Addition during the year	37,998	145,501		
Closing Balance	675,618	637,620		
b Remittable Surplus retained in India for CRAR				
Opening Balance	1,783,859	1,347,652		
Addition during the year	-	436,207		
Closing Balance	1,783,859	1,783,859		
c Investment Reserve				
Opening Balance	441	146		
Addition/(Deduction) during the year	(42)	295		
Closing Balance	399	441		
d Investment Fluctuation Reserve				
Opening Balance	-	-		
Addition/(Deduction) during the year	114,035	-		
Closing Balance	114,035	-		
Total	2,573,911	2,421,920		
3. DEPOSITS				
a I. Demand Deposits				
From banks	153,749	99,328		
From others	4,627,916	1,824,052		
Total Demand deposits	4,781,665	1,923,380		
II. Savings Bank Deposits				
Total Savings bank deposits	14	39		
III. Term Deposits				
From banks	2,000	-		
From others	35,589,763	25,418,251		
Total term deposits	35,591,763	25,418,251		
Total	40,373,442	27,341,670		
b I. Deposits of branches in India	40,373,442	27,341,670		
II. Deposits of branches outside India	-	-		
Total	40,373,442	27,341,670		
4. BORROWINGS				
a Borrowings in India				
(i) Reserve Bank of India	-	-		
(ii) Other banks	-	-		
(iii) Other institutions and agencies	999,909	-		
	999,909	-		
b Borrowings outside India	543,149	-		
Total	1,543,058	-		
Secured borrowings included in a and b above	999,909	-		
5. OTHER LIABILITIES AND PROVISIONS				
Bills payable	24,553	10,311		
Inter office adjustment (net)	-	-		
Interest accrued	572,036	271,934		
Contingent provision against standard assets	176,504	144,504		
Others (including provisions) (Refer Schedule 18 Note 34)	20,616,736	12,018,757		
Total	21,389,829	12,445,506		
6. CASH AND BALANCES WITH RESERVE BANK OF INDIA				
Cash in hand (including foreign currency notes)	768	842		
Balance with Reserve Bank of India				
(i) in current account	2,233,756	3,721,634		
(ii) in other deposit account	-	-		
Total	2,234,524	3,722,476		
7. BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE				
I. In India				
(i) Balances with banks				
(a) In current accounts	25,719	76,026		
(b) In other deposit accounts	-	-		
(ii) Money at call and short notice				
(a) with banks	-	-		
(b) with other institutions	-	-		
Total	25,719	76,026		
II. Outside India				
(i) In current accounts	1,874,053	2,975,494		
(ii) In other deposit accounts	-	-		
(iii) In money at call and short notice	-	-		
Total	1,874,053	2,975,494		
Total	1,899,772	3,051,520		
8. INVESTMENTS				
I. Investments in India in				
(i) Government securities	33,630,048	15,512,361		
(ii) Other approved securities	-	-		
(iii) Shares	-	-		
(iv) Debentures and bonds	-	-		
(v) Subsidiaries and/or joint ventures	-	-		
(vi) Others	-	-		
Total	33,630,048	15,512,361		
II. Investments outside India in				
(i) Government securities (including local authorities)	-	-		
(ii) Subsidiaries and/or Joint ventures abroad	-	-		
(iii) Other Investments	-	-		
Total	-	-		
Gross Investments	33,630,048	15,512,361		
Less: Provision for depreciation on investments	99	-		
Total	33,629,949	15,512,361		
9. ADVANCES				
a I. Bills purchased and discounted	1,203,470	1,066,516		
II. Cash credits, overdrafts and loans repayable on demand	20,040,366	16,555,667		
III. Term loans	1,268,814	1,911,263		
Total	22,512,650	19,533,446		
b I. Secured by tangible assets	6,190,823	6,460,119		
II. Covered by bank/government guarantees	-	-		
III. Unsecured	16,321,827	13,073,327		
Total	22,512,650	19,533,446		
c I. Advances in India				
(a) Priority sector	3,616,742	5,139,263		
(b) Public sector	-	1		
(c) Banks	1,058,268	611,827		
(d) Others	17,837,640	13,782,355		
Total	22,512,650	19,533,446		



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	As at 31 March 2019 (₹ '000s)	As at 31 March 2018 (₹ '000s)
II. Advances outside India		
Due from banks	-	-
Due from others	-	-
(a) Bills purchased and discounted	-	-
(b) Syndicated Loans	-	-
(c) Others	-	-
Total	-	-
Total (C.I & C.II)	22,512,650	19,533,446
10. FIXED ASSETS		
I. Premises	-	-
II. Other Fixed assets (including furniture and fixtures)		
At cost at March 31 of preceding year	1,406,788	1,421,796
Additions during the year	15,991	18,973
Deductions during the year	(24,199)	(33,981)
Less : Depreciation to date	(865,428)	(784,867)
Net book value of other fixed assets	533,152	621,921
Capital work in progress	100	-
Total Net Book Value of Fixed Assets	533,252	621,921
11. OTHER ASSETS		
Inter office adjustment (net)	-	-
Interest accrued	123,873	30,497
Tax paid in advance/tax deducted at source (net of provision for tax)	12,076	-
Deferred tax asset (Refer Schedule 18 Note 30)	363,146	-
Stationery and stamps	-	-
Others (Refer Schedule 18 Note 34)	15,882,072	11,047,949
Total	16,381,167	11,078,446
12. CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	-	-
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	393,365,983	253,018,727
IV. Liability on account of derivative contracts	764,980,922	487,365,668
V. Guarantees given on behalf of constituents		
- In India	10,594,211	13,231,610
- Outside India	2,819,171	5,430,383
VI. Acceptances, endorsements and other obligations	1,387,014	490,789
VII. Other items for which the Bank is contingently liable		
- Tax demands	32	32
- Undrawn Committed lines of credit	1,329,825	2,077,751
Total	1,174,477,158	761,614,960

**SCHEDULES ANNEXED TO AND
FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

	For the year ended 31 March 2019 (₹ '000s)	For the year ended 31 March 2018 (₹ '000s)
13. INTEREST EARNED		
Interest/discount on advances/bills	1,660,609	1,400,423
Income on investments	1,837,817	1,368,519
Interest on balances with Reserve Bank of India and other inter-bank funds	21,935	71,748
Others	101,228	34,323
Total	3,621,589	2,875,013
14. OTHER INCOME		
Commission, exchange and brokerage	163,263	141,226
Net profit/(loss) on sale of Investments	(3,593)	(28,531)
Net profit/(loss) on revaluation of Investments	-	-

	For the year ended 31 March 2019 (₹ '000s)	For the year ended 31 March 2018 (₹ '000s)
Net profit/(loss) on sale of land, buildings and other assets	(2,905)	(20,939)
Net profit/(loss) on exchange transactions (including derivatives)	524,371	731,243
Income earned by way of dividends, etc. from subsidiary companies and/or joint ventures abroad/in India	-	-
Miscellaneous income (Refer Schedule 18 Note 54)	268,582	225,415
Total	949,718	1,048,414
15. INTEREST EXPENDED		
Interest on deposits	1,820,154	1,379,330
Interest on Reserve Bank of India and inter-bank borrowings	134,112	137,011
Others	7,357	64,050
Total	1,961,623	1,580,391
16. OPERATING EXPENSES		
Payments to and provisions for employees	735,947	734,502
Rent, taxes and lighting	194,905	230,469
Printing and stationery	4,387	4,486
Advertisement and publicity	1,204	751
Depreciation on Bank's property	101,647	106,334
Directors' fees, allowances and expenses	-	-
Auditors' fees and expense	3,145	3,362
Law Charges	2,357	3,139
Postage, telegrams, telephones, etc.	12,500	12,077
Repairs and maintenance	6,583	7,536
Insurance	38,128	38,021
Other expenditure (Refer Schedule 18 Note 32)	263,574	285,351
Total	1,364,377	1,426,028
16A PROVISIONS AND CONTINGENCIES		
Provision towards NPA	999,674	-
General provision against standard assets	32,000	(30,433)
Provision towards country risk	(1,634)	1,634
Provision for depreciation on investments	99	(692)
Provision on account of tax		
- Current tax expense	499,254	354,780
- Deferred tax expense/(income)	(436,077)	9,716
Total	1,093,316	335,005

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
(Currency in ₹)

1. Background

The accompanying financial statements for the year ended 31 March 2019 comprise of the accounts of the India Branches of Australia and New Zealand Banking Group Limited (the 'Bank') which is incorporated in Australia with limited liability. The Bank has three branches in India as on 31 March 2019.

2. Basis of preparation

The accompanying financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting, unless otherwise stated, and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India, statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and the guidelines issued by Reserve Bank of India ('RBI') from time to time, the Accounting Standards ('AS') as specified under section 133 of the Companies Act, 2013 read with relevant rules to the extent applicable and practices prevailing within the Banking industry in India.

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

3. Use of Estimates

The preparation of financial statements in conformity with applicable GAAP requires management to make estimates and assumptions considered in the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the result of operations during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates and assumptions is recognised prospectively in current and future periods.



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4. Significant accounting policies

4.1. Revenue recognition

- Interest income is recognised on an accrual basis, except in case of interest on Non-Performing Assets (NPAs), which is recognised as income on receipt, in accordance with RBI guidelines.
- Interest income on discounted instruments is recognised over the tenor of the instrument on a constant effective yield basis (interest rate implied by the discounted purchased price).
- Fees and commission on guarantees, letters of credit and loans are recognised as and when due once the services are rendered. In case tenor of guarantee is more than one year, fees for issuance is amortised on straight-line basis over the period of guarantee except guarantee fees up to a set threshold (1% of total fees and commission income or ₹ 15,00,000 whichever is lower), which is recognised upfront in the year of issuance of guarantee.
- Fees from support services are recognised based on applicable service contracts and when the service has been rendered.

4.2. Fixed Assets and Depreciation

- Fixed assets are carried at cost less accumulated depreciation and impairment, if any.
- Cost includes purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit/capacity of such asset.
- Cost of motor vehicles acquired on finance lease is amortised using the straight-line method over the primary period of lease.
- Assets other than software, individually costing up to ₹ 5,000 and mobile instruments are written off in the month of acquisition.
- Software costing up to 30,000 (₹ '000) is written off in the year of acquisition, in consideration that economic useful life is less than one year.
- The useful life estimates prescribed in Part C of Schedule II to the Companies Act, 2013 are generally adhered to, except in respect of class of assets, based on internal technical evaluation, where a different estimate of useful life is considered suitable.
- Depreciation is provided on the straight-line method over the estimated useful life of the asset, as follows:

Asset Type	Useful Life in years
Furniture and Fixtures	10
Office Equipment	3
Computers	3
Purchased Software	10
Internally developed software	5
Leasehold Improvements	Over remaining period of lease
Plant and Machinery	5

- In accordance with AS-28 on "Impairment of Assets", the Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Bank estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying value, the carrying value is reduced to the recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account for the year. If at the balance sheet date there is an indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.
- Capital work in progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

4.3. Employee Benefits

- Provident Fund - Defined contribution plan**
The Bank contributes to provident fund which is a defined contribution retirement plan for eligible employees. These contributions are accounted on an accrual basis and are charged to the Profit and Loss Account.
- Gratuity - Defined Benefit Plan**
Gratuity liabilities are defined benefit obligations and Bank's contribution towards the same is determined by an independent actuary based on the projected unit credit method as at the balance sheet date as per requirements of AS -15 (Revised 2005) - Employee Benefits. Actuarial gains/losses are immediately taken to Profit and Loss Account and are not deferred.
- Compensated Absences-Short term**
Employees may carry forward a maximum of five days of unused annual leave, which will have to be consumed within one quarter following the end of the leave year (Oct-Sep), i.e. by 31 December, beyond which it will be forfeited. The employees cannot encash un-availed/unutilised leave except in the year of resignation or retirement.

d) Employee share-based payments

The Bank participates in various share and rights compensation plans operated by the Head Office.

Compensation expense relating to the shares and rights granted to the Bank's employees by Head Office under the ANZ Employee Share Acquisition Plan (ESAP) and ANZ Share Option Plan (SOP) is borne by the Bank.

In determining the fair value of the rights, the Head Office uses standard market techniques for valuation including Monte Carlo and/or Black Scholes pricing models. The models take into account early exercise, non-transferability and internal/market based performance hurdles (if any).

The fair value of deferred shares and rights are expensed on a straight-line basis over the relevant vesting period as share-based compensation expense. The liability with Head Office for the issue of these shares and options is settled by the Bank on a half yearly basis.

4.4. Taxation

Income tax expense comprises of current tax and deferred tax.

a) Current taxes

The current charge for income tax is based on the estimated tax liability as computed after taking credit for allowances and exemptions in accordance with the Income tax Act, 1961 applicable for the year.

b) Deferred taxes

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the Bank's financial statements.

The deferred tax assets and liabilities are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that their future realisation is reasonably certain. However, where there is unabsorbed depreciation and carry forward losses under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such asset.

Deferred tax assets are reviewed as at each balance sheet date and appropriately adjusted to reflect the amount that there is reasonably/virtually certain to be realised. The computation of current taxes and deferred tax assets are as per accounting standard 22 - 'Accounting for Taxes'.

4.5. Leases

a) Operating Lease

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

b) Finance Lease

Leases where the lessee effectively retains substantially all the risks and benefits of ownership of the leased items are classified as finance leases. At the inception, lease is recognised as an asset and a liability at lower of fair value of leased asset and the present value of minimum lease payments. Lease payments are appropriated between finance charge and the reduction of outstanding liability so as to produce a constant periodic rate of interest on the balance of the liability. The costs identified as directly attributable to activities performed by the lessee for a finance lease are included as part of the amount recognised as an asset under the lease.

4.6. Provisions, contingent liabilities and contingent assets

- The Bank creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources to settle the obligation and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.
- Contingent assets are not recognised in the financial statements.
- Contingent liability disclosed in the financials are basis contractual tenor with our clients and have not been adjusted for the extended claim period as envisaged under the contract act.

4.7. Foreign exchange transactions

- Monetary assets, liabilities and contingent liabilities denominated in foreign currencies are translated at the balance sheet date at rates of exchange notified by the Foreign Exchange Dealers' Association of India (FEDAI) on that date. The resultant profit or loss including those on cancelled contracts is recognized in the Profit and Loss Account and related assets and liabilities are accordingly stated in the Balance Sheet.
- Foreign currency profit and loss are translated at month end FEDAI Rate.



