

Borkar & Muzumdar
Chartered Accountants
21-168, Anand Nagar,
Vakola, Santacruz East,
Mumbai 400055

Price Waterhouse LLP
Chartered Accountants
NESCO IT Park, Gate No. 3,
Western Express Highway, Goregaon East
Mumbai - 400 063

Independent Auditor's Report

To the Chief Executive Officer of BNP Paribas – Indian branches

Report on Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of BNP Paribas – Indian branches ("the Bank"), which comprise the Balance Sheet as at March 31, 2023, and the Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with notes thereon give the information required by the provisions of 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 ("RBI"), in the manner so required for banking companies and are in conformity with accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Bank as at March 31, 2023, 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 Financial Statements" section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the 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.

Other Information

4. The Bank's Management is not required to prepare an annual report. Accordingly, the requirement for our reporting on such other information is not applicable.

Responsibilities of management and those charged with governance for the Financial Statements

5. The Bank's management is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, and the provisions of Section 29 of the Banking Regulations Act, 1949 and circulars and guidelines 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,



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To the Chief Executive Officer of BNP Paribas – Indian branches
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implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. The management is also responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a 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.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements 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 auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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To the Chief Executive Officer of BNP Paribas – Indian branches
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9. 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.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

11. In our opinion, 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.
12. As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:
 - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) the transactions of the Bank, which have come to our notice during the course of our audit, have been within the powers of the Bank; and
 - (c) during the course of our audit, we have visited 5 branches to examine the books of account and other records maintained at the branch and performed other relevant audit procedures. As the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally at Mumbai as all the necessary records and data required for the purposes of our audit are available there.
13. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
 - (e) The requirements of Section 164(2) of the Act are not applicable to the Bank considering it is a branch of BNP Paribas SA which is incorporated and registered in the France with limited liability.



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To the Chief Executive Officer of BNP Paribas – Indian branches
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- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (g) 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Schedule 12 and Note 18(25) to the financial statements;
 - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Schedule 12 and Note 18(7) to the financial statements;
 - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Bank, during the year ended March 31, 2023.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 18(28) to the financial statements);
(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 18(29) to the financial statements); and
(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The requirements of Section 123 of the Act are not applicable to the Bank considering it is a branch of BNP Paribas SA which is incorporated and registered in the France with limited liability. Hence reporting under Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Bank only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.



INDEPENDENT AUDITOR'S REPORT

To the Chief Executive Officer of BNP Paribas – Indian branches
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14. The provisions of Section 197 of the Act are not applicable to the Bank by virtue of Section 35B(2A) of the Banking Regulation Act, 1949. Accordingly, the reporting under Section 197(16) of the Act regarding payment/provision for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, is not applicable.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration Number: 101569W



Devang Vaghani
Partner
Membership Number: 109386

UDIN: 23109386BGWGKZ6895

Place: Mumbai
Date: June 26, 2023



For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264



Sharad Agarwal
Partner
Membership Number: 118522

UDIN: 23118522BGYIOB3564

Place: Mumbai
Date: June 26, 2023



Borkar & Muzumdar
Chartered Accountants
21-168, Anand Nagar,
Vakola, Santacruz East,
Mumbai 400055

Price Waterhouse LLP
Chartered Accountants
NESCO IT Park, Gate No. 3,
Western Express Highway, Goregaon East
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Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the Chief Executive Officer of BNP Paribas – Indian branches on the financial statements for the year ended March 31, 2023

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Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of BNP Paribas – Indian branches (“the Bank”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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 Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was 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 system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 system with reference to financial statements.



Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the Chief Executive Officer of BNP Paribas – Indian branches on the financial statements for the year ended March 31, 2023

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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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with 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.

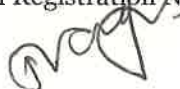
Inherent Limitations of Internal Financial Controls with reference to financial statements

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, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration Number: 101569W



Devang Vaghani
Partner
Membership Number: 109386

UDIN: 23109386BGWGKZ6895

Place: Mumbai
Date: June 26, 2023



For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264



Sharad Agarwal
Partner
Membership Number: 118522

UDIN: 23118522BGYIOB3564

Place: Mumbai
Date: June 26, 2023



BNP PARIBAS -- INDIAN BRANCHES
(Incorporated in France with limited liability)

BALANCE SHEET AS AT MARCH 31, 2023
(Amounts in thousands of Indian Rupees)

	<u>Schedule</u>	<u>As on</u> <u>March 31, 2023</u>	<u>As on</u> <u>March 31, 2022</u>
<u>CAPITAL AND LIABILITIES</u>			
Capital	1	70,786,379	70,786,379
Reserves and Surplus	2	44,129,630	41,930,295
Deposits	3	189,090,630	255,919,808
Borrowings	4	142,965,164	101,214,981
Other Liabilities and Provisions	5	169,350,297	123,325,402
		<u>616,322,100</u>	<u>593,176,865</u>
<u>ASSETS</u>			
Cash and balances with Reserve Bank of India	6	10,813,438	85,397,287
Balances with banks and Money at Call and Short Notice	7	29,564,978	51,974,047
Investments	8	284,688,116	208,275,740
Advances	9	115,978,755	118,810,229
Fixed Assets	10	788,321	875,353
Other Assets	11	174,488,492	127,844,209
		<u>616,322,100</u>	<u>593,176,865</u>
Contingent Liabilities	12	<u>15,583,506,204</u>	<u>9,416,626,974</u>
Bills for Collection		<u>77,873,397</u>	<u>81,210,561</u>

Significant Accounting Policies and Notes to the Financial Statements 17 & 18

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

In terms of our report of even date attached.

