AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED - INDIA BRANCHES

(Incorporated in Australia with limited liability)

INDEPENDENT AUDITORS' REPORT

To
The Executive Committee

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 2020, 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 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 2020, and 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.

Emphasis of Matter

4. We draw attention to Schedule 17(2) of the accompanying financial statements, which describes the uncertainties due to the outbreak of COVID -– 19 and management's evaluation of its impact on the operations of the Bank. In view of these uncertainties, the impact on the Bank's financial statements is dependent on future developments.

   Our opinion is not modified in respect of this matter.

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

5. The Bank's management is responsible for the other information. The other information comprises the information included in the Pillar 3 Disclosure under the New Capital Adequacy Framework (Basel III disclosures), but does not include the financial statements and our auditors' report thereon.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information 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

6. The Bank's Executive Committee 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) and 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.

7. 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.

8. The Bank's Executive Committee is also responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

9. 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.

10. 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.

    - 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.

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

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

Report on Other Legal and Regulatory Requirements

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:

    a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have 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) we have visited one branch to examine the books of account and other records maintained at the branch for the purpose of our audit. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available thereon.

15. With respect to the matter to be included in the auditor's report under section 197(16) of the Act, we report that since the Bank is a banking company, as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section is not applicable.

16. Further, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable 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 of the accompanying financial statements;

    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 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 with reference to the financial statements of the Bank as at 31 March 2020, in conjunction with our audit of the financial statements of the Bank for the year ended on that date and our report dated 26 June 2020 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 2020;

        ii. the Bank, as detailed in note 12 to the financial statements, has made provision as at 31 March 2020, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

        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 2020; 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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Sudhir N. Pillai
Partner
Membership No.: 105782

UDIN: 20105782AAAAGF5865
Place: Mumbai
Date: 26 June 2020

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED - INDIA BRANCHES

(Incorporated in Australia with limited liability)

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE EXECUTIVE COMMITTEE OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED – INDIA BRANCHES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Independent Auditor's Report on the internal financial controls with reference to the financial statements 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 2020, we have audited the internal financial controls with reference to financial statements of the Bank as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Bank's Management is responsible for establishing and maintaining internal financial controls based on the 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A Bank's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the 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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Sudhir N. Pillai
Partner
Membership No.: 105782

UDIN: 20105782AAAAGF5865
Place: Mumbai
Date: 26 June 2020

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED - INDIA BRANCHES

(Incorporated in Australia with limited liability)

BALANCE SHEET

	Schedule	As at 31 March 2020 (₹ '000s)	As at 31 March 2019 (₹ '000s)
CAPITAL AND LIABILITIES			
Capital	1	**11,311,074**	11,311,074
Reserves and surplus	2	**3,420,974**	2,573,911
Deposits	3	**45,484,791**	40,373,442
Borrowings	4	**8,349,737**	1,543,058
Other liabilities and provisions	5	**34,914,221**	21,389,829
Total Capital and liabilities		**103,480,797**	**77,191,314**
ASSETS			
Cash and balances with Reserve Bank of India	6	**2,035,707**	2,234,524
Balances with banks and money at call and short notice	7	**6,931,146**	1,899,772
Investments	8	**35,618,873**	33,629,949
Advances	9	**32,652,472**	22,512,650
Fixed assets	10	**451,523**	533,252
Other assets	11	**25,791,076**	16,381,167
Total Assets		**103,480,797**	**77,191,314**
Contingent liabilities	12	**1,308,749,912**	1,174,477,158
Bills for collection		**15,441,361**	21,663,458
Significant accounting policies and notes to financial statements	17, 18		

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

As per our report of even date

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

Sd/-
Sudhir N. Pillai
Partner
Membership No. 105782

Place : Mumbai
Date : 26 June 2020

For Australia and New Zealand Banking Group Limited - India Branches

Sd/-
Sanjeev Bajaj
Chief Executive Officer

Sd/-
Vinit Kumar Sarawgi
Chief Financial Officer

PROFIT AND LOSS ACCOUNT

		Schedule	For the year ended 31 March 2020 (₹ '000s)	For the year ended 31 March 2019 (₹ '000s)
I.	**INCOME**			
	Interest earned	13	**4,154,478**	3,621,589
	Other income	14	**1,008,160**	949,718
	Total		**5,162,638**	4,571,307
II.	**EXPENDITURE**			
	Interest expended	15	**2,118,926**	1,961,623
	Operating expenses	16	**1,386,618**	1,364,377
	Provisions and contingencies	16A	**810,031**	1,093,316
	Total		**4,315,575**	4,419,316
III.	**PROFIT / (LOSS)**			
	Net profit for the year		**847,063**	151,991
	Profit / (loss) brought forward from previous year		**-**	-
	Total		**847,063**	151,991
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserve	2	**211,766**	37,998
	Transfer to / (from) Investment Reserve	2	**42**	(42)
	Transfer to Investment Fluctuation Reserve	2	**598,342**	114,035
	Transfer to Remittable Surplus retained in India for Capital to Risk-weighted Assets Ratio (CRAR)	2	**36,913**	-
	Balance carried over to balance sheet	2	**-**	-
	Total		**847,063**	151,991
	Significant accounting policies and notes to financial statements	17, 18		

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

As per our report of even date

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

Sd/-
Sudhir N. Pillai
Partner
Membership No. 105782

Place : Mumbai
Date : 26 June 2020

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

(Incorporated in Australia with limited liability)

CASH FLOW STATEMENT

		For the year ended 31 March 2020 (₹ '000s)	For the year ended 31 March 2019 (₹ '000s)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit / (Loss) before taxation		**1,478,449**	215,168
Adjustments for:			
Depreciation on Bank's property		**95,111**	101,647
Provision in respect of non-performing assets (including provision written-back and bad debts written-off)		**-**	999,674
General provision against standard assets		**174,978**	32,000
Provision / (Provision written-back) towards country risk		**3,766**	(1,634)
(Appreciation)/Depreciation on investments		**(99)**	99
Loss on sale of fixed assets		**-**	2,905
Operating profit before working capital changes		**1,752,205**	1,349,859
Adjustments for:			
(Increase) / Decrease in investments		**(1,988,825)**	(18,117,687)
(Increase) / Decrease in advances		**(10,139,822)**	(3,978,878)
(Increase) / Decrease in other assets		**(9,409,909)**	(5,302,721)
Increase / (Decrease) in deposits		**5,111,349**	13,031,772
Increase / (Decrease) in other liabilities and provisions		**13,111,217**	9,365,964
		(1,563,785)	(3,651,691)
Direct taxes paid		**(396,955)**	(515,184)
Net Cash used in operating activities (A)		**(1,960,740)**	(4,166,875)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets (Including Capital work in progress)		**(13,382)**	(16,091)
Proceeds from the sale of fixed assets		**-**	208
Net cash used in investing activities (B)		**(13,382)**	(15,883)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(Decrease) in Short term borrowings		**6,806,679**	1,543,058
Net cash flow from financing activities	**(C)**	**6,806,679**	1,543,058
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**4,832,557**	(2,639,700)
Cash and cash equivalents at the beginning of the year	(D)	**4,134,296**	6,773,996
Cash and cash equivalents at the end of the year	(E)	**8,966,853**	4,134,296

Note : Cash and cash equivalents represent

	Schedule	As at 31 March 2020	As at 31 March 2019
Cash in hand (including foreign currency notes) (As per Schedule 6.I)		**878**	768
Balance with Reserve Bank of India in Current Account (As per Schedule 6.II (i))		**2,034,829**	2,233,756
Balance with Banks in India in Current Account (As per Schedule 7.I (i)(a))		**81,873**	25,719
Balance with Banks Outside India:			
(i) In Current Account (As per Schedule 7.II (i))		**2,309,390**	1,874,053
(ii) In other Deposit Accounts (As per Schedule 7.II (ii))		**4,539,883**	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**8,966,853**	4,134,296

As per our report of even date

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

Sd/-
Sudhir N. Pillai
Partner
Membership No. 105782

Place : Mumbai
Date : 26 June 2020

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

(Incorporated in Australia with limited liability)