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- c) Foreign exchange contracts outstanding at the balance sheet date are marked to market at rates notified by FEDAI for specified maturities, suitably interpolated for in-between maturity contracts as specified by FEDAI. Contracts of maturities over 12 months (long term forex contracts) are marked to market at rates derived from the Reuter's curve for that respective currency. The resulting profit or losses are recognized in the Profit and Loss Account.

4.8. Investments

Classification and valuation of the Bank's investments is carried out in accordance with extant RBI guidelines on Investment classification and valuation.

Investments are accounted on settlement date basis. Investments are classified as "Held for trading" (HFT) or "Available for Sale" (AFS) and "Held to Maturity" (HTM) in accordance with RBI guidelines. During the year ended 31 March 2019, the Bank has not classified any investment in HTM category. Under each of these classifications, investments are further categorized under i) Government securities ii) Other approved securities iii) Shares iv) Debentures and bonds v) Subsidiaries and vi) Others.

a) Acquisition cost

Cost of Investments excludes broken period interest paid on acquisition of investments. Brokerage, commission etc. paid at the time of acquisition are charged to the Profit and Loss Account. Broken period interest on debt instrument is accounted for in accordance with RBI guidelines.

b) Sale of Investments

Profit/Loss on sale of investments under the HFT and AFS categories are taken to the Profit and Loss account. First in First out (FIFO) method is applied to arrive at the cost of investments.

c) Valuation of Investments

Investments under AFS category are marked to market on a quarterly basis and those classified under HFT are marked to market on a monthly basis. Investments classified under the HFT and AFS categories are valued at lower of acquisition cost or market value. Securities are valued scrip wise and depreciation/appreciation is aggregated for each category. Net depreciation per category is provided for while net appreciation is ignored. Book value of the individual security is not changed consequent to revaluation of the security.

Treasury bills being discounted instruments are valued at carrying cost.

d) Transfer of securities between categories

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

e) Investment fluctuation reserve (IFR)

With a view to building up of adequate reserves to protect against increase in yields, RBI through circular number RBI/2017-18/147 DBR.No.BP. BC.1/21.06.2017/2015-16 dated 02 April 2018, advised all banks to create an IFR with effect from the financial year ended 31 March 2019.

The amount transferred to IFR should not be lesser than lower of the following:

- (i) net profit on sale of investments during the year.
- (ii) net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis. Where feasible, this should be achieved within a period of 3 years.

4.9. Repo/Reverse repo

In accordance with RBI guidelines, repurchase (repos) and reverse repurchase (reverse repos) transactions are accounted as Collateralised Borrowing and Lending Obligation.

The Bank follows aforesaid principle to account repo and reverse repo transactions undertaken under Liquidity Adjustment Facility (LAF).

4.10. Advances

Classification and provisions for advances of the Bank are carried out in accordance with the extant RBI guidelines on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances.

a) Classification

Advances are classified as performing and non performing based on the RBI's prudential norms on classification. Non performing assets are classified into substandard, doubtful and loss assets based on the criteria stipulated by RBI.

b) Provisioning

Advances are stated net of specific provisions made towards non performing advances. The Bank maintains a provision on standard assets including additional provision on Unhedged foreign currency exposure at rates specified as per norms prescribed by RBI. Loan loss provisions in respect of non performing advances are made based on management's assessment of the degree of impairment of advances subject to the minimum provisioning level in accordance with prudential norms prescribed by RBI.

c) Recovery in respect of non performing advances

Amount recovered from non performing advances are first applied towards outstanding principal.

4.11. Derivative Transactions

- a) The Bank enters into derivative contracts such as interest rate swaps, cross currency swaps, foreign exchange contracts and foreign exchange options.
- b) These derivatives are part of the trading book and are recognised at fair value. The resultant gain/loss is recorded in the Profit and Loss Account while the corresponding unrealised gain/loss are reflected in the balance sheet under the head Other assets/Other liabilities. The notional values of these contracts are recorded as Contingent liabilities.
- c) The Bank maintains a provision on standard derivative exposure at rates prescribed by RBI.
- d) Amounts due to the Bank under derivative contracts which remain unpaid for more than 90 days from the specified date of payment are classified as non-performing assets.
- e) The premium on option contracts is accounted for as per Foreign Exchange Dealers Association of India (FEDAI) guidelines.

4.12. 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.

4.13. Priority Sector Lending Certificate

The Bank vide RBI circular FIDD CO.Plan.BC. 23/04.09.01/2015-16 dated April 7, 2016 purchases PSLC by trading through the CBS portal (e-Kuber) of RBI. There is no transfer of risk or loan assets in these transactions. The fee paid for the purchase of the PSLC is treated as an expense.

SCHEDULE 18: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Capital

During the year, the Bank has not received any additional capital from Head Office. (Previous year Nil).

The Tier 1 capital as at 31 March 2019 is 13,300,607 (₹ '000s) (Previous year 13,192,988 (₹ '000s)).

2. Capital Adequacy Ratios:

The Bank's Capital to Risk-weighted Asset Ratio ('CRAR') is calculated in accordance with RBI's 'Basel III Capital regulations' issued vide RBI circular DBR.No.BP. BC.1/21.06.2017/2015-16 dated 1 July 2015. Under the Basel III framework, on an on-going basis, the Bank has to maintain a minimum total capital ratio of 10.875% (Previous year 10.875%) including Capital Conversion Buffer (CCB) at 1.875% (Previous year 1.875%) for credit risk, market risk and operational risk.

At 31 March 2019, the Bank was required to maintain a minimum Common Equity Tier-1 (CET1) capital ratio of 5.50%, minimum Tier-1 capital ratio of 7.00% and minimum total capital ratio of 10.875%. The minimum total capital requirement includes a capital conservation buffer of 1.875% (Previous year 1.875%).

The Bank's capital adequacy ratio as per Basel III is as follows:

Sr No	Particulars	As at 31 March 2019	As at 31 March 2018
1	Common Equity Tier 1 capital ratio (%)	18.42%	25.20%
2	Tier 1 capital ratio (%)	18.42%	25.20%
3	Tier 2 capital ratio (%)	0.40%	0.28%
4	Total Capital ratio (CRAR) (%)	18.82%	25.48%
5	Percentage of the shareholding of the Government of India in public sector banks	-	-
6	Amount of equity capital raised	-	-
7	Amount of Additional Tier 1 capital raised; of which Perpetual Non-Cumulative Preference Shares (PNCPs); Perpetual Debt Instruments (PDI):	-	-
8	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)]	-	-

3. Investments

(Amount in ₹ '000s)

Particulars	As at 31 March 2019	As at 31 March 2018
1) Value of Investments		
(i) Gross Value of Investments	33,630,048	15,512,361
(a) In India	33,630,048	15,512,361
(b) Outside India	-	-



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Particulars	As at 31 March 2019	As at 31 March 2018
(ii) Provisions for Depreciation	99	-
(a) In India	99	-
(b) Outside India	-	-
(iii) Net Value of Investments	33,629,949	15,512,361
(a) In India	33,629,949	15,512,361
(b) Outside India	-	-
2) Movement of provisions held towards depreciation on Investments		
(i) Opening Balance	-	692
(ii) Add: Provision made during the year	99	-
(iii) Less: Write back of excess provisions during the year	-	692
(iv) Closing balance	99	-

There are no non performing Investments as at 31 March 2019 (Previous year Nil).

4. Repo/Reverse Repo Transactions (in face value terms)

(Amount in ₹ '000s)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 March 2019
Securities sold under repo	100,000 (150,000)	9,001,800 (1,700,000)	3,046,831 (478,929)	1,033,500 (Nil)
i. Government securities	100,000 (150,000)	9,001,800 (1,700,000)	3,046,831 (478,929)	1,033,500 (Nil)
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo	50,000 (Nil)	3,951,100 (Nil)	1,155,925 (Nil)	- (Nil)
i. Government securities	50,000 (Nil)	3,951,100 (Nil)	1,155,925 (Nil)	- (Nil)
ii. Corporate debt securities	-	-	-	-

The above disclosure includes LAF/Marginal Standing Facility done with RBI and excludes borrowings under Collateralised Borrowing & Lending Obligations(CBLO).

The days with nil outstanding have been excluded while computing minimum, maximum and average outstanding for securities sold/purchased under repo/reverse repo.

Figures in brackets indicate previous year figures.

5. Non SLR Investment Portfolio

During the year ended 31 March 2019, there was no investment in Non SLR securities (Previous year Nil).

6. Sale and Transfers to/from HTM category

No investments were classified under the category HTM during the year ended 31 March 2019, consequently there was no sale or transfer to/from HTM category (Previous year Nil).

7. Derivatives

Details of outstanding Forward Rate Agreements/Interest Rate Swaps

(Amount in ₹ '000s)

Particulars	As at 31 March 2019	As at 31 March 2018
i) The notional principal of swap agreements ¹	460,749,553	293,403,917
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	3,451,003	1,244,521
iii) Collateral required by the Bank upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps ²		
- Banks	83.70%	99.21%
- Others	16.30%	0.79%
v) The fair value of the swap book ³	(922,124)	(56,808)

There were no Forward Rate agreements (FRAs) outstanding as at 31 March 2019 (Previous year Nil).

- The notional principal amount does not include Cross Currency Swaps.
- The concentration is calculated on the basis of credit exposure.
- The fair value denotes mark to market on the Interest Rate Swaps.

Exchange Traded Interest Rate Derivatives

The Bank has not entered into any transaction in Exchange Traded Derivatives during the year ended 31 March 2019 (Previous year Nil).

The nature and terms of interest rate swaps outstanding are set out below:

(Amount in ₹ '000s)

Nature	Terms	As at 31 March 2019		As at 31 March 2018	
		No	Notional Principal	No	Notional Principal
Trading-MIFOR	Pay Fixed-Receive Variable	76	44,050,000	40	27,450,000
	Pay Variable-Receive Fixed	46	38,600,000	42	25,850,000
Trading-MIOIS	Pay Fixed-Receive Variable	224	126,950,000	191	99,150,000
	Pay Variable-Receive Fixed	119	78,100,000	124	74,300,000
LIBOR	Pay Fixed-Receive Variable	34	73,431,777	15	19,868,315
	Pay Variable-Receive Fixed	54	99,617,776	30	46,785,602
Total			460,749,553		293,403,917

8. Disclosures on risk exposure in derivatives

Qualitative Disclosures

The Bank deals in derivatives for balance sheet management, market making purposes and also offers currency and interest rate derivatives to its customers.

Derivatives deals are carried by the treasury front office team. Confirmation, settlement, accounting, risk monitoring, reporting and compliance are handled by independent teams which also ensure compliance with various internal policies and regulatory guidelines.

Derivative financial instruments are carried at fair value.

The Bank has a risk management and control framework to support its trading and balance sheet activities. The framework incorporates a risk measurement approach to quantify the magnitude of market risk within trading and balance sheet portfolios.

Market risk limits are allocated at various levels and are reported and monitored by Market Risk on a daily basis. The detailed limits framework allocates individual limits to manage and control asset classes, risk factors and profit and loss limits (to monitor and manage the performance of the trading portfolios).

A key measure of market risk is Value at Risk (VaR). VaR is a statistical estimate of the possible daily loss and is based on historical market movements. The Bank measures VaR at a 99% confidence interval. The Bank's standard VaR approach for both traded and non-traded risk is historical simulation. The Bank calculates VaR using historical changes in market rates, prices and volatilities over the previous 500 business days. Traded and non-traded VaR is calculated using a one-day holding period. The Bank also utilises a number of other risk measures (e.g. stress testing) and risk sensitivity limits to measure and manage market risk.

Credit risk is managed on the basis of detailed risk profile of the counterparty, related conditions and expectations. The Bank uses International Swaps and Derivatives Association (ISDA) Master Agreements with its counterparties for derivatives activities.

The Bank applies Current exposure methodology to manage credit risk associated with derivative transactions. This is computed by taking the sum of its mark-to-market value if positive and its potential future exposure which is calculated based on its notional value and residual maturity.

The Bank has made provision on such credit exposures in accordance with RBI circular DBR.No.BP.CC.2/21.04.048/2015-16 dated 1 July 2015.

Quantitative Disclosures

(Amount in ₹ '000s)

Sr. No	Particulars	As at 31 March 2019		As at 31 March 2018	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
1	Derivatives (Notional Principal Amount)				
	a) For hedging	-	-	-	-
	b) For trading	304,231,369	460,749,553	193,961,751	293,403,917
2	Marked to Market Positions (Net)				
	a) Asset (+)	4,351,627	3,451,003	3,199,898	1,244,521
	b) Liability (-)	(4,971,259)	(4,373,128)	(5,843,089)	(1,301,329)
3	Credit Exposure²	25,958,586	7,259,371	16,190,370	3,693,748
4	Likely impact of one percentage change in interest rate (100*PV01)				
	a) on hedging derivatives	-	-	-	-
	b) on trading derivatives	831,703	916,068	272,244	164,525
5	Maximum of 100*PV01 observed during the year³				
	a) on hedging	-	-	-	-
	b) on trading	1,002,690	1,029,266	587,519	377,290
6	Minimum of 100*PV01 observed during the year³				
	a) on hedging	-	-	-	-
	b) on trading	307,120	129,873	116,865	41,649

- Disclosure excludes foreign exchange contracts.
- Represents total exposure based on current exposure method as per RBI master circular Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated 1 July 2015.



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3. The maximum/minimum calculation is based on the monthly PV01 data submitted to RBI.
4. PV01 as disclosed above is based on the assumptions and estimates made by the management and which has been relied upon by the statutory auditors.

9. Asset Quality

Non-Performing Assets

(Amount in ₹ '000s)

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Net NPAs to Net Advances (%)	0.00%	0.00%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	-	-
(b) Additions during the year	999,674	-
(c) Reductions during the year	-	-
(d) Closing balance	999,674	-
(iii) Movement of Net NPAs		
(a) Opening balance	-	-
(b) Additions during the year	-	-
(c) Reductions during the year	-	-
(d) Closing balance	-	-
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	-	-
(b) Provisions made during the year	999,674	-
(c) Write-off/write-back of excess provisions	-	-
(d) Closing balance	999,674	-

The Bank has no restructured accounts, sale of financial assets to securitisation/reconstruction company, purchase/sale of non-performing financial assets during the year and hence the disclosures on particulars of accounts restructured, details of financial assets sold to securitisation/reconstruction company for asset reconstruction and details of non-performing financial asset purchased/sold are not applicable (Previous year Nil).