For **Price Waterhouse LLP**

Chartered Accountants

Firm's Registration No.301112E /E300264



Sharad Agarwal
Partner
Membership No. 118522
Place : Mumbai
Date : June 26, 2023

For **BNP Paribas – Indian Branches**



Sapjy Singh
Head of Territory and Chief Executive Officer
Place : Mumbai
Date : June 26, 2023

For **Borkar & Muzumdar**

Chartered Accountants

Firm's Registration No. 101569W



Devang Vaghani
Partner
Membership No. 109386
Place: Mumbai
Date : June 26, 2023




Grzegorz Marczuk
Chief Operating Officer
Place : Mumbai
Date : June 26, 2023



Deepak Dalmia
Chief Financial Officer
Place : Mumbai
Date : June 26, 2023



BNP PARIBAS -- INDIAN BRANCHES
(Incorporated in France with limited liability)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023
(Amounts in thousands of Indian Rupees)

	<u>Schedule</u>	<u>For the year ended</u> <u>March 31, 2023</u>	<u>For the year ended</u> <u>March 31, 2022</u>
<u>I. INCOME</u>			
Interest earned	13	26,076,147	20,956,665
Other Income	14	3,234,911	2,545,827
		<u>29,311,058</u>	<u>23,502,492</u>
<u>II. EXPENDITURE</u>			
Interest expended	15	14,161,135	8,235,641
Operating expenses	16	6,334,980	6,108,918
Provisions and Contingencies	18(14)(e)	4,080,967	4,036,598
		<u>24,577,082</u>	<u>18,381,157</u>
<u>III. PROFIT/(LOSS)</u>			
Net profit for the year		4,733,976	5,121,335
Profit brought forward		-	-
		<u>4,733,976</u>	<u>5,121,335</u>
<u>IV. APPROPRIATIONS</u>			
Transfer to Statutory Reserve		1,183,494	1,280,334
Transfer from Revaluation Reserve		(29,931)	(81,861)
Transfer to General Reserve		29,931	81,861
Transfer to Investment Fluctuation Reserve Account		999,144	1,217,057
Transfer to / (from) Capital Reserve Account		2,820	89,303
Balance carried over to Balance Sheet		2,548,518	2,534,641
		<u>4,733,976</u>	<u>5,121,335</u>

Significant Accounting Policies And Notes to the Financial Statements

17 & 18

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

In terms of our report of even date attached.

For **Price Waterhouse LLP**

Chartered Accountants

Firm's Registration No.301112E /E300264



Sharad Agarwal

Partner

Membership No. 118522

Place : Mumbai

Date : June 26, 2023

For **BNP Paribas – Indian Branches**



Sanjay Singh

Head of Territory and Chief Executive Officer

Place : Mumbai

Date : June 26, 2023

For **Borkar & Muzumdar**

Chartered Accountants

Firm's Registration No. 101569W



Devang Vaghani

Partner

Membership No. 109386

Place: Mumbai

Date: June 26, 2023




Grzegorz Marczuk

Chief Operating Officer

Place : Mumbai

Date : June 26, 2023




Deepak Dalmia

Chief Financial Officer

Place : Mumbai

Date : June 26, 2023

BNP PARIBAS -- INDIAN BRANCHES
(Incorporated in France with Limited Liability)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023
(Amounts in thousands of Indian Rupees)

	<u>For the year ended</u> <u>March 31, 2023</u>	<u>For the year ended</u> <u>March 31, 2022</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Taxes	8,940,681	10,014,308
Adjustment for:		
Depreciation on Bank's property	142,453	145,934
(Profit) / Loss on sale of fixed assets	(7,832)	(78,302)
Provision for Standard Assets	94,998	289,802
Other Provisions	(220,736)	(1,146,177)
Provision for Depreciation on investments (net)	463,015	4,370,194
Operating Profit before working capital changes	<u>9,412,579</u>	<u>13,595,759</u>
Adjustments for:		
(Increase) / Decrease in Investments	(76,875,391)	(56,767,877)
(Increase) / Decrease in Advances	2,831,474	(14,224,945)
(Increase) / Decrease in Other Assets	(46,609,339)	(28,222,643)
Increase / (Decrease) in Deposits	(66,829,178)	75,910,948
Increase / (Decrease) in Other Liabilities and Provisions	45,877,231	18,174,810
	(132,192,624)	8,466,052
Direct Taxes paid (net)	(3,968,252)	(4,596,035)
Net Cash from / (used in) Operating activities	<u>(136,160,876)</u>	<u>3,870,017</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(69,817)	(129,194)
Proceeds from sale of Fixed Assets	22,232.93	171,198
Net Cash from / (used in) Operating activities	<u>(47,584)</u>	<u>42,004</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest-free funds from Head Office as CRM	-	25,973,520
Increase / (Decrease) in Borrowings	41,750,183	24,724,625
Proceeds from issue of Subordinated Debts	2,630,572	1,808,084
Repayment of Subordinated Debts	(2,630,572)	(1,808,084)
Profits repatriated to Head Office	(2,534,641)	(1,683,447)
Net Cash from Financing activities	<u>39,215,542</u>	<u>49,014,698</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(96,992,918)</u>	<u>52,926,719</u>
Cash and cash equivalents at the beginning of the year as per Schedules 6 & 7		
Cash and Balances with Reserve Bank of India (Schedule 6)	85,397,287	34,497,380
Balances with banks and Money at Call and Short Notice (Schedule 7)	51,974,047	49,947,235
	<u>137,371,334</u>	<u>84,444,615</u>
Cash and cash equivalents at the end of the year as per Schedules 6 & 7		
Cash and Balances with Reserve Bank of India (Schedule 6)	10,813,438	85,397,287
Balances with banks and Money at Call and Short Notice (Schedule 7)	29,564,978	51,974,047
	<u>40,378,416</u>	<u>137,371,334</u>

Note :

The above cash flow statement has been prepared under the indirect method set out in Accounting Standard 3 specified under section 133 of the Companies Act, 2013.

In terms of our report of even date attached.

For Price Waterhouse LLP
Chartered Accountants
Firm's Registration No.301112E/E300264


Sharad Agarwal

Partner
Membership No. 118522
Place : Mumbai
Date : June 26, 2023

For Borkar & Muzumdar
Chartered Accountants
Firm's Registration No. 101569W


Devang Vaghani

Partner
Membership No. 109386
Place : Mumbai
Date : June 26, 2023



For BNP Paribas - Indian Branches


Sanjiv Singh

Head of Territory and Chief Executive Officer
Place : Mumbai
Date : June 26, 2023


Grzegorz Marczuk
Chief Operating Officer
Place : Mumbai
Date : June 26, 2023


Deepak Dalmia
Chief Financial Officer
Place : Mumbai
Date : June 26, 2023



BNP PARIBAS -- INDIAN BRANCHES
(Incorporated in France with limited liability)

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Amounts in thousands of Indian Rupees)