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

		As at 31 March 2020 (₹ '000s)	As at 31 March 2019 (₹ '000s)
1.	**CAPITAL**		
	Deposit kept with Reserve Bank of India under Section 11 (2) (b) of the Banking Regulation Act, 1949	**750,000**	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	**675,618**	637,620
	Addition during the year	**211,766**	37,998
	Closing Balance	**887,384**	675,618
b	**Remittable Surplus retained in India for CRAR**		
	Opening Balance	**1,783,859**	1,783,859
	Addition during the year	**36,913**	-
	Closing Balance	**1,820,772**	1,783,859
c	**Investment Reserve**		
	Opening Balance	**399**	441
	Addition/(Deduction) during the year	**42**	(42)
	Closing Balance	**441**	399
d	**Investment Fluctuation Reserve**		
	Opening Balance	**114,035**	-
	Addition during the year	**598,342**	114,035
	Closing Balance	**712,377**	114,035
	Total	**3,420,974**	2,573,911
3.	**DEPOSITS**		
a	I. **Demand deposits**		
	From banks	**186,915**	153,749
	From others	**6,792,705**	4,627,916
	Total Demand deposits	**6,979,620**	4,781,665
	II. **Savings bank deposits**		
	Total Savings bank deposits	**-**	14
	III. **Term deposits**		
	From banks	**-**	2,000
	From others	**38,505,171**	35,589,763
	Total term deposits	**38,505,171**	35,591,763
	Total (I + II + III)	**45,484,791**	40,373,442
b	I. Deposits of branches in India	**45,484,791**	40,373,442
	II. Deposits of branches outside India	**-**	-
	Total (I + II)	**45,484,791**	40,373,442
4.	**BORROWINGS**		
a	**Borrowings in India**		
	(i) Reserve Bank of India	**400,000**	-
	(ii) Other banks	**-**	-
	(iii) Other institutions and agencies	**7,949,737**	999,909
		8,349,737	999,909
b	**Borrowings outside India**	**-**	543,149
	Total	**8,349,737**	1,543,058
	Secured borrowings included in a and b above	**8,349,737**	999,909
5.	**OTHER LIABILITIES AND PROVISIONS**		
	Bills payable	**13,143**	24,553
	Inter office adjustment (net)	**-**	-
	Interest accrued	**317,664**	572,036
	Contingent provision against standard assets	**355,247**	176,504
	Provision for taxation (net of tax paid in advance/ tax deducted at source)	**16,280**	-
	Others (including provisions) (Refer Schedule 18 Note 34)	**34,211,887**	20,616,736
	Total	**34,914,221**	21,389,829

		As at 31 March 2020 (₹ '000s)	As at 31 March 2019 (₹ '000s)
6.	**CASH AND BALANCES WITH RESERVE BANK OF INDIA**		
	I. Cash in hand (including foreign currency notes)	**878**	768
	II. Balance with Reserve Bank of India		
	(i) in current account	**2,034,829**	2,233,756
	(ii) in other deposit account	**-**	-
	Total (I + II)	**2,035,707**	2,234,524
7.	**BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE**		
	I. In India		
	(i) Balances with banks		
	(a) n current accounts	**81,873**	25,719
	(b) In other deposit accounts	**-**	-
	(ii) Money at call and short notice		
	(a) with banks	**-**	-
	(b) with other institutions	**-**	-
	Total	**81,873**	25,719
	II. Outside India		
	(i) In current accounts	**2,309,390**	1,874,053
	(ii) In other deposit accounts	**4,539,883**	-
	(iii) In money at call and short notice	**-**	-
	Total	**6,849,273**	1,874,053
	Grand Total (I + II)	**6,931,146**	1,899,772
8.	**INVESTMENTS**		
	I. Investments in India in		
	(i) Government securities#	**35,618,873**	33,630,048
	(ii) Other approved securities	**-**	-
	(iii) Shares	**-**	-
	(iv) Debentures and bonds	**-**	-
	(v) Subsidiaries and/or joint ventures	**-**	-
	(vi) Others	**-**	-
		35,618,873	33,630,048
	II. Investments outside India in		
	(i) Government securities (including local authorities)	**-**	-
	(ii) Subsidiaries and/or Joint ventures abroad	**-**	-
	(iii) Other Investments	**-**	-
		-	-
	Gross Investments (I + II)	**35,618,873**	33,630,048
	Less: Provision for depreciation on investments	**-**	99
	Total	**35,618,873**	33,629,949

#Includes securities with face Value of ₹750,000 ('000) (previous year ₹700,000 ('000)) kept with Reserve Bank of India (RBI) as required under section 11(2)(b) of the Banking Regulation Act, 1949 and securities pledged with RBI and Clearing Corporation of India Limited for availing borrowing as well as clearing and funding facilities of face value ₹10,636,610 ('000) (previous year ₹4,333,500 ('000))

		As at 31 March 2020 (₹ '000s)	As at 31 March 2019 (₹ '000s)
9.	**ADVANCES**		
A	I. Bills purchased and discounted	**3,167,530**	1,203,470
	II. Cash credits, overdrafts and loans repayable on demand	**23,834,305**	20,040,366
	III. Term loans	**5,650,637**	1,268,814
	Total (I + II + III)	**32,652,472**	22,512,650
B	I. Secured by tangible assets	**5,578,840**	6,190,823
	II. Covered by bank / government guarantees	**-**	-
	III. Unsecured	**27,073,632**	16,321,827
	Total (I + II + III)	**32,652,472**	22,512,650

			As at 31 March 2020 (₹ '000s)	As at 31 March 2019 (₹ '000s)
C	I.	Advances in India		
		(a) Priority sector	**3,864,580**	3,616,742
		(b) Public sector	**-**	-
		(c) Banks	**9,699**	1,058,268
		(d) Others	**28,778,193**	17,837,640
	Total		**32,652,472**	22,512,650
	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)		**32,652,472**	22,512,650
10.	**FIXED ASSETS**			
	I.	Premises	**-**	-
	II.	Other Fixed assets (including furniture and fixtures)		
		At cost at March 31 of preceding year	**1,398,580**	1,406,788
		Additions during the year	**13,482**	15,991
		Deductions during the year	**-**	(24,199)
		Less : Depreciation to date	**(960,539)**	(865,428)
		Net book value of other fixed assets	**451,523**	533,152
		Capital work in progress	**-**	100
	Total Net Book Value of Fixed Assets		**451,523**	533,252
11.	**OTHER ASSETS**			
	Inter office adjustment (net)		**-**	-
	Interest accrued		**611,344**	123,873
	Tax paid in advance / tax deducted at source (net of provision for tax)		**-**	12,076
	Deferred tax asset (Refer Schedule 18 Note 30)		**157,069**	363,146
	Stationery and stamps		**-**	-
	Others (Refer Schedule 18 Note 34)		**25,022,663**	15,882,072
	Total		**25,791,076**	16,381,167
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	**390,773,627**	393,365,983
	IV.	Liability on account of derivative contracts	**908,214,581**	764,980,922
	V.	Guarantees given on behalf of constituents		
		- In India	**8,199,932**	10,594,211
		- Outside India	**595,172**	2,819,171
	VI.	Acceptances, endorsements and other obligations	**584,552**	1,387,014
	VII.	Other items for which the Bank is contingently liable		
		- Tax demands	**32**	32
		- Undrawn Committed lines of credit	**382,016**	1,329,825
	Total		**1,308,749,912**	1,174,477,158

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

		For the year ended 31 March 2020 (₹ '000s)	For the year ended 31 March 2019 (₹ '000s)
13.	**INTEREST EARNED**		
	Interest/discount on advances/bills	**1,618,707**	1,660,609
	Income on investments	**2,426,543**	1,837,817
	Interest on balances with Reserve Bank of India and other inter-bank funds	**38,033**	21,935
	Others	**71,195**	101,228
	Total	**4,154,478**	3,621,589
14.	**OTHER INCOME**		
	Commission, exchange and brokerage	**153,308**	163,263
	Net profit/(loss) on sale of Investments	**172,343**	(3,593)
	Net profit / (loss) on revaluation of Investments	**-**	-
	Net profit / (loss) on sale of land, buildings and other assets	**-**	(2,905)
	Net profit / (loss) on exchange transactions (including derivatives)	**371,549**	524,371
	Income earned by way of dividends, etc. from subsidiaries, companies and/or joint ventures abroad/in India	**-**	-
	Miscellaneous income (Refer Schedule 18 Note 54)	**310,960**	268,582
	Total	**1,008,160**	949,718
15.	**INTEREST EXPENDED**		
	Interest on deposits	**1,932,967**	1,820,154
	Interest on Reserve Bank of India and inter-bank borrowings	**107,194**	134,112
	Others	**78,765**	7,357
	Total	**2,118,926**	1,961,623
16.	**OPERATING EXPENSES**		
	Payments to and provisions for employees	**790,222**	735,947
	Rent, taxes and lighting	**143,067**	194,905
	Printing and stationery	**4,787**	4,387
	Advertisement and publicity	**50**	1,204
	Depreciation on Bank's property	**95,111**	101,647
	Directors' fees, allowances and expenses	**-**	-
	Auditors' fees and expense	**4,750**	3,145
	Law Charges	**3,386**	2,357
	Postage, telegrams, telephones, etc.	**11,184**	12,500
	Repairs and maintenance	**3,059**	6,583
	Insurance	**53,195**	38,128
	Other expenditure (Refer Schedule 18 Note 32)	**277,807**	263,574
	Total	**1,386,618**	1,364,377
16A	**PROVISIONS AND CONTINGENCIES**		
	Provision for non-performing assets	**-**	999,674
	Provision for non-performing assets written-back	**(749,674)**	
	Bad debts written-off	**749,674**	
	General provision against standard assets	**174,978**	32,000
	Provision towards country risk	**3,766**	(1,634)
	Provision for depreciation on investments	**(99)**	99
	Provision on account of tax		
	- Current tax expense	**425,309**	499,254
	- Deferred tax expense/(income)	**206,077**	(436,077)
	Total	**810,031**	1,093,316

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. **Background**

The financial statements for the year ended 31 March 2020 comprise the accounts of Australia and New Zealand Banking Group Limited - India Branches ('the Bank'), Branch of Australia and New Zealand Banking Group Limited which is incorporated and registered in Australia with limited liability.