10. Concentration of Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits

(Amount in ₹ '000s)

	As at 31 March 2019	As at 31 March 2018
Total advances to twenty largest borrowers	39,743,940	26,918,017
Percentage of advance to twenty largest borrowers to total advances of the Bank	98.44%	98.45%

b) Concentration of Advances*

(Amount in ₹ '000s)

	As at 31 March 2019	As at 31 March 2018
Total advances to twenty largest borrowers	36,008,027	35,880,112
Percentage of advance to twenty largest borrowers to total advances of the Bank	58.49%	56.60%

*Advances represent credit exposure (funded and non funded) including derivatives exposure as per RBI master circular on Exposure Norms DBR.No.Dir. BC.12/13.03.00/2015-16 dated 1 July 2015.

c) Concentration of Exposures**

(Amount in ₹ '000s)

	As at 31 March 2019	As at 31 March 2018
Total exposure to twenty largest borrowers/customers	36,008,027	35,880,112
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Bank on borrowers/customers	58.49%	56.60%

**Exposure includes credit exposure (funded and non-funded), derivative exposure and investment exposure as per RBI master circular on Exposure Norms DBR.No.Dir. BC.12/13.03.00/2015-16 dated 1 July 2015. However, there is no investment exposure as on 31 March 2019 (Previous year Nil).

d) Concentration of NPAs

(Amount in ₹ '000s)

	As at 31 March 2019	As at 31 March 2018
Total Exposure to top four NPA accounts	999,674	-

11. Sector-wise Advances

(Amount in ₹ '000s)

Sector	As at 31 March 2019			As at 31 March 2018		
	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	-	-	-	-	-	-
2. Advances to industries sector eligible as priority sector lending of which:	3,398,348	-	-	4,505,595	-	-
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	-	-	-	-	-	-
Chemicals and Chemical Products (Dyes, Paints, etc.)	2,452,602	-	-	-	-	-
Basic metal and metal Products	20,746	-	-	957,486	-	-
Food processing	925,000	-	-	1,192,500	-	-
3. Services of which:	218,394	-	-	633,667	-	-
Professional services	80,886	-	-	140,384	-	-
Trading	137,508	-	-	493,283	-	-
4. Personal loans	-	-	-	-	-	-
Sub - total - A	3,616,742	-	-	5,139,262	-	-
B Non Priority Sector						
1. Agriculture and allied activities	-	-	-	-	-	-
2. Industry of which:	15,528,631	-	-	3,798,774	-	-
Food Processing	1,474,784	-	-	53,000	-	-
Chemicals and chemical products (Dyes, Paints, etc.)	1,250,000	-	-	-	-	-
Basic metal and metal Products	701,306	-	-	72,485	-	-
All engineering	-	-	-	376,024	-	-
Other industries	12,102,541	-	-	3,297,265	-	-
3. Services of which:	4,366,951	999,674	22.89%	10,595,410	-	-
Tourism, hotel and restaurants	1,530,000	-	-	1,095,000	-	-
Non-Banking Financial Companies(NBFC)	1,699,674	999,674	58.82%	1,492,558	-	-
Trading	-	-	-	3,927,313	-	-
Professional services	1,137,277	-	-	2,302,449	-	-
4. Personal loans	-	-	-	-	-	-
Sub-total - B	19,895,582	999,674	5.02%	14,394,184	-	-
Total(A + B)	23,512,324	999,674	4.25%	19,533,446	-	-



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1. Outstanding total advances represent gross advances.

12. Movement of NPAs (Amount in ₹ '000s)

Particulars	As at 31 March 2019	As at 31 March 2018
Gross NPAs as on 1 April (Opening Balance)	-	-
Additions (new NPAs) during the year	999,674	-
Sub-total (A)	999,674	-
Less:-		
(i) Upgradations	-	-
(ii) Recoveries (excluding recoveries made from upgraded accounts)	-	-
(iii) Write-offs	-	-
Sub-total (B)	-	-
Gross NPAs as on 31 March (closing balance) (A-B)	999,674	-

13. Overseas Assets, NPAs and Revenue

As the Bank is a branch of a foreign bank, this disclosure is considered as not applicable.

14. Provisions on Standard Assets* (Amount in ₹ '000s)

Particulars	As at 31 March 2019	As at 31 March 2018
General Provision on Advances	90,051	78,134
General Provision on Credit Exposure on derivatives	43,520	30,160

*Does not include unhedged foreign currency exposure provision as disclosed in the Note 15.

15. Unhedged Foreign Currency Exposure

The Bank's credit policy governs management of currency induced credit risk. As per

Bank's policy and procedures, the Bank closely monitors the unhedged foreign currency exposures of all corporate clients. The Bank collects information from clients as regards their Risk Management policy and Foreign Exchange hedging policy as well as their open Foreign Exchange positions owing to their FX denominated borrowings (ECBs, Buyers' credit etc.) and other liabilities. The information available is considered in the borrower's annual review credit memorandum and assessment of qualitative scores in the risk rating score-card. Interim findings are put up for discussions and noting to Risk Management Committee (RMC).

As at 31 March 2019, the Bank has maintained provision of ₹ 42,933 (₹ '000s) (Previous year ₹ 36,210 (₹ '000s)) and held incremental capital of ₹ 194,302 (₹ '000s) (Previous year ₹ 237,647 (₹ '000s)) towards unhedged foreign currency exposures of its borrowers.

16. Business Ratios

Sr. No.	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
i.	Interest income as a % to working funds ¹	5.00%	4.41%
ii.	Non-interest income as a % to working funds ¹	1.31%	1.61%
iii.	Operating profit as a % to working funds ¹	1.72%	1.41%
iv.	Return on assets ²	0.21%	0.89%
v.	Business per employee ³ , 4 (₹ '000s)	804,235	599,690
vi.	Net Profit per employee ⁴ (₹ '000s)	1,949	7,462
vii.	Percentage of Net NPA to Net Advances	0.00%	0.00%

- Working fund is computed based on average of total assets (excluding accumulated losses) as reported to RBI in Form X under section 27 of the Banking Regulation Act, 1949 during the financial year.
- Return on assets is with reference to average working fund (i.e. total of assets excluding accumulated losses).
- Business is calculated as deposits plus advances as at year end excluding interbank deposits. Ratio is computed basis number of employees as at respective year-ends.
- Operating profit is profit before provisions and contingencies.

17. Maturity Patterns of certain items of Assets and Liabilities¹

As at 31 March 2019

(Amount in ₹ '000s)

Maturity Bucket	Day 1	2 - 7 days	8 - 14 days	15 - 30 days	31 days - 2 months	2 months - 3 months	Over 3 months - 6 months	Over 6 months - 1 year	Over 1 year - 3 years	Over 3 years - 5 years	Over 5 years	Total
Deposits	157,608	3,052,748	1,223,906	1,274,000	4,109,900	2,550,300	14,667,001	10,339,591	2,997,468	920	-	40,373,442
Advances	17,780	7,100,441	7,210,513	1,424,848	1,614,662	993,272	1,591,389	419,273	2,023,908	116,564	-	22,512,650
Investments	25,566,760	218,047	450,843	517,955	726,342	598,796	2,704,855	2,037,507	804,791	4,053	-	33,629,949
Borrowings	-	999,909	543,149	-	-	-	-	-	-	-	-	1,543,058
Foreign Currency Assets ²	1,894,006	450,878	1,031,477	89,372	51,353	19,901	1,040,296	184,963	-	-	207,463	4,969,709
Foreign Currency Liabilities ²	12,800	57,177	607,828	2,258	27,073	-	-	-	50,258	-	8,707	766,101

As at 31 March 2018

(Amount in ₹ '000s)

Maturity Bucket	Day 1	2 - 7 days	8-14 days	15-30 days	31 days - 2 months	2 months - 3 months	Over 3 months - 6 months	Over 6 months - 1 year	Over 1 year - 3 years	Over 3 years - 5 years	Over 5 years	Total
Deposits	79,563	337,383	615,947	1,754,406	9,847,292	660,000	5,141,835	7,673,984	1,229,850	1,410	-	27,341,670
Advances	37,708	522,153	6,160,804	2,756,594	2,258,360	860,833	1,355,905	3,601,676	1,543,150	436,263	-	19,533,446
Investments	9,343,379	56,700	1,028,107	75,759	1,006,024	1,299,043	1,010,258	1,523,224	167,076	2,733	58	15,512,361
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets ²	2,941,134	453	1,621,955	1,700,871	107,451	90,117	70,563	94,395	212,235	-	195,525	7,034,699
Foreign Currency Liabilities ²	4,959	34,256	38,843	393	20,752	-	-	-	33,325	-	678	1,33,206

- The classification of assets and liabilities under the different maturity buckets are compiled by management on the same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI. This has been relied upon by the auditors.
- Foreign currency assets/liabilities exclude off-balance sheet assets and liabilities.
- In computing the above formation, certain estimates and assumptions have been made by the Management which has been relied by the statutory auditors.



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18. Exposures to Real Estate Sector and Capital Market

The Bank has no direct or indirect exposure to Real Estate Sector and Capital Market hence the disclosure on Real Estate Sector and Capital Market is not applicable (Previous year Nil).

19. Risk category wise Country Exposure

Provision for country risk exposure as per RBI circular DBR.No.BP.BC.2/21.04.048/2015-16 dated 1 July 2015 is as follows:

(Amount in ₹ '000s)

Risk Category	Funded Exposure (net) as at 31 March 2019	Provision held as at 31 March 2019	Funded Exposure (net) as at 31 March 2018	Provision held as at 31 March 2018
Insignificant	1,924,812	-	3,029,385	1,634
Low	3,769	-	18,603	-
Moderate	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	1,928,581	-	3,047,988	1,634

As per RBI guidelines, provision is created for only those countries where the net funded exposure exceeded 1% of the total assets. Further, lower provisions of 25% of the requirement have been created with respect to short term exposures (i.e. exposures with contractual maturity of less than 180 days).

20. Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded by the Bank

During the year ended 31 March 2019, the Bank is in compliance with RBI master circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated 1 July 2015 on single borrower and group borrower limits.

The Reserve Bank of India has prescribed exposure limit of 15% and 40% of capital funds in case of single borrower limits(SBL) and group borrower limits(GBL) respectively. In case of Infrastructure projects, an additional exposure of up to 5%/10% of capital fund is allowed for SBL/GBL respectively. In addition to the above ceiling, banks may, in exceptional circumstances, with the approval of their Indian Executive Committee consider enhancement of the exposure to a borrower (single as well as group) up to a further 5% of capital funds subject to the borrower consenting to the banks making appropriate disclosures in their Annual Reports.

Further, SBL has been raised to 25% of capital funds, in respect of Oil Companies who have been issued Oil Bonds (which do not have SLR status) by the Government of India.

The Bank has not exceeded the aforesaid limits during the year ended 31 March 2019 except for the following customers who have been sanctioned an additional limit of up to 5% in SBL.

- Piramal Enterprises Limited
- BTI Payments Private Limited

Further, the Bank held India EXCO approvals from previous year for incremental 5% limits for the below customers.

- Brightstar Telecommunications India Limited
- Aurobindo Pharma Limited
- Tata Sia Airlines Limited

During the year ended 31 March 2018, the Bank was in compliance with RBI master circular on Exposure Norms on single borrower and group borrower limits. During the year ended 31 March 2018, the Bank enhanced SBL for below customers from 15% to 20% of the capital funds.

- Tata Sia Airlines Limited
- Hardcastle Restaurants Private Limited
- L&T Valves Limited
- Olam Agro India private limited

During the year ended 31 March 2018, the Bank enhanced SBL for below infrastructure customers from 20% to 25% of the capital funds.

- Sembcorp Gayatri Power Limited
- Ericsson India Private Limited

Further, the Bank held India Exco approvals from previous year for incremental 5% limits for the below customers.

- Brightstar Telecommunications India Limited

- Voith Hydro Private Limited
- BTI Payments Private Limited
- Aditya Birla Retail Limited
- Aurobindo Pharma Limited

21. Intra-Group Exposures

As at the year-end 31 March 2019, the Bank is in compliance with RBI circular DBOD.No.BP.BC.96/21.06.102/2013-14 dated 11 February 2014 on Management of Intra-Group Transactions and Exposures. These guidelines became effective from 1 October 2014. During the year ended 31 March 2019, there was no breach in limits for Single Group Entity Exposure and Aggregate Group Exposure. (Previous year Nil)

Other details of Intra-Group Exposure as at 31 March 2019 are provided below:

(Amount in ₹ '000s)

Particulars	As at	As at
	31-Mar-19	31-Mar-18
(a) Total amount of intra-group exposures	1,094,030	440,779
(b) Total amount of top-20 intra-group exposures	1,094,030	440,779
(c) Percentage of intra-group exposures to total exposure* of the bank on borrowers / customers	1.11%	0.38%

*Total exposure includes Credit Exposure (funded and non funded), derivative exposure and investment exposure to all corporate and inter-bank counterparties.

22. Unsecured Advances against intangible assets

During the year ended 31 March 2019, the Bank has not granted any advance against intangible securities such as charge over the rights, licenses, authority etc (Previous year Nil).

23. Provision made for Income tax for the year

(Amount in ₹ '000s)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current Tax*	499,254	354,780
Deferred Tax	(436,077)	9,716
Total	63,177	364,496

*Provision for Current tax includes write back of provision made in respect of previous financial years ₹ 6,998 (₹ '000's) and previous year includes provision in respect of previous financial years of ₹ 26,563 (₹ '000's)

24. Disclosure of Penalties imposed by RBI

During the financial year under review, no penalty was imposed by RBI on the Bank (Previous year Nil).

25. Liquidity Coverage Ratio (LCR)

Qualitative Disclosures:

The Bank has been computing its LCR on a monthly basis since January 2016 and on a daily basis since October 2016 as per the extant RBI guidelines. RBI guidelines, has mandated minimum LCR of 60% for the calendar year 2015 with a step up of 10% each year to reach minimum requirement of 100% by 1 January 2019. The LCR guidelines aim to ensure that the banks maintain an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significant severe liquidity stress scenario specified by RBI.