	<u>As on March 31, 2023</u>	<u>As on March 31, 2022</u>
SCHEDULE 1. CAPITAL		
Head Office Account		
Opening balance	70,786,379	44,812,859
Additional capital received from Head Office during the year	-	25,973,520
Closing balance	<u>70,786,379</u>	<u>70,786,379</u>
Deposit placed with the RBI under Section 11(2)(b) of the Banking Regulation Act, 1949 (Face Value)	<u>39,930,000</u>	<u>39,930,000</u>
Includes an amount of INR 27,180,000 (2022 - INR 27,180,000) (Face Value) held as deposit and has been designated as Credit Risk Mitigation (CRM) for offsetting of noncentrally cleared derivative exposures to Head Office (including overseas branches), and is not reckoned for regulatory capital and any other statutory requirements.		
SCHEDULE 2. RESERVES AND SURPLUS		
a. Statutory Reserve		
Opening balance	11,054,735	9,774,401
Additions during the year	1,183,494	1,280,334
Closing balance	<u>12,238,229</u>	<u>11,054,735</u>
b. Capital Reserve		
Opening balance	233,330	144,027
Additions during the year	2,820	89,303
Closing balance	<u>236,150</u>	<u>233,330</u>
c. Remittable Surplus retained for Capital Adequacy		
Opening balance	22,064,330	22,064,330
Additions during the year	-	-
Closing balance	<u>22,064,330</u>	<u>22,064,330</u>
d. General Reserve		
Opening balance	434,928	353,067
Additions during the year	29,931	81,861
Closing balance	<u>464,859</u>	<u>434,928</u>
e. Revaluation Reserve (Refer Schedule 18 (17))		
Opening balance	490,146	572,007
Transferred to Balance in Profit and Loss Account	(29,931)	(81,861)
Closing balance	<u>460,215</u>	<u>490,146</u>
f. Investment Reserve Account		
Opening balance	423,566	423,566
Additions during the year	-	-
Closing balance	<u>423,566</u>	<u>423,566</u>



BNP PARIBAS -- INDIAN BRANCHES
(Incorporated in France with limited liability)

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Amounts in thousands of Indian Rupees)

	<u>As on March 31, 2023</u>	<u>As on March 31, 2022</u>
g. Investment Fluctuation Reserve Account (Refer Schedule 18 (3)(b))		
Opening balance	4,694,619	3,477,562
Additions during the year	999,144	1,217,057
Closing balance	<u>5,693,763</u>	<u>4,694,619</u>
h. Balance in Profit and Loss Account		
Opening balance	2,534,641	1,683,447
Additions during the year	2,548,518	2,534,641
Deductions during the year	(2,534,641)	(1,683,447)
Closing balance	<u>2,548,518</u>	<u>2,534,641</u>
	<u>44,129,630</u>	<u>41,930,295</u>
SCHEDULE 3. DEPOSITS		
A.i. Demand Deposits		
(i) From Banks	491,616	229,045
(ii) From Others	49,363,760	53,607,388
II. Savings Bank Deposits	62,893	89,524
III. Term Deposits		
(i) From Banks	10,334,565	28,101,486
(ii) From Others	128,837,796	173,892,365
	<u>189,090,630</u>	<u>255,919,808</u>
B.i. Deposits of branches in India	189,090,630	255,919,808
II. Deposits of branches outside India	-	-
	<u>189,090,630</u>	<u>255,919,808</u>
SCHEDULE 4. BORROWINGS		
I. Borrowings in India		
(i) Reserve Bank of India	-	-
(ii) Other Banks	291	-
(iii) Other institutions and agencies	133,181,793	89,741,406
	<u>133,182,084</u>	<u>89,741,406</u>
II. Borrowings outside India		
(i) Subordinated Debt from Head Office (Refer Schedule 18(30))	9,615,069	9,053,650
(ii) Others	168,011	2,419,925
	<u>9,783,080</u>	<u>11,473,575</u>
	<u>142,965,164</u>	<u>101,214,981</u>
Secured borrowings included in I and II above	<u>133,181,793</u>	<u>89,741,406</u>



BNP PARIBAS -- INDIAN BRANCHES
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SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amounts in thousands of Indian Rupees)

	<u>As on March 31, 2023</u>	<u>As on March 31, 2022</u>
SCHEDULE 5. OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	184,757	163,448
II. Inter-office adjustments (net)	-	-
III. Interest accrued	1,724,788	1,186,386
IV. Provision for tax (net of advance tax)	1,053,658	780,261
V. Others* (Including provisions)	166,387,094	121,195,307
	<u>169,350,297</u>	<u>123,325,402</u>

*Included in Others is an amount of Rs.1,327,050 (2022 - Rs. 1,232,052), Rs.375,154 (2022 - Rs. 666,345) and Rs.69,321 (2022 - Rs. 23,189) pertaining to provisions made against standard assets, unhedged foreign currency exposures and additional provision of 3% on the incremental exposure to the "Specified Borrowers" (except NBFCs / HFCs) beyond normally permitted lending limit (NPLL) as defined by RBI respectively.

Further, included in 'Others' exceeding 1% of the total asset is Cash Collateral for Derivatives Rs. 26,458,890 (2022- Rs. 21,679,490) and Marked to Market on Derivative Transactions Rs. 125,120,381 (2022- Rs.85,127,093)

SCHEDULE 6. CASH AND BALANCES WITH RESERVE BANK OF INDIA

I. Cash in hand	108,596	32,618
II. Balances with Reserve Bank of India		
(i) In current accounts	9,894,842	13,234,669
(ii) In other accounts*	810,000	72,130,000
	<u>10,813,438</u>	<u>85,397,287</u>

*Represents secured lending to RBI under Liquidity Adjustment Facility of Rs. Nil (2022 - Rs. 72,130,000)

SCHEDULE 7. BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

I. In India		
(i) Balances with Banks		
(a) In current accounts	7,503	7,524
(b) In Other Deposit Accounts	10,271,250	28,422,188
(ii) Money at call and short notice		
(a) With Banks	-	-
(b) With other Institutions	3,361,692	1,928,883
	<u>13,640,445</u>	<u>30,358,595</u>
II. Outside India		
(i) In current accounts	2,366,483	12,141,389
(ii) In other Deposit Accounts	-	-
(iii) In Money at call and short notice*	13,558,050	9,474,063
	<u>15,924,533</u>	<u>21,615,452</u>
	<u>29,564,978</u>	<u>51,974,047</u>

*Represents secured lending under Reverse Repo and Triparty Repo



BNP PARIBAS -- INDIAN BRANCHES
(Incorporated in France with limited liability)