The Bank received Reserve Bank of India ('RBI') approval in 2011 for opening its maiden branch in Mumbai, India. The Bank commenced operations from 02 June 2011 after all the necessary regulatory approvals were in place.

The Bank was included in Second Schedule to the Reserve Bank of India Act, 1934 vide notification DBOD.IBD.No.19042/23.03.024/2010-11 dated 07 June 2011.

The Bank has three branches in India as on 31 March 2020.

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 Rule 7 of the Companies (Account) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 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.

The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. On 11 March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently unascertainable. Various governments, civil society and many organisations, including the Bank, have introduced a variety of measures to contain the spread of the virus to protect lives and livelihood. On 24 March 2020, the Indian government announced a strict 21 day lockdown which was further extended time and again and even now the country remains under the lockdown till 30 June 2020, with only limited commercial activities allowed to be opened starting 08 June 2020, in a phased manner. There is a high level of uncertainty about the duration of the lockdown and the time required for life and business to get normal.

The extent to which COVID-19 pandemic will impact the Bank's operations and financial results is dependent on the future developments, which are highly uncertain, including among many the other things, any new information concerning the severity of the pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Bank.

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.

4. **Significant accounting policies**

4.1. **Revenue recognition**

a) 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.

b) Interest income on discounted instruments is recognised over the tenure of the instrument on a constant effective yield basis (interest rate implied by the discounted purchased price).

c) Fees and commission on guarantees, letters of credit and loans are recognised as and when due once the services are rendered. In case tenure 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.

d) Fees from support services are recognised based on applicable service contracts and when the service has been rendered.

4.2. **Fixed Assets and Depreciation**

a) Fixed assets are carried at cost less accumulated depreciation and impairment, if any.

b) 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.

c) Cost of motor vehicles acquired on finance lease is amortised using the straight-line method over the primary period of lease.

d) Assets other than software, individually costing up to ₹ 5,000 and mobile instruments are fully depreciated in the month of acquisition.

e) Software costing up to ₹ 30,000 (₹ '000) is fully amortised in the year of acquisition, in consideration that economic useful life is less than one year.

f) 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.

g) 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 period of lease
Plant and Machinery	5

h) 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.

i) 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**

a) 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.

b) 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.

c) 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 (October-September), 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 tax

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 tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profit offered for income tax 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 is reasonably/virtually certain to be realised. The accounting of current tax 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**

a) 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.

b) 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.

c) Contingent assets are not recognised in the financial statements.

d) Contingent liabilities disclosed in the financial statements are based on contractual tenure with our clients and have not been adjusted for the extended claim period as envisaged under the Contract Act.

4.7. **Foreign exchange transactions**

a) 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.

b) Foreign currency profit and loss are translated at month end FEDAI Rate.

c) Foreign exchange contracts outstanding at the balance sheet date are marked to market at the 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 loss is 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 2020, 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.102/21.04.048/2017-18 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 is 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. **Cash Flow Statement**

Cash flows are reported using indirect method, whereby profit/(loss) before tax is adjusted for the effects of the transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows from operating, investing and financing activities of the Bank are segregated based on the available information.

4.14. **Priority Sector Lending Certificate (PSLC)**

The Bank vide RBI circular FIDD CO.Plan.BC. 23/04.09.01/2015-16 dated 7 April 2016 purchases PSLC through the Core Banking Solution (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.

4.15. **Impairment**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. Impairment loss, if any, is provided in Profit and Loss Account to extent carrying amount of assets exceeds their estimated recoverable amount.

SCHEDULE 18: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 2020 is ₹13,618,907 (₹ '000s) (Previous year ₹13,300,607 (₹ '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.1/21.06.201/2015-16 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 2020, 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 2020	As at 31 March 2019
1	Common Equity Tier 1 capital ratio (%)	13.63%	18.42%
2	Tier 1 capital ratio (%)	13.63%	18.42%
3	Tier 2 capital ratio (%)	1.07%	0.40%
4	Total Capital ratio (CRAR) (%)	14.70%	18.82%
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 2020	As at 31 March 2019
1) Value of Investments		
(i) Gross Value of Investments	35,618,873	33,630,048
(a) In India	35,618,873	33,630,048
(b) Outside India	-	-
(ii) Provisions for Depreciation	-	99
(a) In India	-	99
(b) Outside India	-	-
(iii) Net Value of Investments	35,618,873	33,629,949
(a) In India	35,618,873	33,629,949
(b) Outside India	-	-
2) Movement of provisions held towards depreciation on Investments		
(i) Opening Balance	99	-
(ii) Add: Provision made during the year	-	99
(iii) Less: Write back of excess provisions during the year	99	-
(iv) Closing balance	-	99

There are no non-performing Investments as at 31 March 2020 (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 2020
Securities sold under repo	**257,350** (100,000)	**9,875,010** (9,001,800)	**2,911,420** (3,046,831)	**8.436,610** (1,033,500)
i. Government securities	**257,350** (100,000)	**9,875,010** (9,001,800)	**2,911,420** (3,046,831)	**8.436,610** (1,033,500)
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo	**192,200** (50,000)	**6,770,500** (3,951,100)	**2,697,365** (1,155,925)	**-** -
i. Government securities	**192,200** (50,000)	**6,770,500** (3,951,100)	**2,697,365** (1,155,925)	**-** -
ii. Corporate debt securities	-	-	-	-

The above disclosure includes LAF/Marginal Standing Facility done with RBI.

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-Statutory Liquidity Ratio (SLR) Investment Portfolio

During the year ended 31 March 2020, 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 2020, 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 2020	As at 31 March 2019
i) The notional principal of swap agreements[1]	577,559,015	460,749,553
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	8,613,388	3,451,003
iii) Collateral required by the Bank upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps[2]		
- Banks	78.17%	83.70%
- Others	21.83%	16.30%
v) The fair value of the swap book[3]	(1,330,565)	(922,124)

There were no Forward Rate agreements (FRAs) outstanding as at 31 March 2020 (Previous year Nil).

1. The notional principal amount does not include Cross Currency Swaps.
2. The concentration is calculated on the basis of credit exposure.
3. 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 2020 (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 2020		As at 31 March 2019	
		No	Notional Principal	No	Notional Principal
Trading - MIFOR	Pay Fixed-Receive Variable	148	83,050,000	76	44,050,000
	Pay Variable-Receive Fixed	79	78,050,000	46	38,600,000
Trading-MIOIS	Pay Fixed-Receive Variable	195	88,200,000	224	126,950,000
	Pay Variable-Receive Fixed	104	47,950,000	119	78,100,000
LIBOR	Pay Fixed-Receive Variable	47	133,447,587	34	73,431,777
	Pay Variable-Receive Fixed	56	146,861,428	54	99,617,776
Total		**629**	**577,559,015**	**553**	**460,749,553**

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.BC.2/21.04.048/2015-16 dated 1 July 2015.

Quantitative Disclosures (Amount in ₹ '000s)

Sr. No	Particulars	As at 31 March 2020		As at 31 March 2019	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
1	Derivatives (Notional Principal Amount)				
	a) For hedging	-	-	-	-
	b) For trading	330,655,567	577,559,015	304,231,369	460,749,553
2	Marked to Market Positions (Net)				
	a) Asset (+)	5,444,261	8,613,388	4,351,627	3,451,003
	b) Liability (-)	(11,566,711)	(9,943,952)	(4,971,259)	(4,373,128)
3	Credit Exposure[2]	32,833,616	13,324,071	25,958,586	7,259,371
4	Likely impact of one percentage change in interest rate (100*PV01)				
	a) on hedging derivatives	-	-	-	-
	b) on trading derivatives	1,363,522	1,273,886	831,703	916,068
5	Maximum of 100*PV01 observed during the year[3]				
	a) on hedging	-	-	-	-
	b) on trading	1,543,876	1,565,656	1,002,690	1,029,266
6	Minimum of 100*PV01 observed during the year[3]				
	a) on hedging	-	-	-	-
	b) on trading	487,306	501,463	307,120	129,873

1. Disclosure excludes foreign exchange contracts.
2. 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.
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 2020	As at 31 March 2019
(i) Net NPAs to Net Advances (%)	0.00%	0.00%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	999,674	-
(b) Additions during the year	-	999,674
(c) Reductions during the year	749,674	-
(d) Closing balance	250,000	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	999,674	-
(b) Provisions made during the year	-	999,674
(c) Technical write-off/ write-back of excess provisions	749,674	-
(d) Closing balance	250,000	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 ended 31 March 2020 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 2020	As at 31 March 2019
Total deposits of twenty largest depositors	44,538,152	39,743,940
Percentage of deposits of twenty largest depositors to total deposits of the Bank	97.92%	98.44%

b) Concentration of Advances* (Amount in ₹ '000s)

	As at 31 March 2020	As at 31 March 2019
Total advances to twenty largest borrowers	41,866,635	36,008,027
Percentage of advance to twenty largest borrowers to total advances of the Bank	57.70%	58.49%

*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 2020	As at 31 March 2019
Total exposure to twenty largest borrowers/ customers	41,866,635	36,008,027
Percentage of exposures to twenty largest borrowers/ customers to total exposure of the Bank on borrowers/ customers	57.70%	58.49%

**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 2020 (Previous year Nil).

d) Concentration of NPAs (Amount in ₹ '000s)