As at the year-end 31 March 2019, the Bank is in compliance with LCR guidelines. Over a period of time, there is a positive trend in LCR ratio with LCR as at 31 March 2019 at 1229% against requirement of 100%. The main drivers of LCR are holding in government securities and cash in hand. HQLA comprises of cash in hand, balance maintained with RBI in excess of CRR requirements, Government securities holdings in excess of SLR requirements, Government securities within the mandatory SLR requirement, to the extent allowed by RBI under Marginal Standing Facility, and Government securities within the mandatory SLR requirement, to the extent allowed by RBI under Facility to avail Liquidity for Liquidity Coverage Ratio (FALLCR). Along with this, the Bank has progressively, after moving into Clearing Corporation of India Limited (CCIL) guaranteed settlement window for Foreign exchange forward transactions lowered derivatives cash outflows. Trades which are settled through CCIL (under guaranteed settlement window) are netted.

Effective October 2015, FX options and FX cash flows are netted at deal level. For other derivatives, the Bank continues to gross up cash flows at counterparty level.

The Bank has diverse source of funding ranging from deposits from local corporate customers and interbank deposits, own capital funds as well as foreign currency borrowings from network branches. The Bank does not hold any FCY HQLA. There is a daily monitoring of LCR at group level and there is a regular interaction between Group Treasury and Local Treasury. LCR is also monitored by India Assets and Liabilities Committee (India ALCO).



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Quantitative Disclosure for LCR is provided below:

For the year ended 31 March 2019

(Amount in ₹ '000s)

	Quarter ended Mar 31, 2019		Quarter ended Dec 31, 2018		Quarter ended Sep 30, 2018		Quarter ended Jun 30, 2018		Quarter ended Mar 31, 2018	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets										
1	Total High Quality Liquid Assets (HQLA)	17,476,305		17,286,570		14,922,181		12,742,943		14,340,189
Cash Outflows										
2	Retail deposits and deposits from small business customers, of which:									
(i)	Stable deposits	-	-	-	-	-	-	-	19	1
(ii)	Less stable deposits	10	1	9	1	10	1	23	2	-
3	Unsecured wholesale funding, of which:									
(i)	Operational deposits (all counterparties)	2,862,244	714,468	3,168,850	791,186	2,470,913	616,632	1,503,934	374,875	1,769,060
(ii)	Non-operational deposits (all counterparties)	5,911,563	2,895,540	7,399,108	3,584,166	3,567,938	1,880,470	5,063,147	2,919,227	8,916,295
(iii)	Unsecured debt	-	-	-	-	-	-	-	-	-
4	Secured wholesale funding									
5	Additional requirements, of which									
(i)	Outflows related to derivative exposures and other collateral requirements	3,520,938	3,520,938	2,167,025	2,167,025	2,488,154	2,488,154	2,486,026	2,486,026	6,488,149
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	443,134	48,313	1,246,761	124,676	1,354,841	135,484	449,891	44,989	2,122,832
6	Other contractual funding obligations	253,750	253,750	264,033	264,033	223,078	223,078	279,105	279,105	925,479
7	Other contingent funding obligations	14,343,147	716,978	14,144,778	707,153	13,932,153	696,446	15,228,413	761,354	22,229,403
8	Total Cash Outflows		8,149,988		7,638,240		6,040,265		6,865,578	
Cash Inflows										
9	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	12,794,044	8,062,841	10,052,473	6,220,547	11,852,185	7,790,584	5,186,133	3,969,845	17,763,042
11	Other cash inflows	528,866	264,433	542,629	271,314	298,821	149,411	507,680	253,840	1,344,988
12	Total Cash Inflows		8,327,274		6,491,861		7,939,995		4,223,685	
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
21	TOTAL HQLA		17,476,305		17,286,570		14,922,181		12,742,943	
22	Total Net Cash Outflows*		2,037,497		1,909,560		1,510,066		2,641,893	
23	Liquidity Coverage Ratio (%)		858		905		988		482	

* Total Net Cash Outflows is higher of Total Cash Outflows Less Total Cash Inflows or 25% of Total Cash outflows.

The average and unweighted amounts are calculated taking simple average based on daily data points for the entire year. In computing the above information, certain assumptions and estimate have been made by the management which have been relied upon by the statutory auditors.

For the year ended 31 March 2018

(Amount in ₹ '000s)

	Quarter ended Mar 31, 2018		Quarter ended Dec 31, 2017		Quarter ended Sep 30, 2017		Quarter ended Jun 30, 2017		Quarter ended Mar 31, 2017	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets										
1	Total High Quality Liquid Assets (HQLA)	14,340,189		20,017,668		20,233,139		15,498,897		13,790,147
Cash Outflows										
2	Retail deposits and deposits from small business customers, of which:									
(i)	Stable deposits	19	1	13	1	14	1	60	3	136
(ii)	Less stable deposits	-	-	-	-	-	-	-	-	1
3	Unsecured wholesale funding, of which:									
(i)	Operational deposits (all counterparties)	1,769,060	440,864	1,737,041	432,890	1,642,714	409,346	2,162,472	539,392	2,085,455



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	Quarter ended Mar 31, 2018		Quarter ended Dec 31, 2017		Quarter ended Sep 30, 2017		Quarter ended Jun 30, 2017		Quarter ended Mar 31, 2017	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
(ii) Non-operational deposits (all counterparties)	8,916,295	4,028,040	10,364,121	4,925,764	4,638,419	2,035,826	7,272,241	3,835,974	7,350,347	3,842,615
(iii) Unsecured debt	-	-	-	-	-	-	-	-	-	-
4 Secured wholesale funding	-	-	-	-	-	-	-	-	-	-
5 Additional requirements, of which										
(i) Outflows related to derivative exposures and other collateral requirements	6,488,149	6,488,149	2,612,795	2,612,795	2,453,909	2,453,909	2,320,192	2,320,192	4,001,197	4,001,197
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	2,122,832	212,283	3,008,969	500,969	3,411,930	535,618	3,671,964	567,959	3,799,855	580,865
6 Other contractual funding obligations	925,479	925,479	765,573	765,573	518,221	518,221	238,343	238,343	999,792	999,792
7 Other contingent funding obligations	22,229,403	1,111,200	23,878,061	1,193,441	23,749,386	1,187,145	28,734,266	1,436,409	27,370,145	1,368,356
8 Total Cash Outflows	13,206,016		10,431,433		7,140,066		8,938,272		11,313,033	
Cash Inflows										
9 Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	17,763,042	12,483,860	11,062,920	7,192,601	9,876,332	6,921,178	7,766,583	5,505,321	12,000,190	8,914,093
11 Other cash inflows	1,344,988	672,494	816,781	408,391	1,114,977	557,488	302,485	151,243	1,331,584	665,792
12 Total Cash Inflows	13,156,354		7,600,992		7,478,666		5,656,564		9,579,885	
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
21 TOTAL HQLA		14,340,189		20,017,668		20,233,139		15,498,897		13,790,147
22 Total Net Cash Outflows*		3,301,504		2,830,441		1,785,016		3,281,708		2,828,258
23 Liquidity Coverage Ratio (%)		434		707		1,133		472		488

* Total Net Cash Outflows is higher of Total Cash Outflows Less Total Cash Inflows or 25% of Total Cash outflows.

The average and unweighted amounts are calculated taking simple average based on daily data points for the entire year. In computing the above information, certain assumptions and estimate have been made by the management which have been relied upon by the statutory auditors.

26. Employee Benefits

Provident Fund - Defined Contribution Plan

The Bank has recognised ₹ 26,624 (₹ '000s) in the Profit and Loss Account as employer's contribution to the provident fund (Previous year ₹ 21,384 (₹ '000s)).

Gratuity - Defined benefit Plan

The Company has adopted Accounting Standard 15 (Revised 2005) - Employee Benefits (AS 15) and determined the actuarial liability for gratuity as per the projected unit credit method using an independent actuary.

The principal actuarial assumptions used as at the balance sheet date are as follows: (Amount in ₹ '000s)

Particulars	As at 31 March 2019	As at 31 March 2018
Reconciliation of opening and closing balance of the present value of the defined benefit obligation		
Present value of obligation as at April 1	34,124	33,049
Interest cost	2,496	2,273
Current service cost	7,456	8,454
Acquisition cost	-	-
Benefits paid	(2,561)	(2,063)
Actuarial (gain)/loss on obligation	368	(7,589)
Present value of obligation as at March 31	41,883	34,124
Reconciliation of opening and closing balance of the fair value of the plan assets		
Fair value of plan assets as at April 1	35,835	27,654
Expected return on plan assets	3,074	2,430
Contributions	8,735	8,267
Benefits paid	(2,561)	(2,063)

Particulars	As at 31 March 2019	As at 31 March 2018
Actuarial gain/(loss) on plan assets	(1,697)	(453)
Fair value of plan assets as at March 31	43,386	35,835
Amount recognised in Balance sheet		
Fair value of plan assets as at March 31	43,386	35,835
Present value of obligation as at March 31	41,883	34,124
Asset/(Liability) as at March 31	1,503	1,710
Expenses recognised in Profit and Loss Account		
Interest cost	2,496	2,273
Current service cost	7,455	8,454
Expected return on plan assets	(3,074)	(2,430)
Net Actuarial (gain)/loss recognised in the year	2,065	(7,136)
Net cost	8,942	1,161

Particulars	As at 31-Mar-19	As at 31-Mar-18
Assumptions		
Assumptions		
Valuation method	Projected Unit Credit	Projected Unit Credit
Discount rate	7.50%	7.60%
Expected return on plan assets	7.67%	7.90%
Mortality	IAL Mortality Table Ult. (2006-08)	IAL Mortality Table Ult. (2006-08)
Salary escalation rate*	6.00%	6.00%
Withdrawal rate	6.50%	6.50%
Retirement age	60 years	60 years

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



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Experience History	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Defined Benefit Obligation at end of the period	(41,883)	(34,124)	(33,049)	(28,221)	(23,355)
Plan Asset at end of the period	43,386	35,835	27,654	26,261	22,609
Funded Status	1,503	1,710	(5,395)	(1,960)	(746)
Experience Gain/(Loss) adjustments on plan liabilities	(22)	(506)	(222)	2,385	434
Experience Gain/(Loss) adjustments on plan assets	(1,697)	(453)	(170)	(414)	(135)
Actuarial Gain/(Loss) due to change on assumptions	(346)	8,095	(2,020)	0	(2,821)

The break-up of major categories of plan assets as percentage to total plan assets is as under:

Asset Category	As at 31 March 2019	As at 31 March 2018
Others (including FDs and Special Deposits)	100.00%	100.00%
Total	100.00%	100.00%

Compensated absences - Short-term

The liability of compensated absences of the employees of the Bank as of 31 March 2019 is Nil (Previous year Nil).

27. Segmental reporting

Part A: Business Segments

As per RBI guidelines, the Bank has identified 'Treasury', 'Corporate/Wholesale banking' and 'Retail (Private Banking)' as its primary reportable segments. These segments are identified based on nature of services provided, risks and returns, organisational structure of the bank and the internal financial reporting system.

Treasury Operations segment comprise derivatives trading, money market operations, investments in bonds, treasury bills, government securities and foreign exchange operations. The revenue of this segment consists of interest earned on investments and gains on sale of securities, profit on foreign exchange and derivative transactions. The principal expenses of this segment consist of interest expense on funds borrowed, occupancy expenses, personnel costs, other direct expenses and allocated expenses.

Corporate/Wholesale Banking segment primarily comprise funded and non-funded facilities, cash management activities and fee based activities. Revenues of this segment consist of interest earned on loans extended to clients and fees received from non-funded based activities like letter of credit, guarantee etc. The principal expenses of this segment consist of interest expense on deposits raised, occupancy expenses, personnel costs, other direct and allocated expenses.

Retail/Private Banking segment primarily comprise of raising of deposits from retail customers and catering to loan requirements of such customers. The revenue for this segment mainly consist of interest earned on the loans disbursed while the expense is mainly towards interest paid on the deposits raised, rental expenses, personnel costs, other direct expenses and allocated expenses.

Other Banking Business segment includes all other residual operations such as para banking transactions/activities. Basis the materiality of revenue generated, this segment has been combined with Corporate/Wholesale Banking segment.

For the year ended 31 March 2019

(Amount in ₹ '000s)

Business Segments	Treasury	Corporate/ Wholesale Banking	Retail Banking	Total
Revenue	2,518,157	2,053,150	-	4,571,307
Result	798,338	(583,170)	(0)	215,168
Unallocated expenses				-
Operating profit				215,168
Income taxes				63,177
Extraordinary profit/ loss	-	-	-	-
Net profit				151,991
Other information:				
Segment assets	53,286,616	22,936,681	-	76,223,297
Unallocated assets				968,017
Total assets				77,191,314
Segment liabilities	33,281,699	41,039,299	14	74,321,012
Unallocated liabilities				2,870,302
Total liabilities				77,191,314

For the year ended 31 March 2018

(Amount in ₹ '000s)

Business Segments	Treasury	Corporate/ Wholesale Banking	Retail Banking	Total
Revenue	2,216,187	1,707,240	-	3,923,427
Result	708,560	237,938	1	946,499
Unallocated expenses				-
Operating profit				946,499
Income taxes				364,496
Extraordinary profit/ loss	-	-	-	-
Net profit				582,003
Other information:				
Segment assets	32,793,093	20,209,660	-	53,002,753
Unallocated assets				517,417
Total assets				53,520,170
Segment liabilities	23,575,832	27,211,992	39	50,787,863
Unallocated liabilities				2,732,307
Total liabilities				53,520,170

In computing the above disclosure, certain assumptions and estimates are made by the management which have been relied upon by the Statutory Auditors.

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

Income, expense, assets and liabilities have been either specifically identified with individual segment or allocated to segments on a systematic basis or classified as unallocated.

Part B: Geographic segments

The Bank operates as a single unit in India and has no identifiable geographical segments representing dissimilar risk and returns. Hence, no information relating to geographical segments is presented.