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amounts in thousands of Indian Rupees)

	<u>As on March 31, 2023</u>	<u>As on March 31, 2022</u>
SCHEDULE 8. INVESTMENTS		
I. Investments in India in		
(i) Government Securities *	287,593,105	206,319,940
(ii) Other approved securities	-	-
(iii) Shares **	50	51
(iv) Debentures and Bonds	1,450,000	3,850,495
(v) Subsidiaries and/or joint ventures	-	-
(vi) Others	994,578	2,991,856
	<u>290,037,733</u>	<u>213,162,342</u>
Less: Provision for diminution	(5,349,617)	(4,886,602)
	<u>284,688,116</u>	<u>208,275,740</u>
II. Investments outside India		
	-	-
	<u>284,688,116</u>	<u>208,275,740</u>
* Investments include securities pledged as collateral with CCIL for TREPS Rs. 24,408,721 (2022 - Rs. 18,529,720) and for Market Repo Rs.111,162,100 (2022 - Rs. 70,802,900), deposit kept with the RBI under Section 11(2)(b) of the Banking Regulation Act, 1949 of Rs. 39,930,000 (2022 - Rs. 39,930,000) and securities of Rs. 21,150,000 (2022 - Rs. 13,680,000) pledged for margin requirements.		
** net of provision for non-performing investments of Rs. Nil (2022 - Rs. 25,234)		
SCHEDULE 9. ADVANCES		
A. (i) Bills purchased and discounted		
	19,023,637	15,469,166
(ii) Cash credits, overdrafts and loans repayable on demand	75,624,298	82,787,270
(iii) Term loans	21,330,820	20,553,793
	<u>115,978,755</u>	<u>118,810,229</u>
B. (i) Secured by tangible assets		
(Includes advances against book debts)	8,031,261	3,054,472
(ii) Covered by Bank/Government Guarantees	5,797,568	5,520,284
(iii) Unsecured	102,149,926	110,235,473
	<u>115,978,755</u>	<u>118,810,229</u>
C. I. Advances in India		
(i) Priority sectors	24,325,321	24,391,618
(ii) Public sector	-	-
(iii) Banks	1,546,270	-
(iv) Others	90,107,164	94,418,611
	<u>115,978,755</u>	<u>118,810,229</u>
II. Advances outside India		
	-	-
	<u>115,978,755</u>	<u>118,810,229</u>



BNP PARIBAS -- INDIAN BRANCHES
(Incorporated in France with limited liability)

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Amounts in thousands of Indian Rupees)

	<u>As on March 31, 2023</u>	<u>As on March 31, 2022</u>
SCHEDULE 10. FIXED ASSETS		
I. Premises (Refer Schedule 18 (17))		
At Cost		
Beginning of the year	1,155,770	1,289,200
Additions during the year	-	-
Deductions during the year	(34,142)	(133,430)
	<u>1,121,628</u>	<u>1,155,770</u>
Depreciation to date		
Beginning of the year	618,594	633,276
Additions during the year	27,938	31,324
Deductions during the year	(20,225)	(46,006)
	<u>626,307</u>	<u>618,594</u>
	<u>495,321</u>	<u>537,176</u>
II. Other Fixed Assets (including furniture and fixtures)		
At Cost		
Beginning of the year	893,060	876,180
Additions/transfer during the year	69,817	129,194
Deductions during the year	(98,043)	(112,314)
	<u>864,834</u>	<u>893,060</u>
Depreciation to date		
Beginning of the year	554,883	547,115
Additions during the year	114,444	114,615
Deductions during the year	(97,493)	(106,847)
	<u>571,834</u>	<u>554,883</u>
	<u>293,000</u>	<u>338,177</u>
	<u>788,321</u>	<u>875,353</u>
SCHEDULE 11. OTHER ASSETS		
I. Inter-office adjustment (net)	-	-
II. Interest accrued	3,645,674	3,887,075
III. Tax paid in advance/tax deducted at source	-	-
IV. Stationery and stamps	60	82
V. Non-banking assets acquired in satisfaction of claims	-	-
VI. Others*	170,842,758	123,957,052
	<u>174,488,492</u>	<u>127,844,209</u>

*Included in 'Others' exceeding 1% of the total asset is Cash Collateral for Derivatives Rs. 6,538,990 (2022- Rs. 4,392,500) and Marked to Market on Derivative Transactions Rs. 155,369,221 (2022- Rs. 113,533,600)



BNP PARIBAS -- INDIAN BRANCHES
(Incorporated in France with limited liability)

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
(Amounts in thousands of Indian Rupees)

	<u>As on March 31, 2023</u>	<u>As on March 31, 2022</u>
SCHEDULE 12. CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	6,262,095	5,086,580
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward	2,624,886,852	1,822,607,128
IV. Guarantees given on behalf of constituents		
(a) In India	68,483,945	71,133,729
(b) Outside India	33,573,000	46,124,620
V. Acceptances, endorsements and other obligations	19,325,134	15,359,131
VI. Other items for which the Bank is contingently liable		
(a) Interest Rate Swaps	11,027,558,432	5,932,942,027
(b) Currency Swaps	1,241,266,205	1,116,756,399
(c) Currency Options	481,384,521	325,363,928
(d) Forward Rate Agreement	77,552,200	69,274,600
(e) Currency Futures	27,579	372,293
(f) Others (Refer Schedule 18(25))	3,186,241	11,606,539
	<u>15,583,506,204</u>	<u>9,416,626,974</u>



BNP PARIBAS -- INDIAN BRANCHES
(Incorporated in France with limited liability)

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Amounts in thousands of Indian Rupees)