	As at 31 March 2020	As at 31 March 2019
Total Exposure to top four NPA accounts	250,000	999,674

11. Sector-wise Advances (Amount in ₹ '000s)

	Sector	As at 31 March 2020			As at 31 March 2019		
		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:	**3,864,580**	**-**	**-**	**3,535,856**	-	-
	Vehicles, Vehicle Parts and Transport Equipment	2,541,599	-	-	-	-	-
	Chemicals and Chemical Products (Dyes, Paints, etc.)	-	-	-	2,452,602	-	-
	Basic metal and metal Products	27,380	-	-	20,746	-	-
	Gems and jewellery	175,601	-	-	137,508	-	-
	Food processing	770,000	-	-	925,000	-	-
	Other Industries	350,000	-	-	-	-	-

Sector		As at 31 March 2020			As at 31 March 2019		
		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
	3. Services of which:	**-**	**-**	**-**	**80,886**	**-**	**-**
	Professional services	-	-	-	80,886	-	-
	4. Personal loans	**-**	**-**	**-**	**-**	**-**	**-**
	Sub - total - A	**3,864,580**	**-**	**-**	**3,616,742**	**-**	**-**
B	**Non Priority Sector**						
	1. Agriculture and allied activities	**-**	**-**	**-**	**-**	**-**	**-**
	2. Industry of which:	**15,266,452**	**-**	**-**	**9,716,090**	**-**	**-**
	Food Processing	1,844,157	-	-	1,474,785	-	-
	Chemicals and chemical products (Dyes, Paints, etc.)	1,000,000	-	-	1,250,000	-	-
	Basic metal and metal Products	1,457,477	-	-	701,305	-	-
	Infrastructure	3,652,567	-	-	1,800,000	-	-
	Vehicles, Vehicle Parts and Transport Equipment	3,350,000	-	-	1,750,000	-	-
	Other Industries	3,962,251	-	-	2,740,000	-	-
	3. Services of which:	**13,771,440**	**250,000**	**1.82%**	**10,179,492**	**999,674**	**9.82%**
	Tourism, hotel and restaurants	1,199,261	-	-	1,530,000	-	-
	Non-Banking Financial Companies(NBFC)	5,600,000	250,000	4.46%	1,699,674	999,674	58.82%
	Trading	2,472,657	-	-	3,168,197	-	-
	Professional services	1,089,955	-	-	1,137,277	-	-
	Other Services	3,409,567	-	-	2,644,344	-	-
	4. Personal loans	**-**	**-**	**-**	**-**	**-**	**-**
	Sub-total -B	**29,037,892**	**250,000**	**0.86%**	**19,895,582**	**999,674**	**5.02%**
	Total(A + B)	**32,902,472**	**250,000**	**0.76%**	**23,512,324**	**999,674**	**4.25%**

#Outstanding total advances represent gross advances.

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

Particulars	As at 31 March 2020	As at 31 March 2019
Gross NPAs as on 1 April (Opening Balance)	999,674	-
Additions (new NPAs) during the year	-	999,674
Sub-total (A)	**999,674**	**999,674**
Less:-		
(i) Upgradations	-	-
(ii) Recoveries (excluding recoveries made from upgraded accounts)	-	-
(iii) Technical / Prudential Write-offs	749,674	-
(iv) Write offs other than those under (iii) above	**-**	**-**
Sub-total (B)	**749,674**	**-**
Gross NPAs as on 31 March (closing balance) (A-B)	**250,000**	**999,674**

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance of Technical / Prudential written off accounts as at April 1	-	-
Add : Technical / Prudential write offs during the year	749,674	-
Less : Recoveries made from previously technical / prudential written off accounts during the year	-	-
Closing balance as at 31 March 2020	**749,674**	**-**

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 2020	As at 31 March 2019
General Provision on Advances	154,318	90,051
General Provision on Credit Exposure on derivatives	90,436	43,520

*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 (FX) positions owing to their FX denominated borrowings (External Commercial 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 2020, the Bank has maintained provision of ₹ 106,728 (₹ '000s) (Previous year ₹ 42,933 (₹ '000s)) and held incremental capital of ₹ 402,086 (₹ '000s) (Previous year ₹ 194,302 (₹ '000s)) towards unhedged foreign currency exposures of its borrowers in accordance with RBI circular DBOD.No.BP.BC. 85 /21.06.200/2013-14 dated January 15, 2014.

16. Business Ratios

Sr. No.	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
i.	Interest income as a % to working funds[1]	5.03%	5.00%
ii.	Non-interest income as a % to working funds[1]	1.22%	1.31%
iii.	Operating profit as a % to working funds[1 4]	2.00%	1.72%
iv.	Return on assets[2]	1.02%	0.21%
v.	Business (deposits plus advances) per employee[3] (₹ '000s)	1,025,662	804,235
vi.	Profit per employee[4] (₹ '000s)	11,146	1,949

1. 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.
2. Return on assets is with reference to average working fund (i.e. total of assets excluding accumulated losses).
3. 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.
4. Operating profit is profit before provisions and contingencies.

17. Maturity Patterns of certain items of Assets and Liabilities[1]

As at 31 March 2020 (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	256,068	4,806,414	14,153,520	1,697,500	2,172,170	9,330,000	7,198,049	1,486,561	4,380,916	1,493	2,100	**45,484,791**
Advances	536,953	8,925,986	5,464,593	8,209,743	1,400,191	841,373	1,126,525	817,883	4,619,225	710,000	-	**32,652,472**
Investments	27,835,954	463,578	255,520	2,408,602	609,756	1,171,334	1,378,362	859,397	632,129	3,857	384	**35,618,873**
Borrowings	-	7,949,737	-	-	-	-	-	-	400,000	-	-	**8,349,737**
Foreign Currency Assets[2]	2,309,390	4,416,503	16,764	1,493,448	1,082,022	2,397	6,306	-	-	-	226,994	**9,553,824**
Foreign Currency Liabilities[2]	61,201	367,204	428,404	2,698	35,834	-	-	-	483,597	-	3,701	**1,382,639**

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**

1. Foreign currency assets/liabilities exclude off-balance sheet assets and liabilities.
2. In computing the above information, certain estimates and assumptions have been made by the management which has been relied by the statutory auditors.

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 2020	Provision held as at 31 March 2020	Funded Exposure (net) as at 31 March 2019	Provision held as at 31 March 2019
Insignificant	6,930,234	3,766	1,924,812	-
Low	170	-	3,769	-
Moderate	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	**6,930,404**	**3,766**	**1,928,581**	**-**

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

With the implementation of Large Exposure Framework (LEF) from 01 April 2019, the SBL and GBL is monitored in line with RBI circulars DBR.No.BP.BC.43/ 21.01.003/2016-17 dated December 01, 2016, DBR.No.BP.BC.31/ 21.01.003/2018-19 dated April 01, 2019 and RBI/2018-19/196 DBR.No.BP.BC.43/21.01.003/2018-19 dated June 03, 2019.

LEF prescribes exposure limits at 20% and 25% of Capital funds for SBL and GBL respectively as compared to earlier limits of 15% and 40%. LEF has brought exposures to Banking sector as well under its purview. Non-centrally cleared derivatives exposures will be out of purview of exposure limits till 01 April 2021.

The Bank has exceeded the LEF limit on two instances on 19 August and 28 August, 2019 during the year ended 31 March 2020. On both these days the LEF limit for JP Morgan Chase Bank NA was exceeded due to maintaining Nostro Balance higher that the LEF threshold. It was regularised immediately and was reported to RBI as per the process.

As per the extant RBI guidelines, the Bank with the approval of the India EXCO can enhance exposure to single borrower or group borrower by a further 5% of the capital funds. During the year ended 31 March 2020, the Bank enhanced SBL for below customer from 20% to 25% of the capital funds.

- Essel Mining & Industries Limited

During the year ended 31 March 2019, 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 2019, the Bank enhanced SBL for below customers from 15% to 20% of the capital funds

- 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

21. Intra-Group Exposures

As at 31 March 2020, 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 2020, 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 2020 are provided below:

(Amount in ₹ '000s)

Particulars	As at 31 March 2020	As at 31 March 2019
(a) Total amount of intra-group exposures	33,900	1,094,030
(b) Total amount of top-20 intra-group exposures	33,900	1,094,030
(c) Percentage of intra-group exposures to total exposure* of the bank on borrowers / customers	0.03%	1.11%

*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 2020, 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 2020	For the year ended 31 March 2019
Current Tax	425,309	499,254
Deferred Tax	206,077	(436,077)
Total	**631,386**	**63,177**

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. In order to accommodate the burden on banks' cash flows on account of the Covid19 pandemic, RBI has announced relief in LCR threshold till 31 March 2021. 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 2020, 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 2020 at 510% 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).