28. Related Party Disclosures

Related party disclosure as required in accordance with AS 18 - "Related Party Disclosures" and RBI Guidelines, is provided below:

A. List of Related parties

Head Office and Branches

Australia and New Zealand Banking Group Limited, Australia
Australia and New Zealand Banking Group Limited - Singapore
Australia and New Zealand Banking Group Limited - New York
Australia and New Zealand Banking Group Limited - Japan
Australia and New Zealand Banking Group Limited - London
Australia and New Zealand Banking Group Limited - Hong Kong
Australia and New Zealand Banking Group Limited - Frankfurt

Other Group Entities

ANZ Bank New Zealand Limited
ANZ Bank (Thai) Public Company Limited
Australia and New Zealand Bank (China) Company Limited
ANZ Capital Private Limited
ANZ Support Services India Private Limited
ANZ Operations and Technology Private Limited
ANZ Global Services and Operations (Manila), Inc.
Bank ANZ Indonesia P.T.

The above category includes only those related parties with whom transactions have occurred during the year and/or previous years or where control exists.

B. Key Management Personnel

Mr. Sanjeev Bajaj, Chief Executive Officer

C. Transactions and balances with related parties

(Amount in ₹ '000s)

Particulars	Head Office and Branches		Other Group Entities	
	As at 31 March 2019	Maximum Outstanding during the year	As at 31 March 2019	Maximum Outstanding during the year
Borrowings	543,149	3,406,277	-	165
Deposits	85,247	196,286	15,161,144	16,151,363
Balances with Banks	100,333	1,570,405	4,061	38,157
Non-funded commitments	4,074,041	9,572,446	57,104	70,308
Derivative Notionals	117,998,431	123,268,310	-	-
Positive MTMs	889,528	889,528	-	-
Negative MTMs	888,564	888,564	-	-



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(Amount in ₹ '000s)

Particulars	Head Office and Branches		Other Group Entities	
	For the year ended 31 March 2019	As at 31 March 2019	For the year ended 31 March 2019	As at 31 March 2019
Interest paid	7,570	223	708,324	234,517
Rendering of services	265,138	55,869	-	-
Reimbursement of expenses	4,986	-	-	-
Receiving of services	-	-	34,008	4,270
Payment for share based payment	57,002	22,803	-	-
Fees Paid	57	-	17	-
Fees Received	41,045	-	8,169	-

(Amount in ₹ '000s)

Particulars	Head Office and Branches		Other Group Entities	
	As at 31 March 2018	Maximum Outstanding during the year	As at 31 March 2018	Maximum Outstanding during the year
Borrowings	-	3,891,303	-	21,205
Deposits	48,225	268,834	12,735,556	14,475,312
Placements	-	8,084,859	-	-
Balances with Banks	107,596	1,688,124	3,484	70,061
Non-funded commitments	8,909,989	12,094,087	69,964	69,964
Other Assets	25,968	25,968	-	-
Derivative Notionals	60,948,088	64,169,984	-	-
Positive MTMs	316,000	325,756	-	-
Negative MTMs	2,005,889	2,141,828	-	-
Negative MTMs	-	-	-	-

(Amount in ₹ '000s)

Particulars	Head Office and Branches		Other Group Entities	
	For the year ended 31 March 2018	As at 31 March 2018	For the year ended 31 March 2018	As at 31 March 2018
Interest paid	7,147	-	509,144	125,569
Interest received	1,705	-	-	-
Rendering of services	224,458	28,218	-	-
Reimbursement of expenses	13,888	1,437	-	-
Receiving of services	-	-	26,678	4,715
Payment for share based payment	55,609	16,037	-	-
Fees Paid	78	-	11	-
Fees Received	28,253	18,087	4,032	220

Note: In accordance with the guidance on compliance with the accounting standards by banks issued by RBI, the Bank has not disclosed the details pertaining to the related party where there is only one entity/person in any category of related parties.

29. Lease Disclosures

At 31 March 2019, the Bank has entered into operating lease for premises and motor vehicles, which were used primarily for business purposes.

Operating Lease

Lease payments recognised in the Profit and Loss Account during the year ended 31 March 2019 is ₹ 179,603 (₹ '000s) (Previous year ₹ 206,729 (₹ '000s)).

Total future minimum lease payments under non-cancellable operating lease as at 31 March 2019:

(Amount in ₹ '000s)

Particulars	As at 31 March 2019	As at 31 March 2018
Not later than one year	129,476	176,258
Later than one year but not later than five years	273,518	363,736
Later than five years	36,545	54,587

Finance Lease

Lease payments recognised in the Profit and Loss Account during the year ended 31 March 2019 is Nil (Previous year Nil (₹ '000s)).

Total future minimum lease payments under the non-cancellable finance lease as at 31 March 2019:

(Amount in ₹ '000s)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
Not later than one year	-	-	-	-
Later than one year but not later than five years	-	-	-	-
Later than five years	-	-	-	-

30. Deferred tax

The deferred tax asset of ₹ 363,146 (₹ '000s) as at 31 March 2019 (Previous year deferred tax liability of ₹ 72,931 (₹ '000s) is included under Schedule 11 - Other Assets.

The primary components that gave rise to deferred tax assets and liabilities included in the balance sheet are as follows:

(Amount in ₹ '000s)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred Tax Assets		
Straight lining of lease rent	8,767	8,577
General provisions for standard assets and country risk	77,097	63,219
Provision for Non-Performing Assets	409,980	-
Deferred Tax Assets	495,844	71,796
Deferred Tax Liability		
Depreciation on fixed assets	(132,698)	(144,727)
Deferred Tax Liability	(132,698)	(144,727)
Net Deferred Tax Asset / (Liability)	363,146	(72,931)

31. Capital commitments

Capital Commitment as on 31 March 2019 is Nil (Previous year Nil).

32. Operating expenses

During the year ended 31 March 2019, 'Other Expenses' in Schedule 16, includes information service fees, which is in excess of 1% of total income, amounting to ₹ 46,143 (₹ '000s) (Previous year Nil).

33. Employee Share Based Payments

a) ANZ Employee Share Acquisition Plan

Deferred Share Plan

Certain employees are issued deferred shares, which generally vest within a period of four years from the date of grant. All deferred shares are issued based on the volume weighted average price of the shares traded on the Australia Stock Exchange in the week leading up to and including the date of grant. Unvested shares are forfeited on resignation or dismissal for serious misconduct unless decided otherwise by the Board of the Head Office. The deferred shares may be held in trust beyond the deferral period.

b) ANZ Share Option Plan

Performance Rights

Performance rights are granted to selected employees as part of ANZ's incentive plans. Performance rights provide the right to acquire ANZ shares at nil cost, subject to a three year vesting period and Total Shareholder Return (TSR) performance hurdles.

Deferred Share Rights

Deferred share rights are granted to selected employees as part of ANZ's incentive plans. Deferred share rights provide the right to acquire ANZ shares at nil cost after a specified vesting period without performance hurdles.

Any portion of the award of share rights may be satisfied by a cash equivalent payment rather than shares at the Board's discretion.

All unvested rights granted are forfeited on resignation or termination unless decided otherwise by the Board of the Head Office. Where an employee is terminated due to redundancy or they are classified as a 'good leaver', then:

- their deferred shares/rights are released at the original vesting date; and
- their performance rights are prorated for service to the full notice termination date and released at the original vesting date (if performance hurdles are met).

On an employee's death or total and permanent disablement, their deferred equity vests.



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Number of options

(Amount in ₹ '000s)

	As at 31 March 2019	As at 31 March 2018
(i) Outstanding at the beginning of the year	75,659	125,554
(ii) Granted during the year	64,499	17,210
(iii) Forfeited during the year	(12,972)	(8,334)
(iv) Exercised during the year	(42,291)	(58,771)
(v) Expired during the year	-	-
(vi) Outstanding at the end of the year	84,895	75,569

The weighted average share price of shares awarded as shown above were in the range of AUD 10 to AUD 28 for the financial year ended 31 March 2019 and AUD 24 to AUD 28 for the financial year ended 31 March 2018.

For stock options outstanding at the end of the period, the weighted average remaining contractual life is 1.37 for the financial year ended 31 March 2019 and 1.08 for the financial year ended 31 March 2018.

For the year ended 31 March 2019, the Bank has recorded stock compensation expense of ₹ 57,002 (₹ '000s) (Previous year ₹ 55,609 (₹ '000s)).

34. Other assets and Other liabilities

'Others' reported under Other assets in Schedule 11 includes MTM gain on outstanding FX and Derivative ₹ 12,115,673 (₹ '000s) (Previous year ₹ 6,995,922 (₹ '000s)). 'Others' (including provisions) reported under Other liabilities and provisions in Schedule 5 includes MTM losses on outstanding FX and Derivatives ₹ 13,883,281 (₹ '000s) (Previous year ₹ 6,443,614 (₹ '000s)). There are no Non-banking assets acquired in satisfaction of claims.

35. Micro, Small and Medium Enterprises Development Act, 2006

There are no delays in payments to micro and small enterprises as required to be disclosed under 'The Micro, Small and Medium Enterprises Development Act, 2006'. The determination has been made to the extent such parties were identified by the management based on the information available and are relied upon by the auditors (31 March 2018 Nil).

36. Provisions and contingencies

Break up of provisions and contingencies

(Amount in ₹ '000s)

	As at 31 March 2019	As at 31 March 2018
Provision for depreciation on investment	99	(692)
Provision towards NPA	999,674	-
Provision towards standard assets	32,000	(30,433)
Provision made towards Income tax		
- Current tax	499,254	354,780
- Deferred tax	(436,077)	9,716
Other provision and contingencies		
- Provision towards Country Risk Exposure	(1,634)	1,634
Total	1,093,316	335,005

37. Floating provisions

The Bank has not maintained any floating provision during the year ended 31 March 2019 (Previous year Nil).

38. Draw down from reserves

During the year ended 31 March 2019, the Bank has utilized Investment reserves of ₹ 42 (₹ '000s) towards provision made for depreciation on investments in HFT as per extant RBI guidelines. During the previous year ended 31 March 2018, the Bank has created Investment reserves of ₹ 295 (₹ '000s) towards provision written back, for depreciation on investments in HFT category.

During the year ended 31 March 2019, the Bank has transferred ₹ 114,035 (₹ '000s) (previous year Nil), towards Investment Fluctuation Reserve (IFR).

39. Disclosure of complaints

Details with respect to customer complaints and awards passed by Banking Ombudsman are given below:

a) Customer Complaints

Sr. No.	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a)	No. of complaints pending at the beginning of the year	-	-
(b)	No. of complaints received during the year	4	1
(c)	No. of complaints redressed during the year	4	1
(d)	No. of complaints pending at the end of the year	-	-

The above information regarding customer complaints have been identified on the basis of the information available with the Bank and have been relied upon by the statutory auditor.

b) Awards passed by the Banking Ombudsman

Sr. No.	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a)	No. of unimplemented awards at the beginning of the year	-	-
(b)	No. of awards passed by the Banking Ombudsman during the year	-	-
(c)	No. of awards implemented during the year	-	-
(d)	No. of unimplemented awards at the end of the year	-	-

40. Letters of comfort (LoCs) issued by Banks

The Bank did not issue any Letter of Comfort during the year (Previous year Nil).

41. Provisioning Coverage Ratio (PCR)

As at 31 March 2019, the Provision coverage ratio (ratio of provision to gross non-performing assets) is 100%. As at 31 March 2018, the Provision coverage ratio is not applicable as the Bank does not had any NPAs.

42. Bancassurance business

The Bank has not undertaken any bancassurance business (Previous year Nil).

43. Off - Balance sheet SPVs sponsored

There are no off - balance sheet SPVs sponsored during the year (Previous year Nil).

44. Information Technology

In terms of guidelines elaborate by RBI vide document no. DBS.CO.ITC.BC.No. 6/31.02.008/2010-11 dated 29 April 2011 on "Working Group on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds - Implementation of recommendations", the Bank had conducted an independent review in 2015 in order to review the Bank's posture in terms of the recommended controls enumerated therein.

45. Disclosure on remuneration

In terms of guidelines issued by RBI vide circular no. DBOD No.BC.72/29.67.001/2011-12 dated 13 January 2012 on "Guidelines 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 extent that the CEO's compensation structure in India is in conformity with the Financial Stability Board (FSB) principles and standards.

46. Credit default swap

The Bank has not transacted in any Credit default swaps during the year ended 31 March 2019 (Previous year Nil).

47. Transfers to Depositor Education and Awareness Fund (DEAF)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance of amounts transferred to DEAF	-	-
Add : Amounts transferred to DEAF during the year	-	-
Less : Amounts reimbursed by DEAF towards claims	-	-
Closing balance of amounts transferred to DEAF	-	-

48. Corporate social responsibility

The Bank has set up a Corporate Responsibilities (CR) Committee to implement CR programs in India in accordance with ANZ group CR policy. The Bank's CR Charter document sets out the following priorities for CR program:

- Sustainable Development
- Diversity and Inclusion
- Financial Inclusion and Capability

With reference to the RBI circular DBOD.No.Dir.BC.50/13.01.01/2005-06 dated 21 December 2005, amount to be spent by the Bank for the year ended 31 March 2019 on donations is limited to ₹ 5,820 (₹ '000s) (based on 1% of published profits for the previous year ended 31 March 2018 with specific exclusions).

Amount spent under CR programs during the year and included under "Other expenses" in Schedule 16 is ₹ 2,889 (₹ '000s) (Previous year ₹ 2,502 (₹ '000s) in accordance with the requirements stipulated in the aforesaid RBI circular.

49. Securitisation

The Bank has not sponsored any Special Purpose Vehicle for securitization transactions and no securitization transactions are outstanding as at 31 March 2019 (Previous year Nil) and hence this disclosure is not applicable.



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50. Details of provisioning pertaining to fraud accounts

The following table sets forth the details of provisioning pertaining to fraud accounts.

Particulars	At 31 March 2019	At 31 March 2018
Number of frauds reported	-	-
Amount involved in frauds	-	-
Provision made	-	-
Unamortised provision debited from 'other reserves'	-	-

51. Priority Sector Lending Certificate (PSLC)

(Amount in ₹ '000s)

Particulars PSLC-Purchased	At 31 March 2019	At 31 March 2018
PSLC - Agriculture	-	-
PSLC - General	4,212,500	6,625,000
PSLC - Micro Enterprises	1,625,000	975,000
PSLC - SF/MF	-	-

The Bank did not sell any PSLC during the year ended 31 March 2019 (Previous year Nil).

52. Migration to Indian Accounting Standards (Ind AS)

Banks in India currently prepare their financial statements as per the guidelines issued by the RBI, the Accounting Standards notified under section 133 of the Companies Act, 2013 and generally accepted accounting principles in India (Indian GAAP). In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), converged with International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs). The roadmap required banks to migrate to Ind AS for accounting periods beginning from 01 April 2018 onwards, with comparatives for the periods ending 31 March 2018 or thereafter.