	<u>For the period ended</u> <u>March 31, 2023</u>	<u>For the year ended</u> <u>March 31, 2022</u>
SCHEDULE 13. INTEREST EARNED		
I. Interest/discount on advances/bills	9,884,152	6,680,983
II. Income on investments	14,007,349	12,750,651
III. Interest on Balance with RBI & other Inter-bank funds	1,694,059	1,376,313
IV. Others	490,587	148,718
	<hr/>	<hr/>
	26,076,147	20,956,665
SCHEDULE 14. OTHER INCOME		
I. Commission, exchange and brokerage (Refer Schedule 18(14)(b))	1,387,508	1,118,312
II. Profit/(Loss) on sale of investments (Net)	(3,499,114)	(1,540,578)
III. Profit/(Loss) on revaluation of Investments (Net)	(463,016)	(4,370,194)
IV. Profit/(Loss) on sale of Land, Building and other assets (Net)	7,832	78,302
V. Profit/(Loss) on exchange transactions and derivatives (Net)	5,663,832	7,080,666
VI. Miscellaneous income	137,869	179,319
	<hr/>	<hr/>
	3,234,911	2,545,827
SCHEDULE 15. INTEREST EXPENDED		
I. Interest on deposits	7,846,960	5,339,544
II. Interest on RBI/Inter-bank borrowings	410,933	168,991
III. Others*	5,903,242	2,727,106
	<hr/>	<hr/>
	14,161,135	8,235,641
*includes interest on repo with CCIL amounting to Rs. 4,319,539 (2022 - Rs.2,255,769)		
SCHEDULE 16. OPERATING EXPENSES		
I. Payments to and provisions for employees (Refer Schedule 18 (18))	2,128,011	2,016,336
II. Rent, taxes and lighting (Refer Schedule 18 (21))	319,537	286,206
III. Printing and Stationery	6,948	7,163
IV. Advertisement and Publicity	14,420	6,160
V. Depreciation on the Bank's property (Refer Schedule 18 (17))	142,453	145,934
VI. Auditors' fees and expenses	19,162	16,909
VII. Law charges	16,032	16,344
VIII. Postage, Telegrams, Telephones, etc.	47,126	41,814
IX. Repairs and maintenance	184,410	160,595
X. Insurance	327,383	269,457
XI. Head Office charges (Refer Schedule 18 (15))	709,736	732,093
XII. Other expenditure * (Refer Schedule 18(27))	2,419,762	2,409,907
	<hr/>	<hr/>
	6,334,980	6,108,918

* Included in 'other expenditure' exceeding 1% of the total income is IT support fees Rs. 935,478 (2022 - Rs. 902,265) and Other taxes & duties Rs. 422,614 (2022 - Rs. 346,911)



SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(A) BACKGROUND

The financial statements for the year ended March 31, 2023, comprise the Balance Sheet, Profit and Loss Account, Cash Flow Statement and a summary of the Significant Accounting Policies and other explanatory information of the Indian branches of BNP Paribas SA ('the Bank'), which is incorporated in France with limited liability. The financial accounting systems of the Bank are centralised and, therefore, accounting returns are not required to be submitted by branches of the Bank.

(B) BASIS OF PREPARATION

The financial statements are prepared and presented under the historical cost convention and on an accrual basis of accounting, unless otherwise stated and comply with the Generally Accepted Accounting Principles in India ('GAAP'), as amended to the extent applicable and conform to the statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time and the Accounting Standards notified under the Companies (Accounting Standards) Rule, 2021, specified under section 133 and other relevant provisions of the Companies Act 2013, to the extent applicable and the current practices prevailing within the banking industry in India.

(C) USE OF ESTIMATES

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

(D) SIGNIFICANT ACCOUNTING POLICIES

(1) REVENUE RECOGNITION

- (i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured, insofar as it is consistent with the statutory provisions and the guidelines issued by the RBI.
- (ii) Interest income is recognised on accrual basis except in case of non-performing assets where it is recognised upon realisation as per the RBI guidelines.
- (iii) Income on discounted instruments is recognised over the tenure of the instrument on a constant yield basis/straight line basis.
- (iv) Commission on LCs and guarantees is recognised over the life of the instrument on a straight line basis.
- (v) Other fee incomes are recognised at the time the services are rendered and a right to receive the same is established.



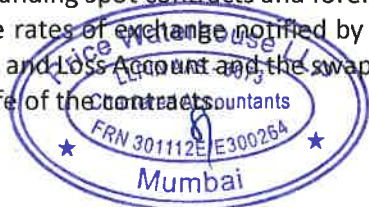
- (vi) The Bank participates in an integrated dealing room activity with its Head Office and other branches and account for its profits / losses on derivative transactions in accordance with Organisation for Economic Cooperation and Development ('OECD') approved Transfer pricing methodologies.
- (vii) Fees received on sale of Priority Sector Lending Certificates is considered as Miscellaneous Income, while fees paid for purchase is expensed as Other Expenses in accordance with the guidelines issued by the RBI.

(2) TRANSACTIONS INVOLVING FOREIGN EXCHANGE

- (i) Income and expenditure denominated in foreign currencies are accounted at rates prevailing on the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Profit and Loss Account of the year.
- (ii) Monetary assets and liabilities denominated in foreign currency as at the Balance Sheet date are translated at the closing exchange rates notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant gains or losses are recognised in the Profit and Loss Account.

(3) DERIVATIVE TRANSACTIONS

- (i) Outstanding derivative transactions designated as 'Trading', which include Interest Rate Swaps ('IRS'), Cross Currency Swaps ('CCS'), Forward Rate Agreement ('FRA'), Currency Futures and Currency Options are marked to market using the present value methodology. The resulting gains or losses are included in the Profit and Loss Account with the unrealised gains or losses on these products are recorded in the Balance Sheet under 'Other Assets' or 'Other Liabilities and Provisions' respectively.
- (ii) Derivative transactions undertaken for hedging purposes are accounted for on an accrual basis, except those undertaken for hedging an asset or liability that is carried at lower of cost or market value in the financial statements. In such cases, the derivatives are marked to market with the resulting profits or losses being recorded as adjustments to the market values of the designated assets or liabilities.
- (iii) Premium paid and received on options is accounted on expiry of the option in the Profit and Loss Account. The options are marked to market using the Present Value methodology and the resulting profits or losses are recognised in the Profit and Loss Account.
- (iv) Amounts due to the Bank under derivative contracts which remain overdue for more than 90 days and mark to market gains on other derivative contracts with the same counterparty are reversed through the Profit and Loss Account.
- (v) Currency futures contracts are marked to market using daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day. All open positions are marked to market daily based on the settlement price and the resultant gains / losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house daily and such gains/ losses are recognised in the Profit and Loss Account.
- (vi) Outstanding spot contracts and foreign exchange swap contracts in banking book are revalued at the rates of exchange notified by FEDAI, the resulting gains or losses are recognised in the Profit and Loss Account and the swap premium is amortised to the Profit and Loss Account over the life of the contracts.