Quantitative Disclosure for LCR is provided below:

For the year ended 31 March 2020 (Amount in ₹ '000s)

		Quarter ended 31 March, 2020		Quarter ended 31 December, 2019		Quarter ended 30 September, 2019		Quarter ended 30 June, 2019	
		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)		29,601,632		33,401,390		33,424,184		33,436,700
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-	6	1	14	1
(i)	Stable deposits	-	-	-	-	-	-	5	-
(ii)	Less stable deposits	-	-	-	-	6	1	9	1
3	Unsecured wholesale funding, of which:	19,557,735	7,524,723	16,963,380	6,729,696	14,948,300	5,907,746	10,212,430	4,893,134
(i)	Operational deposits (all counterparties)	6,028,632	1,505,570	6,677,169	1,667,683	5,996,682	1,497,552	4,502,459	1,124,079
(ii)	Non-operational deposits (all counterparties)	13,529,103	6,019,153	10,286,211	5,062,013	8,951,618	4,410,194	5,709,971	3,769,055
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		-		-		-		-
5	Additional requirements, of which	10,761,648	10,316,216	5,688,797	5,015,365	6,442,330	5,758,620	6,727,573	5,910,315
(i)	Outflows related to derivative exposures and other collateral requirements	10,266,724	10,266,724	4,848,736	4,848,736	5,682,652	5,682,652	5,760,492	5,760,492
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	494,924	49,492	840,061	166,629	759,678	75,968	967,081	149,823
6	Other contractual funding obligations	2,067,791	2,067,791	1,279,293	1,279,293	1,317,215	1,317,215	478,064	478,064
7	Other contingent funding obligations	23,545,162	1,176,279	23,549,576	1,176,526	22,542,371	1,126,960	21,941,031	1,096,856
8	**Total Cash Outflows**		**21,085,009**		**14,200,880**		**14,110,542**		**12,378,370**
Cash Inflows									
9	Secured lending (e.g. reverse repos)	56,334	-	1,198,472	-	1,000,570	-	370,910	-
10	Inflows from fully performing exposures	28,867,601	19,719,329	19,164,373	12,089,450	17,827,716	11,588,836	16,862,086	11,161,368
11	Other cash inflows	1,672,772	836,386	856,056	428,028	863,639	431,819	1,354,134	677,067
12	**Total Cash Inflows**		**20,555,715**		**12,517,478**		**12,020,655**		**11,838,435**
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	**TOTAL HQLA**		**29,601,632**		**33,401,390**		**33,424,184**		**33,436,700**
14	**Total Net Cash Outflows ***		**5,271,252**		**3,550,220**		**3,527,635**		**3,094,593**
15	**Liquidity Coverage Ratio (%)**		**562**		**941**		**947**		**1,080**

* 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.

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED - INDIA BRANCHES

(Incorporated in Australia with limited liability)

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	
		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
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	**10**	**1**	**9**	**1**	10	1	23	2
(i)	Stable deposits	-	-	-	-	-	-	-	-
(ii)	Less stable deposits	10	1	9	1	10	1	23	2
3	Unsecured wholesale funding, of which:	8,773,807	3,610,008	10,567,958	4,375,352	6,038,851	2,497,102	6,567,081	3,294,102
(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
(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
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		-		-		-		-
5	Additional requirements, of which	3,964,072	3,569,251	3,413,786	2,291,701	3,842,995	2,623,638	2,935,917	2,531,015
(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
(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
6	Other contractual funding obligations	253,750	253,750	264,033	264,033	223,078	223,078	279,105	279,105
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
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
11	Other cash inflows	528,866	264,433	542,629	271,314	298,821	149,411	507,680	253,840
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
13	TOTAL HQLA		**17,476,305**		**17,286,570**		**14,922,181**		**12,742,943**
14	Total Net Cash Outflows *		**2,037,497**		**1,909,560**		**1,510,066**		**2,641,893**
15	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.

26. Employee Benefits

Provident Fund – Defined Contribution Plan

The Bank has recognised ₹ 27,431 (₹ '000s) in the Profit and Loss Account as employer's contribution to the provident fund (Previous year ₹ 26,624 (₹ '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 2020**	**As at 31 March 2019**
Reconciliation of opening and closing balance of the present value of the defined benefit obligation		
Present value of obligation as at April 1	41,883	34,124
Interest cost	2,947	2,496
Current service cost	7,900	7,456
Acquisition cost	-	-
Benefits paid	(5,169)	(2,561)
Actuarial (gain)/loss on obligation	(433)	368

Particulars	**As at 31 March 2020**	**As at 31 March 2019**
Present value of obligation as at March 31	**47,128**	**41,883**
Reconciliation of opening and closing balance of the fair value of the plan assets		
Fair value of plan assets as at April 1	43,386	35,835
Expected return on plan assets	3,129	3,074
Contributions	0	8,735
Benefits paid	(5,169)	(2,561)
Actuarial gain/(loss) on plan assets	(115)	(1,697)
Fair value of plan assets as at March 31	**41,231**	**43,386**
Amount recognised in Balance sheet		
Fair value of plan assets as at March 31	41,231	43,386
Present value of obligation as at March 31	47,128	41,883
Asset/(Liability) as at March 31	(5,897)	1,503
Expenses recognised in Profit and Loss Account		
Interest cost	2,947	2,496
Current service cost	7,900	7,455
Expected return on plan assets	(3,129)	(3,074)
Net Actuarial (gain)/loss recognised in the year	(318)	2,065
Net cost	**7,400**	**8,942**

Particulars	As at 31 March 2020	As at 31 March 2019
Assumptions		
Valuation method	Projected Unit	Projected Unit Credit
Discount rate	6.70%	7.50%
Expected return on plan assets	7.44%	7.67%
Mortality	IAL Mortality Table Ult. (2006-08)	IAL Mortality Table Ult. (2006-08)
Salary escalation rate*	3% for the first 4 years starting 2020, 4.5% thereafter	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.

(Amount in ₹ '000s)

Experience History	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Defined Benefit Obligation at end of the period	(47,128)	(41,883)	(34,124)	(33,049)	(28,221)
Plan Asset at end of the period	41,231	43,386	35,835	27,654	26,261
Funded Status	(5,897)	1,503	1,710	(5,395)	(1,960)
Experience Gain/(Loss) adjustments on plan liabilities	(4,779)	(22)	(506)	(222)	2,385
Experience Gain/(Loss) adjustments on plan assets	(115)	(1,697)	(453)	(170)	(414)
Actuarial Gain/(Loss) due to change on assumptions	5,212	(346)	8,095	(2,020)	0

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

Asset Category	As at 31 March 2020	As at 31 March 2019
Others (including FDs and Special Deposits)	100.00%	100.00%
Total	**100.00%**	**100.00%**

Compensated absences – Short-term

The liability for the compensated absences of the employees of the Bank as of 31 March 2020 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-fund 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 2020 (Amount in ₹ '000s)

Business Segments	Treasury	Corporate/ Wholesale Banking	Retail Banking	Total
Revenue	3,070,842	2,091,796	-	5,162,638
Result	987,277	491,172	-	1,478,449
Unallocated expenses				-
Operating profit				**1,478,449**
Income taxes				631,386
Extraordinary profit/ loss	-	-	-	-
Net profit				**847,063**
Other information:				
Segment assets	69,682,168	33,252,671	-	102,934,839
Unallocated assets				545,958
Total assets				**103,480,797**
Segment liabilities	64,344,678	34,388,413	-	98,733,091
Unallocated liabilities				4,747,706
Total liabilities				**103,480,797**

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**

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

Australia and New Zealand Banking Group Limited - Hong Kong

Australia and New Zealand Banking Group Limited - Fiji

Australia and New Zealand Banking Group Limited – Frankfurt

Australia and New Zealand Banking Group Limited – Paris

Other Group Entities

ANZ Bank New Zealand Limited

ANZ Bank (Thai) Public 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.

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 2020	Maximum Outstanding during the year	As at 31 March 2020	Maximum Outstanding during the year
Borrowings	-	4,810,413	-	1,825
Deposits	65,038	249,390	18,060,329	19,274,578
Balances with Banks	79,408	294,599	1,531	48,042
Non-funded commitments	2,904,197	4,087,246	53,900	57,131
Derivative Notionals	169,367,056	206,845,442	-	-
Positive MTMs	1,713,479	2,310,044	-	-
Negative MTMs	2,735,904	2,735,904	-	-

(Amount in ₹ '000s)

Particulars	Head Office and Branches		Other Group Entities	
	For the year ended 31 March 2020	As at 31 March 2020	For the year ended 31 March 2020	As at 31 March 2020
Interest paid	9,107	-	849,162	178,318
Rendering of services	307,377	81,131	-	-
Reimbursement of expenses	12,112	4,664	-	-
Receiving of services	-	-	40,003	10,124
Payment for share based payment	43,469	25,615	-	-
Fees Paid	33		13	
Fees Received	15,866		12,449	

(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	-	-

(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	-

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 2020, 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 2020 is ₹ 132,386 (₹ '000s) (Previous year ₹179,603 (₹ '000s)).

Total future minimum lease payments under non-cancellable operating lease as at 31 March 2020:

(Amount in ₹ '000s)

Particulars	As at 31 March 2020	As at 31 March 2019
Not later than one year	135,638	129,476
Later than one year but not later than five years	157,202	273,518
Later than five years	22,040	36,545

Finance Lease

Lease payments recognised in the Profit and Loss Account during the year ended 31 March 2020 is Nil (Previous year Nil (₹ '000s)).