For implementation of Ind AS, the Bank has formed a Steering Committee which has members from various functions. The Committee meets regularly to supervise the progress of the project. Progressing towards IND AS, the Bank has been submitting proforma financials from 30 June 2017 to the RBI on a quarterly basis as per extant regulatory guidelines. The RBI through press release RBI/2018-2019/146 DBR.BP.BC. No.29/21.07.001/2018-19 issued on 22 March 2019 updated all scheduled commercial banks that legislative amendments recommended by the RBI are under consideration of the Government of India. Accordingly, RBI has decided to defer the implementation of Ind AS till further notice.

53. Divergence in the asset classification and provisioning for NPAs

In terms of RBI circular no. DBR.BP.BC.No.63/21.04.018/2016-17 dated 18 April 2017, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements. As per RBI's annual supervisory process for the year ended 31 March 2018 there are no divergences in the asset classification and provisioning of the Bank. The following table sets forth the details.

(Amount in ₹ '000s)

Sr.	Particulars	As at 31 March 2018
1	Gross NPAs as reported by the Bank	-
2	Gross NPAs as assessed by RBI	-
3	Divergence in Gross NPAs (2-1)	-
4	Net NPAs as reported by the Bank	-
5	Net NPAs as assessed by RBI	-
6	Divergence in Net NPAs (5-4)	-
7	Provisions for NPAs as reported by the Bank	-
8	Provisions for NPAs as assessed by RBI	-
9	Divergence in provisioning (8-7)	-
10	Reported Net Profit after Tax (PAT)	582,003
11	Adjusted (notional) Net Profit after Tax (PAT) after taking into account the divergence in provisioning	582,003

54. Miscellaneous Income

Miscellaneous Income includes income received from overseas branches for origination and support services rendered in connection with foreign currency loans provided by them to Indian customers. For the year ended 31 March 2019, the Bank has recognised such income of ₹ 265,138 (₹ '000s) (Previous year ₹ 224,458 (₹ '000s)) under Schedule 14 of the financial statements.

55. Shortfall in maintenance of Subsidiary General Ledger ("SGL") with RBI

On 03 December 2018, the Bank encountered a shortfall in SGL Account maintained with RBI of face value ₹ 481,000 (₹ '000s). The Bank has transferred the required security into its own SGL account and corrected the shortfall on the next working day. This was duly intimated to RBI.

56. Intangible Assets

The movement in fixed assets capitalised as application software is given below:

Particulars	As at 31 March 2019	As at 31 March 2018
At cost at the beginning of the year	978,225	978,225
Additions during the year	-	-
Deductions during the year	-	-
Accumulated depreciation as at 31 March	508,281	438,660
Closing balance as at 31 March	469,944	539,565
Depreciation charge for the year	69,621	69,621

57. Resolution of Stressed Assets - Revised Framework

There were no accounts during the year where resolution plans were implemented.

58. Previous year figures

Previous year's figures have been regrouped/reclassified to conform to the current year presentation.

For Walker Chandiook & Co LLP

Chartered Accountants
Firm's Registration
No: 001076N/N500013

Sd/-
Khushroo B. Panthak
Partner
Membership No. 42423

For Australia and New Zealand Banking Group Limited - India Branches

Sd/-
Sanjeev Bajaj
Chief Executive Officer

Place: Mumbai

Date: 21 June 2019

Sd/-
Vinit Kumar Sarawgi
Chief Financial Officer

BASEL III: PILLAR 3 DISCLOSURES AS AT 31 MARCH 2019

1. Background

Australia and New Zealand Banking Group Limited, India ('ANZ India' or 'the Bank') is a branch of Australia and New Zealand Banking Group Limited ('ANZ'), which is incorporated in Australia with Limited Liability. Indian branch operations are conducted in accordance with the banking license granted by the Reserve Bank of India (RBI) under the Banking Regulation Act 1949. The Bank has three branches in India as on 31 March 2019.

Disclosures made hereunder are in accordance with Basel III Capital Regulations - Market Discipline (Pillar 3).

2. Key Management Committees, Functions and Frameworks

India Executive Committee ('India EXCO')

India EXCO is the apex committee of the Bank and has the authority to exercise all of the powers and discretions of the Board at the country level. India EXCO takes ownership of the Bank's business in India and fulfils the regulatory responsibility of conducting periodic reviews/approvals as specified by RBI from time to time. The committee is chaired by Chief Executive Officer India. India EXCO is an in-country committee.

India Assets and Liabilities Committee ('India ALCO')

The India Asset and Liability Committee (ALCO) is a Sub-Committee of the Group Asset and Liability Committee (GALCO), and is responsible for the oversight and strategic management of the India balance sheet activities including balance sheet structure, liquidity, funding, capital management, non-traded interest rate risk, and non traded FX risks and exposures.

Risk Management Committee ('India RMC')

India RMC maintains responsibility to oversee all aspects of risk management in the country including credit risk, markets risk, operational risk and compliance related issues/activities. RMC also approves India's Risk Appetite statement.

Risk Management Framework

The oversight of risk management is conducted via three clearly articulated layers of risk management - Three lines of defense:

- The area where the risk originates is responsible for managing the risk. This is defined as 'the First Line of Defence'.
 - To ensure appropriate challenge and oversight, there is a dedicated and independent risk management function. This is 'the Second Line of Defence'.
- The first and second lines of defence have defined roles, responsibilities and escalation paths to support effective two way communication and management of risk.



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- The Third Line of Defence' has an independent oversight role within the governance structure and is performed by Internal Audit. Internal Audit provides independent and objective assurance to management that the first and second lines of defence are functioning as intended.

3. Regulatory Framework

The Bank operates as a scheduled commercial bank and is required to maintain capital ratios at par with locally incorporated banks.

Capital Adequacy requirements are outlined in the following circulars:

- Master Circular - Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework ('NCAF')
- Master Circular - Basel III Capital Regulations.

As per Basel III guidelines, currently banks should adopt Standardised Approach (SA) for credit risk, Basic Indicator Approach (BIA) for operational risk and Standardised Duration Approach (SDA) for computing capital requirement for market risks.

Basel III guidelines are structured around three 'Pillars' which are outlined below:

- Pillar 1 sets out minimum regulatory capital requirements.
- Pillar 2 sets out key principles for supervisory review of Bank's risk management framework and its capital adequacy.
- Pillar 3 aims to encourage market discipline by developing set of disclosure requirements by banks that allow market participants to assess key pieces of information on the scope of application, capital, risk exposures, risk assessment processes and hence the capital adequacy of the bank. Further, providing disclosures that are based on a common framework is an effective means of informing the market about exposure to those risks and provides a consistent and comprehensive disclosure framework that enhances comparability.

Basel III introduced a much stricter definition of capital. The predominant form of Tier 1 capital will be Common Equity, since it is critical that banks' risk exposures are backed by high quality capital base. Further, Basel III introduced Capital Conservation Buffer (CCB) and Countercyclical buffer with a view to ensure that banks maintain a cushion of capital that can be used to absorb losses during periods of financial and economic stress and to increase capital requirements in good times and decrease the same in bad times.

4. DF-1 Scope of Application

In terms of RBI circular dated 12 December, 2006 on Financial Regulation of Systemically Important NBFCs and banks' Relationship with them, NBFCs promoted by the parent/group of a foreign bank having presence in India, which is a subsidiary of the foreign bank's parent/group or where the parent/group is having management control would be treated as part of that foreign bank's operations in India and brought under the ambit of consolidated supervision. As at 31 March 2019 no such ANZ group owned NBFC is in operations in India, accordingly framework for consolidated supervision does not apply to the Bank.

The Bank does not have any subsidiaries in India and consequently not required to prepare Consolidated Financial Statements. The Bank does not have any interest in insurance entities.

5. DF-2 Capital Adequacy

The Bank aims to hold sufficient capital to meet the minimum regulatory requirements at all times. The Bank's capital management strategy is two fold:

- To satisfy the Basel III Regulatory Capital requirements set out by RBI in the Master Circular and
- To minimise the possibility of the Bank's capital falling below the minimum regulatory requirement by maintaining a capital buffer (in excess of the Basel III minimum requirements) sufficient to cover Pillar 2 risks and the capital impact of a severe (1 in 25 years) stress scenario over a 1 year horizon.

The Bank's capital management is mainly guided by current capital position, current and future business needs, regulatory environment and strategic business planning. The Bank continuously focuses on effective management of risk and corresponding capital to support the risk. India ALCO and India EXCO emphasises on the growth opportunities supported by cost effective capital.

Under the Basel III framework, on an on-going basis, the Bank has to maintain a minimum total capital of 10.875% including Capital Conversion Buffer (CCB) at 1.875% for credit risk, market risk and operational risk. The Minimum Total Capital should include minimum Common Equity Tier I (CET 1) ratio of 5.50%, minimum Tier 1 capital ratio of 7.00%. The minimum total capital requirement includes a capital conservation buffer of 1.875% (Previous Year 1.875%).

As at 31 March 2019 CRAR is 18.82 and Common Equity Tier I ratio is 18.42 as per BASEL III norms. The Bank is adequately capitalised presently. Summary of the Bank's capital requirement for credit, market and operational risk and CRAR as at 31 March 2019 is presented below:

(Amount in ₹ '000s)

Minimum Regulatory Capital Requirements	
Capital requirements for Credit risk (a)	3,807,500
Portfolios subject to standardised approach	3,807,500
Securitisation exposures.	-

Capital requirements for Market risk (b)	2,042,560
Standardised duration approach	
- Interest rate risk	1,679,891
- Foreign exchange risk (including gold)	362,669
- Equity risk	-
Capital requirements for Operational risk (c)	347,558
Basic indicator approach	347,558
Total Minimum Regulatory Capital at 9% (a+b+c)	6,197,619
Minimum CRAR + CCB at 10.875%	7,488,789
Risk Weighted Assets and Contingents	72,211,412
Credit Risk	42,334,930
Market Risk	25,532,006
Operational Risk	4,344,476
Capital Ratios	
CET 1 Capital	18.42%
Tier I Capital	18.42%
Total Capital	18.82%

6. DF-3 Credit Risk: General Disclosures for all Bank

Structure and organisation of credit risk management

India RMC is responsible for all aspects of risk management, including credit risk. It approves the credit exposure/concentration limits, risk management policy (involving risk identification, risk measurement/grading, risk mitigation and control), credit risk management structure, credit pricing policy, etc. in accordance with extant regulatory guidelines. India EXCO is appraised of key risks affecting the business. RMC ensures country's risk profile remains within the agreed group risk appetite.

The Bank takes credit risk within a well defined framework that lays out the fundamental principles and guidelines for its management. Primary objective is management of risk within risk appetite and within regulator defined prudential limits. This framework has four main components:

- Credit principles.
- Credit policies.
- Line of Business/Segment Specific Procedures.
- Organisation and People.

Key aspects of the Bank's Credit Risk Management Policy are

- Analysis of customer risk.
- Approval of limits and transactions.
- Managing and monitoring customers.
- Working out problem loans.

Credit is extended on the basis of the Bank's credit risk assessment and credit approval requirements and is not subject to any influences external to these requirements. All legal entities, with which the Bank has or is considering having, a credit relationship, is assigned a credit rating reflecting the probability of default and each facility is assigned a security indicator reflecting the 'loss given default'. Each country to which the Bank has or is considering having, a credit exposure, is assigned a country rating reflecting the risk of economic or political events detrimentally impacting a country's willingness or capacity to secure foreign exchange to service its external debt obligations.

Risk grade assignment and risk grade reviews are subject to approval by the appropriate independent risk representative. Each assigned risk grade is reviewed at an interval (never greater than 1 year) and whenever new material information relating to the customer or facility is obtained or becomes known. The Bank has an effective credit risk management system and clearly documented credit delegations which define levels of authority for credit approval. The quality of all credit relationships is monitored to provide for timely identification of problem credits and prompt application of remedial actions. Problem credits are managed to minimise losses, maximise recoveries and preserve the Bank's reputation, with attention to measurement of extent of impairment, exposure and security cover, provisioning, remediation, workout & losses. A specialist remediation team with work out skills will be applied to the management of all problem credits.

Collateral is a means of mitigating the risk involved in providing credit facilities and will be taken where obtainable and necessary to meet risk appetite requirements. Main types of collateral accepted are property, plant & machinery, current assets, cash and stand-by letters of credit. Reliance on collateral is not a substitute for appropriate credit assessment of a customer or be used to compensate for inadequate understanding of the risks. Collateral arrangements for each facility are reviewed annually to confirm the fair value of collateral and to ensure there is no impediment to realisation. The fair value of collateral will be its realisable value net of realisation costs.



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6.1. Total gross credit risk exposures as at 31 March 2019

(Amount in ₹ '000s)

Fund Based	30,919,603
Claims on Banks, Balance with RBI and Cash Balance	4,134,296
Investments (HTM)	-
Loans and Advances (excluding Interbank Loans)	22,512,650
Other Assets and Fixed Assets	4,272,657
Non Fund Based	52,354,419
Non Market Related Off Balance sheet items (Contingent Credits and Exposures)	9,634,390
Market Related (Foreign Exchange (Fx) and Derivative contracts)	42,720,029
Total Exposure	83,274,022

Notes:

Fund-Based is the outstanding amount.

Non Fund Based credit risk exposure has been computed as under:

- In case of exposures other than FX and derivative contracts, credit equivalent is arrived at by multiplying the underlying contract or notional principal amounts with the credit conversion factors prescribed by RBI under the Basel III capital framework.
- In case of Foreign exchange and derivative contracts, credit equivalents are computed using the current exposure method as prescribed by RBI.

6.2. Geographic distribution of exposures, Fund based and Non-fund based separately

Since all the exposures provided under Para 6.1 above are domestic, the disclosures on geographic distribution of exposures, both fund and non-fund based has not been made.