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

- (vii) Contingent liabilities in respect of outstanding forward exchange contracts, letters of credit guarantees, acceptances, endorsements and other obligations designated in foreign currencies are stated at the closing spot rates of exchange notified by FEDAI at the year-end.
- (viii) Forward exchange contracts and other derivative contracts which have overdue receivables remaining unpaid over 90 days or more are classified as non-performing assets and provided for as per the extant master circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning issued by the RBI.
- (ix) Forward Rate Agreement (FRA) is an over-the-counter derivative contract between parties that determines the bond price to be paid or received beforehand, based on a specified notional amount. FRAs are cash settled on the settlement date. The settlement amount is computed based on the difference between the fixed price agreed upon between the counterparties at the time of entering into the FRA and the floating price as determined on the settlement date. The floating price is determined based on the yield of the underlying Indian Government Security. FRAs are marked to market using the present value methodology and the resultant gains / losses are recognised in the Profit and Loss Account. The Indian Government Security is classified as Available for Sale and is marked to market on a monthly basis.

(4) INVESTMENTS

(i) Accounting and Classification

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

Investments in securities are accounted on 'Settlement Date' basis.

(ii) Valuation

Held to Maturity:

Government securities and debentures and bonds acquired by the Bank with the intention to hold them up to maturity are classified as held to maturity investments and are valued at cost. In case the cost price is higher than the face value, such premium is amortised over the period to maturity. Where the cost price is less than the face value, such discount is ignored.

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



Available for Sale:

Investments in this category are marked to market monthly and the net depreciation, if any, within each group is recognised in the Profit and Loss Account. Net appreciation, if any, is ignored except to the extent of depreciation previously provided. The market value of Government securities is determined on the basis of market quotations at the year-end declared on Fixed Income Money Market and Derivatives Association of India ('FIMMDA') website by Financial Benchmark India Pvt. Ltd. (FBIL).

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

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

Unquoted equity shares are valued at the break-up value, if the latest balance sheet is available or at ₹ 1 as per the RBI guidelines in case the latest balance sheet is not available.

Discounted instruments are valued at carrying cost.

Held for Trading:

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

Acquisition Cost

Cost including brokerage and commission pertaining to investments paid at the time of acquisition are charged to the Profit and Loss Account. Cost of investments is computed based on First in First out Method for all categories of Investments including Short sales.

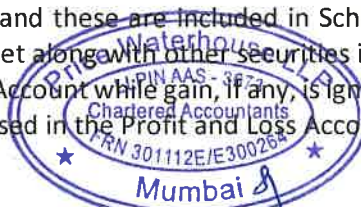
Broken period interest (the amount of interest from the previous interest payment date till the date of purchase / sale of instrument) on debt instrument is treated as a revenue item.

(iii) **Transfer between categories**

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

(iv) **Short Sale**

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines and these are included in Schedule 5 – Other Liabilities. The short position is marked to market along with other securities in that category and loss, if any, is charged to the Profit and Loss Account while gain, if any, is ignored. Profit / loss on settlement of the short position are recognised in the Profit and Loss Account.



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

Held to Maturity:

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

Available for Sale and Held for Trading:

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

(vi) **Repurchase and Reverse Repurchase transactions**

Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) including liquidity adjustment facility (LAF) with RBI are treated as collateralised borrowing and lending transactions respectively in accordance with RBI guidelines. The first leg of the repo transaction is contracted at the prevailing market rates. The difference between consideration amounts of first and second (reversal of first) leg reflects interest and is recognised as interest income/expense over the period of transaction.

(vii) Separate queues are followed for trading and non-trading securities per intention at inception of the transaction.

(viii) In accordance with RBI guidelines, the provision on account of depreciation in the HFT and AFS categories in excess of the required amount is credited to the Profit and Loss Account and an equivalent amount (net of taxes and net of transfer to Statutory Reserve as applicable to such excess provision) is appropriated to an Investment Reserve Account shown under Schedule 2. The provision required to be created on account of depreciation in the HFT and AFS categories is debited to the Profit and Loss Account and an equivalent amount (net of taxes and net of reduction in transfer to Statutory Reserves) may be transferred from the Investment Reserve Account to the Profit and Loss Account.

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

(x) **Investment fluctuation reserve**

The Bank creates an Investment Fluctuation Reserve (“IFR”) as per the RBI’s Master Direction – Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 as amended from time to time. The amount to be transferred to IFR is an amount lower of net profit on sale of investments during the year or 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.

(5) ADVANCES

(i) Advances are classified as performing and non-performing based on prudential norms for income recognition, asset classification and provisioning issued by the RBI. Interest on non-performing advances is recognised in the Profit and Loss Account on realisation.

(ii) Advances are net of loan loss provisions, provisions for impaired assets, Export Credit Guarantee Corporation of India Ltd. (ECGC) claims and bills rediscounted.

Loan loss provisions in respect of non-performing advances are made based on management’s assessment of the degree of impairment of the advances, subject to the minimum provisioning level in accordance with the RBI guidelines.



- (iv) Bank maintains a general loan loss provision on standard advances and derivative exposures as prescribed by the RBI. Such provisions are included in Schedule 5- “Other Liabilities and Provisions” and are not considered for arriving at Net NPAs. Partial recoveries in non-performing account are first appropriated towards interest.
- (v) The Bank estimates the inherent risk of the unhedged foreign currency exposures (UFCE) of its borrowers as per the regulatory guidelines stipulated by the RBI from time to time and recognises incremental provisions on exposures to such entities as per methodology prescribed. These provisions are reported under Schedule 5-Other Liabilities and Provisions.
- (vi) In addition to the provisions required to be held as per asset classification status, provisions are held for individual country exposures, including indirect country risk as per RBI guidelines.
- (vii) Exposure is classified into seven risk categories as mentioned in ECGC guidelines and provisioning is done for that country if the net funded exposure is one percent or more of Bank’s total assets based on rates stipulated by the RBI. These provisions are reported under Schedule 5 – Other Liabilities and provisions.
- (viii) In case of restructured/rescheduled assets, provision is made in accordance with the guidelines issued by the RBI, which require the diminution in the fair value of the assets to be provided in the Profit and Loss Account at the time of restructuring.
- (ix) Receivables acquired under factoring are treated as a part of loans and advances and included under Schedule 9 - Advances under the head ‘Bills Purchased and Discounted’.