30. Deferred tax

The deferred tax asset of ₹157,069 (₹ '000s) as at 31 March 2020 (Previous year of ₹ 363,146 (₹ '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 2020	As at 31 March 2019
Deferred Tax Assets		
Straight lining of lease rent	8,262	8,767
General provisions for standard assets and country risk	155,172	77,097
Provision for Non-Performing Assets	109,200	409,980
Deferred Tax Assets	**272,634**	**495,844**
Deferred Tax Liability		
Depreciation on fixed assets	(115,565)	(132,698)
Deferred Tax Liability	**(115,565)**	**(132,698)**
Net Deferred Tax Asset / (Liability)	**157,069**	**363,146**

31. Capital commitments

Capital Commitment as on 31 March 2020 is ₹ 737 (₹ '000s) (Previous year Nil).

32. Operating expenses

During the year ended 31 March 2020, Other expense in Schedule 16 does not include any expense which is in excess of 1% of total income. 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).

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.

Number of options

	As at 31 March 2020	As at 31 March 2019
(i) Outstanding at the beginning of the year	84,895	75,659
(ii) Granted during the year	52,465	64,499
(iii) Forfeited during the year	(10,477)	(12,972)
(iv) Exercised during the year	(32,762)	(42,291)
(v) Expired during the year	-	-
(vi) Outstanding at the end of the year	94,121	84,895

The weighted average share price of shares awarded as shown above were in the range of AUD 20.87 to AUD 25.88 for the financial year ended 31 March 2020 and AUD 10 to AUD 28 for the financial year ended 31 March 2019.

For stock options outstanding at the end of the period, the weighted average remaining contractual life is 1.39 for the Financial year 2019-20 and 1.37 for the Financial year 18-19.

For the year ended 31 March 2020, the Bank has recorded stock compensation expense of ₹ 43,469 (₹ '000s) (Previous year ₹ 57,002 (₹ '000s)).

34. Other assets and Other liabilities

'Others' reported under Other assets in Schedule 11 includes MTM gain on outstanding FX and Derivative ₹ 22,629,626 (₹ '000s) (Previous year ₹ 12,115,673 (₹ '000s)). 'Others (including provisions)' reported under Other liabilities and provisions in Schedule 5 includes MTM losses on outstanding FX and Derivatives ₹ 29,045,864 (₹ '000s) (Previous year ₹ 13,883,281 (₹ '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 statutory auditors (Previous Year Nil).

36. Provisions and contingencies

Break up of provisions and contingencies (Amount in ₹ '000s)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Provision for depreciation on investment	(99)	99
Provision towards non-performing assets	-	999,674
Provision for non-performing assets written-back	(749,674)	-
Bad debts written-off	749,674	-
Provision towards standard assets	174,978	32,000
Provision made towards Income tax		
- Current tax	425,309	499,254
- Deferred tax	206,077	(436,077)
Other provision and contingencies		
- Provision towards Country Risk Exposure	3,766	(1,634)
Total	**810,031**	**1,093,316**

37. Floating provisions

The Bank has not maintained any floating provision during the year ended 31 March 2020 (Previous year Nil).

38. Draw down from reserves

During the year ended 31 March 2020, the Bank has created 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 2019, the Bank has utilised Investment reserves of ₹ 42 (₹ '000s) towards provision written back for depreciation on investments in HFT category.

During the year ended 31 March 2020, the Bank has transferred ₹ 598,342 (₹ '000s) (previous year ₹ 114,035 (₹ '000s)) 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 2020	For the year ended 31 March 2019
(a)	No. of complaints pending at the beginning of the year	-	-
(b)	No. of complaints received during the year	7	4
(c)	No. of complaints redressed during the year	6	4
(d)	No. of complaints pending at the end of the year	1	-

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 auditors.

b) **Awards passed by the Banking Ombudsman**

Sr. No.	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(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 2020, the Provision coverage ratio (ratio of provision to gross non-performing assets) is 100% (Previous year 100%).

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 2020 (Previous year Nil).

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
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 (CSR)

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, the amount to be spent by the Bank on its CSR initiatives for any year is limited to 1% of published profits for the previous year with specific exclusions. The published profit for the year ended 31 March 2019 was exceptionally lower as compared to earlier years owing to unanticipated provision on a non performing exposure during the year. Consequently, the CSR limit for the year ended 31 March 2020 got capped at ₹ 1,520 (₹ '000s) (limit for previous year was ₹ 5,820 (₹ '000s)).

However, the Bank already had few commitments to its CSR partners and could have not withdrawn the same completely. The management of the Bank believes in continuous efforts to give back to the society and community so that it thrives and hence decided to continue the bare minimum commitment to its CSR partners during the year. The Bank spent ₹ 1,730 (₹ '000s) (Previous year ₹ 2,889 (₹ '000s) under CR programs during the year ended 31 March 2020. The same is included under "Other expenses" in Schedule 16.

49. Securitisation

The Bank has not sponsored any Special Purpose Vehicle for securitization transactions and no securitization transactions are outstanding as at 31 March 2020 (Previous year Nil) and hence this disclosure is not applicable.

50. Details of provisioning pertaining to fraud accounts

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

Particulars	As at 31 March 2020	As at 31 March 2019
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	As at 31 March 2020	As at 31 March 2019
PSLC – Purchased		
PSLC – Agriculture	-	-
PSLC – General	10,800,000	4,212,500
PSLC – Micro Enterprises	2,410,000	1,625,000
PSLC – SF/MF	-	-
Total	**13,210,000**	**5,837,500**

The Bank did not sell any PSLC during the year ended 31 March 2020 (Previous year Nil).

52. Transfer Pricing

The Bank has a comprehensive system of maintenance of information and documents required by transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. The management is of the opinion that international transactions are at arm's length so that the above legislation will not have material impact on the financial statements, particularly on the amount of tax expense and that of provision of taxes.

53. 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. However 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

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.

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 2020, the Bank has recognised such income of ₹ 307,377 (₹ '000s) (Previous year ₹ 265,138 (₹ '000s)) under Schedule 14 of the financial statements.

55. Intangible Assets

Fixed Assets include Intangible Assets. The movement in application software is given below: (Amount in ₹ '000s)

Particulars	As at 31 March 2020	As at 31 March 2019
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	577,902	508,281
Closing balance as at 31 March	**400,323**	**469,944**
Depreciation charge for the year	69,621	69,621

56. Resolution of Stressed Assets – Revised Framework

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

57. General Provision for COVID-19 Deferment cases

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27 March 2020, 17 April 2020 and 23 May 2020, and clarification issued by RBI, the Bank is granting moratorium on the payment of instalments and / or interest, as applicable, falling due between 01 March 2020 and 31 August 2020 ('moratorium period') to eligible borrowers classified as Standard, even if overdue, as on 29 February 2020. In accordance with RBI guidelines, the moratorium period, wherever granted, is excluded by the Bank from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms. The Bank does not hold any provisions as at/during the year ended 31 March 2020 against the potential impact of COVID-19 based on the information available up to a point in time. Following are the details of such accounts and provisions made by the Bank.

Particulars	As at 31 March 2020
Advances outstanding in overdue categories, where the moratorium/deferment was extended as per COVID-19 Regulatory Package	-
Advances outstanding where asset classification benefits is extended up to 31 March 2020	-
Provisions made as per para 5 of the COVID-19 Regulatory Package for the financial year ended 31 March 2020	-
Provisions adjusted during the financial year ended 31 March 2020	-
Residual provisions in terms of paragraph 6 of the COVID-19 Regulatory Package as at 31 March 2020	-

58. Previous year figures

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

For **Walker Chandiok & Co LLP** Chartered Accountants Firm's Registration No: 001076N/N500013	**For Australia and New Zealand Banking Group Limited - India Branches**
Sd/- **Sudhir N. Pillai** Partner Membership No. 105782	Sd/- **Sanjeev Bajaj** Chief Executive Officer
Place : Mumbai Date : 26 June 2020	Sd/- **Vinit Kumar Sarawgi** Chief Financial Officer

BASEL III: PILLAR 3 DISCLOSURES AS AT 31 MARCH 2020

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 2020.

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.

- 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 2020 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 2020 CRAR is 14.70% and Common Equity Tier I ratio is 13.63% 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 2020 is presented below.