6.3. Industry type distribution of exposures as at 31 March 2019

(Amount in ₹ '000s)

Industry Name	Fund Based	Non Fund Based
Banking & Finance*	5,192,564	35,364,122
Food Processing	2,399,784	31,760
Drugs and Pharmaceuticals	2,734,434	1,334,046

6.4. Residual contractual maturity breakdown of assets as at 31 March 2019

Particulars	Cash and Bank balances with RBI	Balances with Banks and money at call and short notice, Term Deposits & Other placements	Investments	Advances	Fixed Assets	Other Assets	Total Assets
Day 1	559,036	1,899,772	25,566,760	17,780	-	1,258,283	29,301,631
2 - 7 days	45,308	-	218,047	7,100,441	-	25,689	7,389,485
8-14 days	93,682	-	450,843	7,210,513	-	11,801	7,766,839
15-30 days	107,627	-	517,955	1,424,848	-	156,653	2,207,083
31 days - 2 months	150,928	-	726,342	1,614,662	-	71,305	2,563,237
2 months - 3 months	124,425	-	598,796	993,272	-	363,483	2,079,976
Over 3 months - 6 months	562,048	-	2,704,855	1,591,389	-	84,304	4,942,596
Over 6 months - 1 year	423,378	-	2,037,507	419,273	-	238,265	3,118,423
Over 1 year - 3 years	167,250	-	804,791	2,023,908	-	12,266,101	15,262,050
Over 3 years - 5 years	842	-	4,053	116,564	-	60	121,519
Over 5 years	-	-	-	-	533,252	1,905,223	2,438,475
Total	2,234,524	1,899,772	33,629,949	22,512,650	533,252	16,381,167	77,191,314

6.5. Details of Non-Performing Assets (NPAs) - Gross and Net

(Amount in ₹ '000s)

	As at 31 Mar 2019
Substandard	999,674
Doubtful 1	-
Doubtful 2	-
Doubtful 3	-
Loss	-
Gross NPAs	999,674
Provisions for NPAs	999,674
Net NPAs	-

6.6. NPA Ratios

(Amount in ₹ '000s)

	As at 31 Mar 2019
Gross NPAs to gross advances	4.25%
Net NPAs to net advances	0.00%

Industry Name	Fund Based	Non Fund Based
Petroleum (non-infra) Coal Products (non-mining) and Nuclear Fuels	-	828,040
Chemicals and Chemical Products (Dyes, Paints, etc.)	968,168	-
Glass & Glassware	800,000	-
Iron and Steel	660,000	69,104
Metal and Metal Products	62,052	257,736
All Engineering	-	1,205,864
Non-Metallic Mineral Product Manufacturing	1,140,000	-
Vehicles, Vehicle Parts and Transport Equipments	1,750,000	466,544
Gems and Jewellery	137,507	355
Construction	-	23,546
Infrastructure - Telecommunications	1,800,000	2,239,709
Residuary Exposure		
- of which Other Assets	4,272,657	-
- of which Exposure to Other Sectors	9,002,437	10,533,593
Total Exposure	30,919,603	52,354,419

* Includes Cash, Balances with RBI, Balances with banks and money at call and short notice.

Notes:

Fund Based Exposure comprises of outstanding Loans & Advances, Claims on Banks and Investment in HTM & Other Assets (including fixed Assets).

Non Fund Based Exposure comprises of Non Market Related Off-Balance sheet items (Contingent Credits and Exposures) and is reported in terms of Credit equivalent.

As on 31st March 2019, the Bank's exposure to the industries stated below was more than 5% of the total gross credit exposure (outstanding):

Sr. No.	Industry Classification	Percentage of the total gross credit exposure
1	Banking & Finance	48.70%

6.7. Movement of NPAs (Gross)

(Amount in ₹ '000s)

	For the year ended 31 Mar 2019
Opening balance	-
Additions	999,674
Reductions	-
Closing balance	999,674

Note: YTD movement has been reported above

6.8. Movement of provisions

(Amount in ₹ '000s)

Particulars	Specific Provision ¹	General Provision ²
Opening balance as at 1 st April 2018	-	146,138
Provisions made during the period	999,674	30,366
Write-off	-	-
Write-back of excess provisions	-	-
Closing balance as at 31 st March 2019	999,674	176,504



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¹ Specific provision relating to NPAs

² General provisions includes Standard assets provision (including Unhedged Foreign Currency Exposure) and Country risk provision.

Note: YTD movement has been reported above

6.9. Amount of Non-Performing Investments

There are no non-performing investments as at 31 March 2019.

6.10. Amount of provisions held for Non-Performing Investments

There are no provisions held for non-performing investments as at 31 March 2019 as there are no non performing investments.

Movement of provisions for depreciation on Investments

(Amount in ₹ '000s)

	For the year ended 31 March 2019
Opening balance as at 1 st April 2018	-
Provisions made during the period	99
Write-off	-
Write-back of excess provisions	-
Closing balance as at 31 st March 2019	99

Note: YTD movement has been reported above

6.11. Industry wise distribution and ageing of NPA, Specific provision separately (Amount in ₹ '000s)

Industry Classification	Gross NPA	Specific Provision
NBFC and HFC	999,674	999,674

(Amount in ₹ '000s)

Category	Gross NPA	Specific Provision
Domestic	999,674	999,674
Overseas	-	-
Total	999,674	999,674

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

The Bank uses short term/long term issuer rating instruments of the accredited rating agencies viz. Credit Rating Information Services of India Limited, ICRA Limited, India Ratings and Research Private Limited (India Ratings), Credit Analysis and Research Limited, SME Rating Agency of India Limited and Brickworks Ratings India Pvt Limited to assign risk weights as per RBI guidelines. For Non-resident corporate and foreign banks ratings issued by the international rating agencies like Moody's and Standard and Poor's are used for assigning risk weights.

For assets having a contractual maturity of more than a year long term credit ratings assigned by the above mentioned rating agencies are used.

Below attached is the summary as at 31 March 2019

(Amount in ₹ '000s)

Nature of exposure	Gross Credit Exposure	Credit Risk Mitigation	Net Exposure (Before Provision)	Credit Risk weight bucket summary			Deduction from Capital
				< 100%	100%	>100%	
Fund Based	30,919,603	172,720	30,746,884	20,248,961	10,134,777	363,146	-
Claims on Banks	4,134,296	-	4,134,558	4,130,527	3,769	-	-
Investments (HTM)	-	-	-	-	-	-	-
Loans and Advances	22,512,650	172,720	22,339,930	12,673,302	9,666,628	-	-
Other Assets and Fixed Assets	4,272,657	-	4,272,657	3,445,133	464,379	363,146	-
Non Fund Based	52,354,419	41,453	52,312,966	50,042,829	2,270,137	-	-
Non Market Related Off Balance sheet items (Contingent Credits and Exposures)	9,634,390	41,453	9,592,937	7,534,741	2,058,196	-	-
Market Related (Foreign Exchange (Fx) and derivative contracts)	42,720,029	-	42,720,029	42,508,088	211,941	-	-

8. DF-5 Credit Risk Mitigation: Disclosures for Standardised Approaches

RBI Basel III guidelines allow following credit risk mitigants to be recognized for regulatory capital purposes under the comprehensive approach.

- Eligible financial collateral which included cash (deposited with the Bank), gold, securities issued by Central and State governments, Kisan Vikas Patra, National Savings Certificate, life insurance policies, certain debt securities rated by a recognised credit rating agencies, mutual fund units.
- On balance sheet netting, which is confined to loans and advances and deposits where banks have legally enforceable netting arrangements, involving specific lien with proof of documentation.
- Guarantees where these are direct, explicit, irrevocable and unconditional. Further, the eligible guarantors would comprise :
 - Sovereigns, sovereign entities stipulated as per Basel III guidelines, banks and primary dealers with a lower risk weight than the counterparty.
 - other entities rated AA (-) or better.

These credit risk mitigation techniques are subject to specific conditions given in Basel III guidelines.

Main types of collateral accepted by the bank are property, plant & machinery, current assets, cash and stand-by letters of credit. Collateral arrangements for each facility are reviewed annually to confirm the fair value of collateral and to ensure there is no impediment to realisation. The fair value of collateral will be its realizable value net of realisation costs.

For the purpose of computation of credit risk the bank considers the collateral in the form of Cash/lien marked deposits as a credit risk mitigants.

Credit Risk Mitigation details as at 31 March 2019 are as below:

(Amount in ₹ '000s)

Exposure covered by eligible financial collateral after application of haircuts	214,173
Exposure covered by guarantees	NIL

9. DF-6 Securitisation Exposures: Disclosure for Standardised Approach

The Bank has not securitised any asset for the year under review hence no disclosures have been made.

10. DF-7 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market parameters. Bank's earnings are exposed to changes in interest rates, foreign currency exchange rates or fluctuations in bond prices. Market risk arises when changes in market rates, prices and volatilities lead to a decline in the value of assets and liabilities, including off-balance sheet positions viz financial derivatives. Market risk is generated through both trading and banking book activities.

The Bank conducts trading operations in interest rates, foreign exchange (including USD-INR FX Options) and fixed-income securities.

To facilitate the management, measurement and reporting of market risk, the Bank has classified market risk into two broad categories:

- Traded market risk:**

This is the risk of loss from changes in the value of financial instruments due to movements in price factors for both physical and derivative trading positions. Trading positions arise from transactions where the bank acts as principal with customers, financial exchanges or inter-bank counterparties.
- Non-traded market risk (or balance sheet risk):**

This comprises management of interest rate risk on banking book and liquidity risk.

The Bank has a detailed market risk management and control framework to support its trading and balance sheet activities. This framework incorporates a risk measurement approach, as outlined below, to quantify the magnitude of market risk within trading and balance sheet portfolios. The framework is supported by a comprehensive limit and policy framework to control the amount of risk that the Group is willing to accept. Market risk limits are allocated at various levels/desks and are monitored and reported by Market Risk on a daily basis. While Value at Risk (VaR) and Stress Testing provide a good overview of the consolidated risk on the Traded and Non-traded portfolios, the Detailed Control Limits (DCL) framework stipulates limits to manage and control the risk of individual asset classes, risk factors and consolidated/trader-wise loss limits (to monitor and manage the performance of the trading portfolio).

Daily MIS is in place for traders' and senior management's cognizance. There is a daily sign-off process which entails traders to sign-off and agree with the Market Risk exposures. Limit utilizations, m-o-m movements, peak utilisation, average utilisation,



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exceptions, etc. are also placed before RMC and ALCO for discussion and suggesting appropriate remedial action wherever required.

Measurement of market risk

Bank's key market risk metrics include VaR, NPV, DV01, Bond Notional, Delta, Gamma, Vega and Theta limits.

A key measure of market risk is Value at Risk (VaR). VaR is a statistical estimate of the potential loss which could occur due to a change in market risk factors for a given holding period and confidence interval.

The Bank measures VaR at a 99% confidence interval. Group's standard VaR approach, for both Traded as well as Non-traded risk, is historical simulation method. This method uses actual historical observations of changes in market rates, prices and volatilities over the previous 500 business days historical period (VaR window) to model P&L outcomes. Both Traded and Non-traded VaR are calculated, monitored and reported using a one-day (1D) holding period.

It should be noted that because VaR is driven by actual historical observations, it is not an estimate of the maximum loss that the Bank could experience from an extreme market event. As a result of this limitation, the Bank utilises a number of other risk measures viz Stress Testing, Back Testing and Risk Sensitivity (NPV, DV01, Bond Notional, Delta, Gamma, Theta, etc.) limits to complement VaR and manage market risk holistically.

At 31st March 2019, Market Risk RWAs were ₹ 25,532,006 ('000).

Stress Testing

Bank undertakes a wide range of stress tests for the trading portfolio. Bank has adopted a local Stress Testing policy as mandated by RBI vide circular DBOD.BP.BC. NO. 75/21.04.103/2013-14 dated 02 Dec 2013, titled "Guidelines on Stress Testing". Stress tests as per baseline scenarios prescribed by RBI are conducted at half-yearly intervals (September and March). Results of this periodic stress testing exercise are presented to RMC for advising remedial actions, if any and presented in EXCO. Apart from this, standard stress tests, as per ANZ Group guidelines, are applied daily to simulate potential loss impact arising from large historical market movements during previous seven years over specific holding periods. Worst stress losses observed during the month are reported to the RMC on a monthly basis.

VaR and stress tests are also supplemented by cumulative loss limits (CLL) and detailed control limits (DCL). Cumulative loss limits ensure that in the event of continued losses from a trading activity, the trading activity is stopped and senior management reviews before trading can resume again. Where necessary, detailed control limits such as risk-sensitivity or position limits are also in place to ensure appropriate control is exercised over a specific risk factor or asset-class.

Back-Testing

Back testing involves the comparison of calculated VaR exposures with actual profit and loss data to identify the frequency of instances when trading losses exceed the calculated VaR. The Bank uses actual and hypothetical profit and loss data for performing Back Testing. Back Testing is conducted daily and outliers are analysed to understand if the issues are the result of trading decisions, systemic changes in market conditions or issues related to the VaR model i.e. historical data or model calibration.

Capital requirement for Market Risk is provided in section 5 above.

11. Liquidity Risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations as they fall due across a wide range of operating circumstances, including repaying depositors or maturing debt, or that the Bank has insufficient capacity to fund increases in assets. The timing mismatch of cash flows and the related liquidity risk is inherent in all banking operations and is recognized and closely monitored by the Bank.

The Bank maintains a portfolio of liquid assets to manage potential stresses in funding sources. The minimum level of liquidity portfolio assets to hold is based on a range of the Bank specific and general market liquidity stress scenarios such that potential cash flow obligations can be met over the short to medium term.

The Bank's liquidity and funding risks are governed by a set of principles which have been fixed by the Group. The core objective of the overall framework is to ensure that the Bank has sufficient liquidity to meet obligations as they fall due, without incurring unacceptable losses.

Key principles of the Bank's approach to liquidity risk management include:

- Maintaining the ability to meet all payment obligations in the immediate (intraday/overnight) term.
- Ensuring that the Bank has the ability to meet 'survival horizons' under a range of Bank specific and general market liquidity stress scenarios to meet cash flow obligations over a short to medium term horizon.
- Maintaining strength in the Bank's balance sheet structure to ensure long term resilience in the liquidity and funding risk profile.
- Limiting the potential earnings at risk implications associated with unexpected increases in funding costs or the liquidation of assets under stress.
- Preparation of daily liquidity reports and scenario analyses, quantifying the Bank's positions.
- Targeting a diversified funding base, avoiding undue concentrations by investor type, maturity, market source and currency.
- Holding a portfolio of high quality liquid assets to protect against adverse funding conditions and to support day-to-day operations.