(6) FIXED ASSETS AND DEPRECIATION

- (i) Fixed assets are stated at cost less accumulated depreciation, provision for impairment and adjusted for any revaluations as ascertained by the Management. The carrying amount of fixed assets is reviewed at each Balance Sheet date for any indication of impairment based on internal/external factors.
- (ii) Depreciation on fixed assets is provided on straight-line method over estimated useful lives of the assets, as determined by the Management based on the nature of asset, the estimated usage of the asset, past history of replacement, anticipated technology changes and the operating conditions surrounding the use of the asset at rates which are higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. The below rates are reflective of the Management’s estimate of the useful lives of the related fixed assets.

Asset Class	Estimated useful as assessed by the Bank
Owned Premises	41 years to 48 years
Improvements to Owned Premises	10 years
Vehicles	5 years
Computers and Servers	3 years to 5 years
Furniture and Fixtures	3 years to 10 years
Plant and Machinery & Office Equipment	2 years to 5 years
Mobile Phones	2 years

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



- (iv) Amortisation of software is provided based on the useful life of the software or five years whichever is lower.
- (v) Assets purchased / sold during the year are depreciated on a pro-rata basis for actual number of days the asset has been put to use.

(7) LEASES

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

(8) EMPLOYEE BENEFITS

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

Provident Fund

Contributions to the Bank's Provident Fund, which is a defined benefit plan, are accounted for on accrual basis and recognised in the Profit and Loss Account. The Provident Fund liability has been determined by an independent actuary as per the projected unit credit method. Actuarial gains and losses are immediately recognised in the Profit and Loss Account. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Gratuity and Pension

Gratuity and pension schemes are defined benefit plans. The net present value of the Bank's obligation towards the defined benefit plans is actuarially determined based on the projected unit credit method as mentioned under Accounting Standard 15, Employee Benefits (Revised) as at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Profit and Loss Account.

Compensated Absences

Liability for compensated absences for employees is provided on the basis of an actuarial valuation conducted by an independent actuary, using projected unit credit method as mentioned under Accounting Standard 15, Employee Benefits (Revised) as at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Profit and Loss Account.

Deferred Bonus

The Bank accounts for its defined benefit obligations for non-funded deferred bonus benefits on the basis of an independent actuarial valuation as per the projected unit credit method as mentioned under Accounting Standard 15, Employee Benefits (Revised) at the end of each financial year.

Long term service awards

The Bank provides for long term service liability, for eligible employees based on length of service, based on actuarial valuation performed by an independent actuary using the Projected Unit Credit Method as at the balance sheet date.



(9) TAXES ON INCOME

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

Deferred tax is recognised based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date in accordance with the Accounting Standard 22 (Accounting for taxes on income).

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

Deferred tax assets are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably / virtually certain to be realised. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

(10) PROVISIONS AND CONTINGENCIES

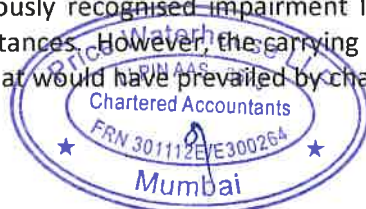
A provision is recognised when the Bank has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made in accordance with AS - 29 relating to Provisions, Contingent Liabilities and Contingent Assets. Provisions are not discounted (except for retirement benefits) to their present values and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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

Contingent assets are neither recognised nor disclosed in the financial statements.

(11) IMPAIRMENT

- (i) The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the assets over their remaining useful lives.
- (iii) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.



(12) CASH AND CASH EQUIVALENTS

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

(13) SEGMENT REPORTING

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

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



**SCHEDULE 18 - NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
MARCH 31, 2023**

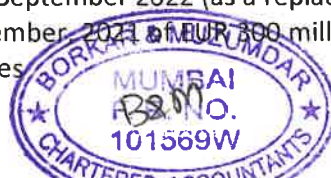
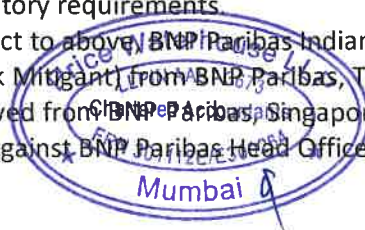
(1) CAPITAL ADEQUACY RATIO

- a) The capital adequacy ratio calculated as per the Basel III Capital Adequacy guidelines issued by the RBI is set out below:

(Rs. in crores)			
Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
i)	Common Equity Tier 1 capital (CET 1)	7,940.63	7,822.39
ii)	Additional Tier 1 capital	Nil	Nil
iii)	Tier 1 capital (i + ii)	7,940.63	7,822.39
iv)	Tier 2 capital	1,745.40	1,642.31
v)	Total capital (Tier 1+Tier 2)	9,686.03	9,464.70
vi)	Total Risk Weighted Assets (RWAs)	61,195.38	55,001.71
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)	12.98	14.22
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	12.98	14.22
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.85	2.99
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	15.83	17.21
xi)	Leverage Ratio	8.44	9.31
xii)	Percentage of the shareholding of the Government of India, State Governments, Sponsor Bank	Nil	Nil
xiii)	Amount of additional capital raised*	Nil	2,597.35
xiv)	Amount of Additional Tier 1 capital raised; of which Perpetual Non-Cumulative Preference Shares (PNCPS): Perpetual Debt Instruments (PDI)	Nil	Nil
xv)	Amount of Tier 2 capital raised; of which Perpetual Non-Cumulative Preference Shares (PNCPS): Perpetual Debt Instruments (PDI)	Nil	Nil

*Amount has been designated as Credit Risk Mitigant (CRM) for offsetting of non-centrally cleared derivative exposures to Head Office (including overseas branches), and is not reckoned for regulatory capital and any other statutory requirements.

With respect to above, BNP Paribas Indian Branches has received interest free funds of JPY 42 Billion as CRM (Credit Risk Mitigant) from BNP Paribas, Tokyo Branch on 30th September 2022 (as a replacement of original CRM received from BNP Paribas, Singapore Branch on 30 September, 2021 of EUR 300 million) for offsetting exposure against BNP Paribas Head Office and overseas branches.



b) Draw down from Reserves

The Bank has not drawn down any amount from any of the Reserves during the year (2022 – Nil).