(Amount in ₹'000)

Minimum Regulatory Capital Requirements	
Capital requirements for Credit risk (a)	**5,975,282**
Portfolios subject to standardised approach	5,975,282
Securitisation exposures.	-
Capital requirements for Market risk (b)	**2,209,157**
Standardised duration approach	
- Interest rate risk	1,846,488
- Foreign exchange risk (including gold)	362,669
- Equity risk	-
Capital requirements for Operational risk (c)	**357,585**
Basic indicator approach	357,585
Total Minimum Regulatory Capital at 9% (a+b+c)	**8,542,025**
Minimum CRAR + CCB at 10.875%	**10,321,613**
Risk Weighted Assets and Contingents	**99,920,636**
Credit Risk	67,836,352
Market Risk	27,614,468
Operational Risk	4,469,816
Capital Ratios	
CET 1 Capital	13.63%
Tier I Capital	13.63%
Total Capital	**14.70%**

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 apprised 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.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED - INDIA BRANCHES

(Incorporated in Australia with limited liability)

6.1. Total gross credit risk exposures as at 31 March 2020 (Amount in ₹ '000)

Fund Based	**47,557,986**
Claims on Banks, Balance with RBI and Cash Balance	9,454,262
Investments (HTM)	-
Loans and Advances (including Interbank Loans)	33,442,735
Other Assets and Fixed Assets	4,660,990
Non Fund Based	**63,278,125**
Non Market Related Off Balance sheet items (Contingent Credits and Exposures)	6,310,712
Market Related (Foreign Exchange (Fx) and Derivative contracts)	56,967,413
Total Exposure	**110,836,111**

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 2020

(Amount in ₹ '000)

Industry Name	Fund Based	Non Fund Based
Banking & Finance *	9,578,960	44,847,420
Food Processing	6,059,158	220,036
Drugs and Pharmaceuticals	1,000,000	2,615,238
Petroleum (non-infra) Coal Products (non-mining) and Nuclear Fuels	-	102,127
Beverages (excluding Tea & Coffee) and Tobacco – Others	426,051	-
Textiles	924,200	27,823
Iron and Steel	1,009,183	359,997
Metal and Metal Products	784,857	725,821
All Engineering	447,060	1,440,691
Non-Metallic Mineral Product Manufacturing	97,000	212,600
Vehicles, Vehicle Parts and Transport Equipments	5,891,599	1,376,492
Gems and Jewellery	175,601	12,493
Inland Waterways	-	7,000
Infrastructure – Airport	-	226,283
Cafes & Restaurants	1,199,261	228,148
Business Services	1,089,956	28,745
Payment Services	3,118,425	176,941
Business Administrative Services	281,442	31,712
NBFC and HFC	5,350,000	8,282,697
Computer Machinery & Consultancy Services	-	1,482,233
Telecommunication and Telecom Services	5,464,244	873,628
Residuary Exposure		
- of which Other Assets	4,660,990	-
Total Exposure	**47,557,986**	**63,278,125**

* 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 2020, 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	49.11%
2	NBFC and HFC	12.30%
3	Vehicles, Vehicle Parts & Transport Equipments	6.56%
4	Telecommunication & Telecom Services	5.72%
5	Food Processing	5.67%

6.4. Residual contractual maturity breakdown of assets as at 31 March 2020

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	756,324	2,391,263	27,835,954	536,955	-	1,112,632	32,633,128
2 – 7 days	76,205	4,539,883	463,578	8,925,986	-	25,335	14,030,987
8-14 days	42,003	-	255,520	5,464,593	-	11,521	5,773,637
15-30 days	395,935	-	2,408,602	8,209,743	-	6,813	11,021,093
31 days – 2 months	100,234	-	609,756	1,400,191	-	113,765	2,223,946
2 months - 3 months	192,548	-	1,171,334	841,373	-	86	2,205,341
Over 3 months – 6 months	226,580	-	1,378,362	1,126,525	-	599,301	3,330,768
Over 6 months – 1 year	141,271	-	859,397	817,883	-	4,550	1,823,101
Over 1 year – 3 years	103,912	-	632,129	4,619,223	-	22,760,131	28,115,395
Over 3 years – 5 years	634	-	3,857	710,000	-	161,459	875,950
Over 5 years	61	-	384	-	451,523	995,483	1,447,451
Total	**2,035,707**	**6,931,146**	**35,618,873**	**32,652,472**	**451,523**	**25,791,076**	**103,480,797**

6.5. Details of Non-Performing Assets (NPAs) - Gross and Net (Amount in ₹ '000)

	As at 31 Mar 2020
Substandard	-
Doubtful 1	-
Doubtful 2	-
Doubtful 3	-
Loss	250,000
Gross NPAs	**250,000**
Provisions for NPAs	250,000
Net NPAs	-

6.6. NPA Ratios (Amount in ₹ '000)

	As at 31 Mar 2020
Gross NPAs to gross advances	0.76%
Net NPAs to net advances	0.00%

6.7. Movement of NPAs (Gross) (Amount in ₹ '000)

	For the year ended 31 Mar 2020
Opening balance	999,674
Additions	-
Reductions	749,674
Closing balance	**250,000**

Note: YTD movement has been reported above

6.8. Movement of provisions

(Amount in ₹ '000)

Particulars	Specific Provision[1]	General Provision[2]
Opening balance as at 1st April 2019	999,674	176,504
Provisions made during the period	-	178,743
Write-off	749,674	-
Write-back of excess provisions	-	-
Closing balance as at 31st March 2020	**250,000**	**355,247**

[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 2020.

6.10. Amount of provisions held for Non-Performing Investments

There are no provisions held for non-performing investments as at 31 March 2020 as there are no non performing investments.

6.11. Movement of provisions for depreciation on Investments

(Amount in ₹ '000)

	For the year ended 31 March 2020
Opening balance as at 1st April 2019	99
Provisions made during the period	-
Write-off	-
Write-back of excess provisions	99
Closing balance as at 31st March 2020	**-**

Note: YTD movement has been reported above

6.12. Geographic and Industry wise distribution and ageing of NPA, Specific provision separately

(Amount in ₹ '000)

Industry Classification	Gross NPA	Specific Provision
NBFC and HFC	250,000	250,000

The Bank does not have overseas operations and hence amount of NPAs are restricted to the domestic segment.

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 2020

(Amount in ₹ '000)

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	**47,557,986**	**125,000**	**47,432,986**	**30,048,325**	**5,029,551**	**12,355,111**	-
Claims on Banks	9,454,262	-	9,454,262	9,442,391	170	11,701	-
Investments (HTM)	-	-	-	-	-	-	-
Loans and Advances	33,442,735	125,000	33,317,735	16,527,811	4,603,583	12,186,341	-
Other Assets and Fixed Assets	4,660,990	-	4,660,990	4,078,123	425,798	157,069	-
Non Fund Based	**63,278,125**	**1,709,178**	**61,568,947**	**57,500,232**	**1,814,569**	**2,254,146**	-
Non Market Related Off Balance sheet items (Contingent Credits and Exposures)	6,310,712	49,078	6,261,634	3,195,677	1,664,408	1,401,549	-
Market Related (Foreign Exchange (Fx) and derivative contracts)	56,967,413	1,660,100	55,307,313	54,304,554	150,162	852,597	-

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 credit risk mitigants.

Credit Risk Mitigation details as at 31 March 2020 are as below

(Amount in ₹ '000)

Exposure covered by eligible financial collateral after application of haircuts	1,834,178
Exposure covered by guarantees	132,600

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, 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 2020, Market Risk RWAs were ₹ 27,614,468 ('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, medium and severe 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.

  In addition to this the bank also calculates LCR ratio on a daily basis since October 2016 as per the extant RBI guidelines
- 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.
- Net Stable Funding Ratio (NSFR): We compute NSFR for ANZ India on stand-alone basis. The objective of the NSFR is to ensure that the bank maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the probability of erosion of bank's liquidity position due to disruptions in bank's regular sources of funding that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits overreliance on short-term wholesale funding, encourages better assessment of funding risk across all on- and off-balance sheet items, and promotes funding stability.

Above scenario outcomes are calculated and reported on a daily basis (LCR and WFC)/ quarterly basis (NSFR) 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 I.AM (Identify Act and Monitor) Framework, 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 2020, Operational RWAs were ₹ 4,469,816 ('000).

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

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 2020:

(Amount in ₹ '000)

Currency	Interest Rate Risk Shocks	
	200bps up	200bps down
Rupees	(371,583)	371,583
USD	(27)	27

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 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 ₹ '000)

Change in MVE due to 200 bps change in interest rate	
31 March 2020	(153,521)

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 ₹ '000)

	As at 31 Mar 2020 (Credit equivalent)
Gross positive fair value of contracts	22,608,962
Netting benefits	6,991,574
Netted current credit exposure	**15,617,388**
Collateral held (including type e.g. cash, government securities etc.)	1,660,100
Net derivatives credit exposure	**13,957,288**
Potential future exposure	41,619,176
Measures for exposure at default, or exposure amount, under CEM	**55,576,464**
The notional value of credit derivative hedges	-
Distribution of current credit exposure by types of credit exposure	
- Interest Rate contracts	12,089,447
- Fx contracts & Currency Swaps	39,629,357
- Fx Options	3,857,660

15. DF-11 Composition of Capital

(Amount in ₹ '000)

	Basel III Common Disclosure Template	Basel III Amounts	Ref No.
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	11,311,074	A
2	Retained earnings (**(incl. Statutory Reserves and Remittable Surplus retained for Capital to Risk-weighted Assets Ratio (CRAR))**	2,708,156	B+C
3	Accumulated other comprehensive income (and other reserves)	-	
4	*Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies1)*	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	**Common Equity Tier 1 capital before regulatory adjustments**	**14,019,230**	
	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)	400,323	F
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	-	

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(Incorporated in Australia with limited liability)