- Establishing detailed contingency plan to cover liquidity crisis events.
- Ensuring the liquidity risk management framework is compatible with local regulatory requirements.

Management of liquidity and funding risks are locally overseen by India ALCO.

Scenario modelling

A key component of the Group's liquidity management framework is scenario modeling. ANZ India adopts ANZ Group's liquidity risk management framework using cash flow forecasting models and scenario analysis to measure and monitor liquidity risks arising from on and off-balance sheet activities. The models estimate the likely net cash-flows arising over a specified time horizon to predict any funding and liquidity gaps that need to be managed. The key stress scenarios applied by ANZ India are:

- Liquidity Coverage Ratio (LCR): ANZ internal LCR is based on the APRA Prudential Standard APS 210. The objective of the LCR is to ensure that the bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be readily converted into cash to meet its liquidity needs for a 30 calendar day time period under a severe stress scenario. The LCR metric can be expressed as a ratio or as a notional volume with a scenario duration of 30 day.
- Wholesale Funding Capacity (WFC): The purpose of the metric is to ensure there are no undue maturity concentrations within the wholesale funding profile. The metric is applied to all wholesale funding instruments where ANZ has control over the instrument tenor over a pre-defined time buckets over a 3 month period. The funding instrument includes debt issuance programs (short and long term) and interbank borrowing.

Above scenario outcomes are calculated and reported on a daily basis and presented to meetings of ALCO as per the ALCO calendar.

12. DF-8 Operational Risk

The Bank understands and manages operational risk efficiently and effectively, allocate appropriate capital to cover expected and unexpected losses to protect depositors, customers and shareholders. ANZ Group has Operational Risk Measurement and Management Framework (ORMMF), which facilitates globally consistent and comparable management of operational risk. The framework sets out the minimum requirements to identify, assess, measure, monitor, control and manage operational risk.

An effective and embedded governance structure is also built for managing operational risk in line with the Bank's values, culture, strategy and appetite.

On an ongoing basis, the Bank identifies and assesses its exposure to material operational risk within all existing and new products, processes, projects and systems, and assesses the key controls in place to manage these risks. Compliance to the operational risk measurement and management framework is monitored using one or more of the following mechanisms, but is not limited to:

- Regular operational risk and compliance committee meetings
- Risk Certification
- Periodic Control Testing
- Internal Audit Reviews
- Periodic External Reviews
- Compliance Monitoring

The Bank uses the Basic Indicator Approach to estimated Operational RWAs. At 31st March 2019, Operational RWAs were ₹ 4,344,476 ('000).

13. DF-9 Interest Rate Risk in the Banking Book (IRRB)

The objective of balance sheet interest rate risk management is to secure stable and optimal net interest income over both the short (next 12 months) and long term. Non-traded interest rate risk relates to the potential adverse impact of changes in market interest rates on the Bank's future net interest income. This risk arises from two principal sources: mismatches between the re-pricing dates of interest bearing assets and liabilities, and the investment of capital and other non-interest bearing liabilities in interest bearing assets.

Interest rate risk on the Banking Book is measured and monitored by using VaR (Value at Risk), EaR (Earnings at Risk) and MVE (Market Value of Equity). VaR is an estimate of the impact of interest rate changes on the banking book's market value, expressed to a 99.0% level of statistical confidence using a 1 day holding period calculated using 500 days historical market movements.

The Bank also uses Earnings at Risk (EaR) as an estimate of the amount of the next 12 months' income that is at risk from interest rate movements over a 1 month holding period, expressed to a 97.5% level of statistical confidence. It is calculated by applying a statistically derived interest rate shock to static re-pricing gaps over the first 12 months.

Impacts on earnings for upward and downward rate shocks of 200 bps, broken down by currency, are: As at 31 March 2019:

(Amount in ₹ '000s)

Currency	Interest Rate Risk Shocks	
	200bps up	200bps down
Rupees	89,588	(89,588)
USD	(202)	202

Change in Market Value of Equity (MVE) due to interest rate movements directly impacts capital requirements. Bank uses Duration Gap approach to measure the impact on



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Market Value of Equity (MVE) for upward and downward rate shocks. This measures the potential change in MVE of the Bank for a 200 bps change in interest rates. The change in MVE due to 200 bps change in interest rate is:

(Amount in ₹ '000s)

Change in MVE due to 200 bps change in interest rate	
31 March 2019	118,739

14. DF-10 Counterparty Credit Risk

Counterparty credit risk in derivative transactions arises from the risk of counterparty default before settlement date of the derivative contracts and the counterparty is unable to fulfill present and future contractual payment obligations. The amount at risk may change over time as a function of the underlying market parameters up to the positive value of the contract in favor of ANZ India.

Counterparty credit risk is present in market instruments (derivatives and forward contracts), and comprises:

- Settlement risk, which arises where one party makes payment or delivers value in the expectation but without certainty that the counterparty will perform the corresponding obligation in a bilateral contract at settlement date.
- Market replacement risk (pre-settlement risk), which is the risk that a counterparty will default during the life of a derivative contract and that a loss will be incurred in covering the position.

Counterparty credit risk requires a different method to calculate exposure at default because actual and potential market movements impact Bank's exposure or replacement cost.

Counterparty credit risk governance

Bank's counterparty credit risk management is governed by its credit principles, policies and procedures. The Group Risk function is responsible for determining the counterparty credit risk exposure methodology applied to market instruments, in the framework for counterparty credit limit management, measurement and reporting.

Counterparty credit limits are approved by the appropriate credit delegation holders.

Counterparty credit risk measurement and reporting

The approach to measure counterparty credit risk exposure is based on internal model. This is referred to as Counterparty Credit Risk Engine (CCRE).

CCRE uses potential future exposure (PFE) Monte Carlo based approach to assess possible exposure movements for certain derivative products and the Bank uses these estimates in internal Economic Capital calculations.

CCRE calculations recognise that prices may change over the remaining period to

maturity, and that risk decreases as the contract's remaining term to maturity decreases.

CCRE is also used by credit officers to establish credit limits on an uncommitted and unadvised basis, to ensure the potential volatility of the transaction value is recognised. Counterparty credit risk exposure is calculated daily and excesses above approved limits are reported to account controllers and risk officers for action.

Credit Value Adjustment (CVA)

ANZ uses a CVA model to adjust fair value to take into account the impact of counterparty credit quality. The methodology calculates the present value of expected losses over the life of the financial instrument as a function of PD, LGD, expected credit risk exposure and an asset correlation factor.

Impaired derivatives are also subject to a CVA.

Wrong way risk

Bank's management of counterparty credit risk also considers the possibility of wrong way risk, which emerges when PD is adversely correlated with counterparty credit risk exposures. Bank's credit policies and independent transaction evaluation by Credit Risk are central to managing wrong way risk.

Counterparty Credit Risk in FX and Derivatives

(Amount in ₹ '000s)

	As at 31 Mar 2019 (Credit equivalent)
Gross positive fair value of contracts	10,880,026
Netting benefits	2,961,659
Netted current credit exposure	7,918,367
Collateral held (including type e.g. cash, government securities etc.)	-
Net derivatives credit exposure	7,918,367
Potential future exposure	36,057,539
Measures for exposure at default, or exposure amount, under CEM	43,975,906
The notional value of credit derivative hedges	-
Distribution of current credit exposure by types of credit exposure	
- Interest Rate contracts	7,259,371
- Fx contracts & Currency Swaps	32,465,439
- Fx Options	4,251,095

15. DF-11 Composition of Capital

(Amount in ₹ '000s)

Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)		Basel III Amounts
Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	11,311,074
2	Retained earnings (incl. Statutory Reserves and Remittable Surplus retained for Capital to Risk-weighted Assets Ratio (CRAR))	2,459,477
3	Accumulated other comprehensive income (and other reserves)	-
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies ¹)	-
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	13,770,551
Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	-
8	Goodwill (net of related tax liability)	-
9	Intangibles (net of related tax liability)	469,944
10	Deferred tax assets	-
11	Cash-flow hedge reserve	-
12	Shortfall of provisions to expected losses	-
13	Securitization gain on sale	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-
15	Defined-benefit pension fund net assets	-
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	-
17	Reciprocal cross-holdings in common equity	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) ³	-
20	Mortgage servicing rights ⁴ (amount above 10% threshold)	-
21	Deferred tax assets arising from temporary differences ⁵ (amount above 10% threshold, net of related tax liability)	-
22	Amount exceeding the 15% threshold ⁶	-
23	<i>of which: significant investments in the common stock of financial entities</i>	-
24	<i>of which: mortgage servicing rights</i>	-



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Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)		Basel III Amounts
25	<i>of which: deferred tax assets arising from temporary differences</i>	-
26	National specific regulatory adjustments ⁷ (26a+26b+26c+26d)	-
26a	<i>of which: Investments in the equity capital of unconsolidated insurance subsidiaries</i>	-
26b	<i>of which: Investments in the equity capital of unconsolidated non - financial subsidiaries⁸</i>	-
26c	<i>of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank⁹</i>	-
26d	<i>of which: Unamortized pension funds expenditures</i>	-
27	Total Regulatory adjustments applied to Common Equity Tier 1	-
27a	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-
27b	Other Regulatory adjustments applied to Common Equity Tier 1	-
28	Total regulatory adjustments to Common equity Tier 1	469,994
29	Common Equity Tier 1 capital (CET1)	13,300,607
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	-
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	-
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-
36	Additional Tier 1 capital before regulatory adjustments	-
Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	-
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) ¹⁰	-
41	National specific regulatory adjustments (41a+41b)	-
41a	<i>of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries</i>	-
41b	<i>of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank</i>	-
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-
43	Total regulatory adjustments to Additional Tier 1 capital	-
44	Additional Tier 1 capital (AT1)	-
44a	Additional Tier 1 capital reckoned for capital adequacy¹¹	-
45	Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44a)	13,300,607
Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	-
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-
50	Provisions (<i>includes Investment Reserve</i>)	290,938
51	Tier 2 capital before regulatory adjustments	-
52	Investments in own Tier 2 instruments	-
53	Reciprocal cross-holdings in Tier 2 instruments	-
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-
55	Significant investments ¹³ in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-
56	National specific regulatory adjustments (56a+56b)	-
56a	<i>of which: Investments in the Tier 2 capital of unconsolidated subsidiaries</i>	-
56b	<i>of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank</i>	-
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	290,938
58a	Tier 2 capital reckoned for capital adequacy¹⁴	290,938
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	-
58c	Total Tier 2 capital admissible for capital adequacy (58a + 58b)	290,938
59	Total capital (TC = T1 + Admissible T2) (45 + 58c)	13,591,545
60	Total risk weighted assets (60a + 60b + 60c)	72,211,412
60a	<i>of which: total credit risk weighted assets</i>	42,334,930
60b	<i>of which: total market risk weighted assets</i>	25,532,006
60c	<i>of which: total operational risk weighted assets</i>	4,344,476
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	18.42%



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62	Tier 1 (as a percentage of risk weighted assets)	18.42%
63	Total capital (as a percentage of risk weighted assets)	18.82%
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7.375%
65	<i>of which: capital conservation buffer requirement</i>	1.875%
66	<i>of which: bank specific countercyclical buffer requirement</i>	-
67	<i>of which: G-SIB buffer requirement</i>	-
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	-
National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%
Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	-
73	Significant investments in the common stock of financial entities	-
74	Mortgage servicing rights (net of related tax liability)	-
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	-
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

Notes to the Template

Row No. of the template	Particular	(Amount in ₹ '000s)
10	Deferred tax assets associated with accumulated losses	-
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	-
	Total as indicated in row 10	-
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-
	of which: Increase in Common Equity Tier 1 capital	-
	of which: Increase in Additional Tier 1 capital	-
	of which: Increase in Tier 2 capital	-
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	-
	(i) Increase in Common Equity Tier 1 capital	-
	(ii) Increase in risk weighted assets	-
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	-
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	-
50	Eligible Provisions included in Tier 2 capital (<i>includes Investment Reserves</i>)	290,938
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	290,938
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	-

16. Leverage Ratio

The Basel III leverage ratio is a simple, transparent, non-risk based measure which is calibrated to act as a credible supplementary measure to the risk based capital requirements. The Bank's leverage ratio calculated in accordance with extant RBI

guidelines is as follows:

17. DF-17 Summary Comparison of accounting assets vs. leverage ratio exposure measure

(Amount in ₹ '000s)

1.	Total consolidated assets as per published financial statements	77,191,314
2.	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3.	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure.	-
4.	Adjustments for derivative financial instrument.	36,057,539
5.	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6.	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	9,634,390
7.	Other adjustments	(469,844)
8.	Leverage ratio exposure	122,413,399

DF-18 Leverage Ratio Common Disclosure as at 31 March 2019

Leverage Ratio		
On-balance sheet exposures		
1.	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	66,311,289
2.	(Asset amounts deducted in determining Basel III Tier 1 capital)	(469,844)
3.	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	65,841,445
Derivative exposures		
4.	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	10,880,026
5.	Add-on amounts for PFE associated with all derivatives transactions	36,057,539
6.	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-



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7.	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8.	(Exempted CCP leg of client-cleared trade exposures)	-
9.	Adjusted effective notional amount of written credit derivatives	-
10.	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11.	Total derivative exposures (sum of lines 4 to 10)	46,937,565
Securities financing transaction exposures		
12.	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-
13.	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14.	CCR exposure for SFT assets	-
15.	Agent transaction exposures	-
16.	Total securities financing transaction exposures (sum of lines 12 to 15)	-
Other off-balance sheet exposures		

17.	Off-balance sheet exposure at gross notional amount	16,213,307
18.	(Adjustments for conversion to credit equivalent amounts)	6,578,917
19.	Off-balance sheet items (sum of lines 17 and 18)	9,634,390
Capital and total exposures		
20.	Tier 1 capital	13,300,607
21.	Total exposures (sum of lines 3, 11, 16 and 19)	122,413,399
Leverage ratio		
22.	Basel III leverage ratio (per cent)	10.87%

Reconciliation of total published balance sheet size and on balance sheet exposure
(Amount in ₹ '000s)

Leverage ratio framework		
1	Total consolidated assets as per published financial statements	77,191,314
2	Replacement cost associated with all derivatives transactions, i.e. net of eligible cash variation margin	(10,880,026)
3	On-balance sheet exposure under leverage ratio (excluding derivatives and SFTs)	66,311,289