	Basel III Common Disclosure Template	Basel III Amounts	Ref No.
20	Mortgage servicing rights4 (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences5 (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold6	-	
23	*of which: significant investments in the common stock of financial entities*	-	
24	*of which: mortgage servicing rights*	-	
25	*of which: deferred tax assets arising from temporary differences*	-	
26	National specific regulatory adjustments7 (26a+26b+26c+26d)	-	
26a	*of which: Investments in the equity capital of unconsolidated insurance subsidiaries*	-	
26b	*of which: Investments in the equity capital of unconsolidated non - financial subsidiaries8*	-	
26c	*of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank9*	-	
26d	*of which: Unamortized pension funds expenditures*	-	
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**	**400,323**	
29	**Common Equity Tier 1 capital (CET1)**	**13,618,907**	
	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	*Directly issued capital instruments subject to phase out from Additional Tier 1*	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	
35	*of which: instruments issued by subsidiaries subject to phase out*	-	
36	**Additional Tier 1 capital before regulatory adjustments**	-	
	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	*of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries*	-	
41b	*of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank*	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	**Total regulatory adjustments to Additional Tier 1 capital**	-	
44	**Additional Tier 1 capital (AT1)**	-	
44a	**Additional Tier 1 capital reckoned for capital adequacy11**	-	
45	**Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44a)**	**13,618,907**	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
47	*Directly issued capital instruments subject to phase out from Tier 2*	-	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49	*of which: instruments issued by subsidiaries subject to phase out*	-	
50	Provisions *(includes Investment Reserve)*	1,068,066	D+E
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 investments13 in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments (56a+56b)	-	
56a	*of which: Investments in the Tier 2 capital of unconsolidated subsidiaries*	-	
56b	*of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank*	-	
57	**Total regulatory adjustments to Tier 2 capital**		
58	**Tier 2 capital (T2)**	**1,068,066**	
58a	**Tier 2 capital reckoned for capital adequacy14**	**1,068,066**	

	Basel III Common Disclosure Template	Basel III Amounts	Ref No.
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	-	
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	**1,068,066**	
59	**Total capital (TC = T1 + Admissible T2) (45 + 58c)**	**14,686,973**	
60	**Total risk weighted assets (60a + 60b + 60c)**	**99,920,636**	
60a	*of which: total credit risk weighted assets*	67,836,352	
60b	*of which: total market risk weighted assets*	27,614,468	
60c	*of which: total operational risk weighted assets*	4,469,816	
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	13.63%	
62	Tier 1 (as a percentage of risk weighted assets)	13.63%	
63	Total capital (as a percentage of risk weighted assets)	14.70%	
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	*of which: capital conservation buffer requirement*	1.875%	
66	*of which: bank specific countercyclical buffer requirement*	-	
67	*of which: G-SIB buffer requirement*	-	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	-	
	National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	
	Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	-	
73	Significant investments in the common stock of financial entities	-	
74	Mortgage servicing rights (net of related tax liability)	-	
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 standardized approach (prior to application of cap)	-	
77	Cap on inclusion of provisions in Tier 2 under standardized 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)*	-	

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 *(includes Investment Reserves)*	1,068,066
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	1,068,066
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. DF-12 Composition of Capital – Reconciliation

(Amount in ₹ '000s)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref No.
A	**Capital & Liabilities**			
i	Paid-up Capital	11,311,074	11,311,074	
	of which : Amount eligible for CET1	11,311,074	11,311,074	A
	of which : Amount eligible for AT1	-	-	
	Reserves & Surplus	3,420,974	3,420,974	
	of which:			
	Statutory Reserve	887,384	887,384	B
	Investment Reserve	712,818	712,818	D
	Amount Retained in India for CAPAD	1,820,772	1,820,772	C
	Balance in Profit & Loss not consolidated for Capital Adequacy	-	-	
	Minority Interest	-	-	
	Total Capital	14,732,048	14,732,048	
ii	Deposits	45,484,791	45,484,791	
	of which: Deposits from banks	186,915	186,915	
	of which: Customer deposits	45,297,876	45,297,876	
	of which: Other deposits (pl. specify)	-	-	
iii	Borrowings	8,349,737	8,349,737	
	of which: From RBI	400,000	400,000	
	of which: From banks	-	-	
	of which: From other institutions & agencies	7,949,737	7,949,737	
	of which: Others (pl. specify)	-	-	
	of which: Capital instruments	-	-	
iv	Other liabilities & provisions	34,914,221	34,914,221	
	of which : Provision against standard asset and country risk	355,247	355,247	E
	Total	**103,480,797**	**103,480,797**	
B	**Assets**			
i	Cash and balances with Reserve Bank of India	2,035,707	2,035,707	
	Balance with banks and money at call and short notice	6,931,146	6,931,146	
ii	Investments:	35,618,873	35,618,873	
	of which: Government securities	35,618,873	35,618,873	
	of which: Other approved securities	-	-	
	of which: Shares	-	-	
	of which: Debentures & Bonds	-	-	
	of which: Subsidiaries / Joint Ventures / Associates	-	-	
	Of which: Others (Commercial Papers, Mutual Funds etc.)	-	-	
iii	Loans and advances	32,652,472	32,652,472	
	of which: Loans and advances to banks	9,699	9,699	
	of which: Loans and advances to customers	32,642,773	32,642,773	
iv	Fixed assets	451,523	451,523	
v	Other assets	25,791,076	25,791,076	
	of which: Goodwill and intangible assets	400,323	400,323	F
	of which: Deferred tax assets arising from temporary differences other than accumulated losses	157,069	157,069	
vi	Goodwill on consolidation	-	-	
vii	Debit balance in Profit & Loss account	-	-	
	Total	**103,480,797**	**103,480,797**	

17. DF-13 Main Features of Regulatory Capital Instruments

Item	Particulars	Head Office Capital
1	Issuer	Australia and New Zealand Banking Group Head Office
2	Unique Identifier	Not Applicable
3	Governing Laws of the Instrument	Applicable regulatory requirements
	Regulatory Treatment	
4	Transitional Basel III rules	Common Equity Tier I
5	Post-transitional Basel III rules	Common Equity Tier I
6	Eligible at Solo/ Group/ Group & Solo	Solo
7	Instrument type	Others - Interest free funds from HO

Item	Particulars	Head Office Capital
8	Amount recognized in the regulatory capital (Rs.Thousands as of March 31, 2020)	11,311,074
9	Par value of instrument	Not Applicable
10	Accounting Classification	Shareholders' equity
11	Original date of issuance	At various times since inception
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	Not Applicable

Item	Particulars	Head Office Capital
16	Subsequent call dates, if applicable	Not Applicable
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Not Applicable
18	Coupon rate and any related index	Not Applicable
19	Existence of a dividend stopper	Not Applicable
20	Fully discretionary, partially discretionary or mandatory	Not Applicable
21	Existence of step up or other incentive to redeem	Not Applicable
22	Noncumulative or cumulative	Not Applicable
23	Convertible or non-convertible	Not Applicable
24	If convertible, conversion trigger(s)	Not Applicable
25	If convertible, fully or partially	Not Applicable
26	If convertible, conversion rate	Not Applicable
27	If convertible, mandatory or optional conversion	Not Applicable
28	If convertible, specify instrument type convertible into	Not Applicable
29	If convertible, specify issuer of instrument it converts into	Not Applicable
30	Write-down feature	No
31	If write-down, write-down trigger(s)	Not Applicable
32	If write-down, full or partial	Not Applicable
33	If write-down, permanent or temporary	Not Applicable
34	If temporary write-down, description of write-up mechanism	Not Applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All other creditors and depositors of the bank
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	Not Applicable

18. DF-15 Disclosure Requirements for 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.

19. 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:

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

(Amount in ₹ ‘000)

1.	Total consolidated assets as per published financial statements	103,480,797
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.	41,619,176
5.	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	393
6.	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	6,286,712
7.	Other adjustments	(400,323)
8.	**Leverage ratio exposure**	**150,986,755**

DF-18 Leverage Ratio Common Disclosure as at 31 March 2020

	Leverage Ratio	
	On-balance sheet exposures	
1.	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	80,938,680
2.	(Asset amounts deducted in determining Basel III Tier 1 capital)	(400,323)
3.	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	80,538,357
	Derivative exposures	
4.	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	22,542,117
5.	Add-on amounts for PFE associated with all derivatives transactions	41,619,176
6.	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7.	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8.	(Exempted CCP leg of client-cleared trade exposures)	-
9.	Adjusted effective notional amount of written credit derivatives	-
10.	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11.	Total derivative exposures (sum of lines 4 to 10)	64,161,292
	Securities financing transaction exposures	
12.	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	7,950,130
13.	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(7,949,737)
14.	CCR exposure for SFT assets	-
15.	Agent transaction exposures	-
16.	Total securities financing transaction exposures (sum of lines 12 to 15)	393
	Other off-balance sheet exposures	
17.	Off-balance sheet exposure at gross notional amount	16,340,267
18.	(Adjustments for conversion to credit equivalent amounts)	10,053,555
19.	Off-balance sheet items (sum of lines 17 and 18)	6,286,712
	Capital and total exposures	
20.	**Tier 1 capital**	**13,618,907**
21.	**Total exposures (sum of lines 3, 11, 16 and 19)**	**150,986,755**
	Leverage ratio	
22.	**Basel III leverage ratio (per cent)**	**9.02%**

Reconciliation of total published balance sheet size and on balance sheet exposure

(Amount in ₹ 000)

	Leverage ratio framework	
1	Total consolidated assets as per published financial statements	103,480,797
2	Replacement cost associated with all derivatives transactions, i.e. net of eligible cash variation margin	(22,542,117)
3	**On-balance sheet exposure under leverage ratio (excluding derivatives and SFTs)**	**80,938,680**