(2) ASSET LIABILITY MANAGEMENT

a) Maturity pattern of certain items of assets and liabilities

As at March 31, 2023:

(Rs. in crores)

	1 day	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	1,330.99	3,736.20	1,824.64	2,518.43	2,402.86	1,543.89	619.45	1,246.57	3,680.81	0.61	4.63	18,909.08
Advances	21.70	802.86	834.05	787.11	502.96	654.64	576.03	699.17	6,088.73	630.62	-	11,597.87
Investments	21,958.78	1,091.41	430.53	660.23	1,441.35	605.98	539.18	108.37	868.47	671.00	93.52	28,468.82
Borrowings	16.83	7,676.26	936.98	1,454.98	1,615.97	1,633.98	-	-	-	-	961.51	14,296.51
Foreign Currency assets	268.54	1,356.41	-	13.97	0.94	266.93	9.84	831.69	0.59	0.21	197.21	2,946.33
Foreign Currency liabilities	198.56	112.14	130.74	11.67	0.01	0.07	0.03	24.82	610.32	0.76	961.58	2,050.70

The asset and liabilities in foreign currency exclude off-balance sheet assets and liabilities and are classified as per the guidelines issued by the RBI.

In accordance with the ALM guideline issued by RBI, the Bank has applied the behavioral study for certain assets and liabilities while compiling their maturity profiles.

As at March 31, 2022:

(Rs. in crores)

	1 day	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	1,882.94	4,232.53	3,389.11	3,033.44	2,871.88	2,310.36	2,375.05	2,144.06	3,352.53	0.08	-	25,591.98
Advances	79.59	1,274.58	954.67	560.15	427.08	412.47	330.71	187.57	6,857.31	630.93	165.96	11,881.02
Investments	14,292.68	1,179.20	526.77	915.11	444.95	499.27	1,005.89	278.69	1,396.65	206.64	81.72	20,827.57
Borrowings	241.10	3,650.14	1,266.98	1,798.95	2,258.97	-	-	-	-	-	905.36	10,121.50
Foreign Currency Assets	1,220.84	953.87	24.00	9.78	51.76	154.98	389.17	1,549.96	948.75	183.12	-	5,486.23
Foreign Currency Liabilities	608.77	168.51	184.24	0.01	0.00	0.04	0.04	11.50	582.33	1.01	907.65	2,464.10

The asset and liabilities in foreign currency exclude off-balance sheet assets and liabilities and are classified as per the guidelines issued by the RBI.

In accordance with the ALM guideline issued by RBI, the Bank has applied the behavioral study for certain assets and liabilities while compiling their maturity profiles.

b) Liquidity Coverage Ratio (LCR)

The Reserve Bank of India vide circular dated June 9, 2014 issued final guidelines on “Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards” as amended for “Prudential Guidelines on Capital Adequacy and Liquidity Standards” dated March 31, 2015. The objective of LCR is to ensure short-term resilience of banks against severe liquidity stress scenario by maintaining sufficient high quality liquid assets (HQLAs) that can be readily sold or used as collateral to raise cash with little or no loss of value to survive an acute stress scenario lasting for 30 days. The Bank has followed the guidelines prescribed/amended by RBI from time to time.



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

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

- SLR investments above the mandatory requirement, held unencumbered.
- Borrowing limit as allowed by RBI up to 2% and up to 15% of NDTL under Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) respectively.
- Investment in NCDs of non-financial entities rated AA- and above subject to applicable haircut.
- Investment in CPs of non-financial entities rated equivalent to the long-term rating of AA- or above subject to applicable haircut.
- Cash in hand and excess cash balances held with RBI.

The Bank's funding mix is diversified, sourced from multiple sources geographically. The liability mix consists of wholesale deposits, secured funding, capital and borrowings raised from Head Office.

Considering the extent of swapped foreign currency deposits, the Bank has limited exposure to deposits (outflows) held in foreign currency.

The liquidity need expected to arise out of potential collateral calls on Bank's derivatives exposure as collateral management of derivative transactions is centrally monitored and maintained by the Bank's regional office where the master agreements would cover multitude of overseas entities as well, is taken into consideration. The Bank believes that all material inflow and outflow transactions have been considered for LCR computation.

The Bank has bifurcated deposits into:

- a. Retail Deposits
- b. Unsecured Wholesale funding

The above deposits are further bifurcated into Callable Deposits and Non-Callable Deposits. The Callable Deposits included in LCR Computation are as follows:

- a) All deposits of less than Rs. 2 crores, irrespective of contractual maturity.
- b) Flexi Deposits
- c) Deposits of Broker / Securities entities where the Fixed Deposits are lien marked to the exchange and can be called by the exchange at any time, irrespective of contractual maturity.

The Non-Callable Deposits which are not included in the LCR computation are deposits of a value of Rs 2 crores or more (Bulk deposits). The terms of the Fixed deposit stipulate that premature withdrawal of Bulk deposits is not permitted, except at the sole discretion of the Bank and upon such conditions as the Bank may deem fit, but not limited to foreclosure penalty. Hence, such bulk deposits are not callable within the LCR's horizon of 30 days.



As per the guidelines, following is the disclosure of information on Liquidity Coverage Ratio (LCR).

As at March 31, 2023

(Rs. in crores)

	March 2023		December 2022		September 2022		June 2022			
	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)		10,462.70		10,200.18		9,299.53		10,916.11	
Cash Outflows										
2	Retail deposits and deposits from small business customers, of which:									
(i)	Stable deposits		-		-		-		-	
(ii)	Less stable deposits		-		-		-		-	
3	Unsecured wholesale funding, of which:		13,786.27		7,082.08		15,489.62		8,233.67	
(i)	Operational deposits (all counterparties)		-		-		-		-	
(ii)	Non-operational deposits (all counterparties)		13,786.16		7,082.03		15,489.62		8,233.67	
(iii)	Unsecured debt		0.12		0.05		-		-	
4	Secured wholesale funding		-		-		-		-	
5	Additional requirements, of which		2,543.14		2,103.56		2,799.12		2,019.32	
(i)	Outflows related to derivative exposures and other collateral requirements		736.12		736.12		670.57		670.57	
(ii)	Outflows related to loss of funding on debt products		-		-		-		-	
(iii)	Credit and liquidity facilities		533.58		94.00		920.22		140.41	
6	Other contractual funding obligations		12,518.63		375.56		12,402.37		372.07	
7	Other contingent funding obligations		26,190.34		2,054.12		25,493.22		1,979.20	
8	Total Cash Outflows		11,615.32		12,604.26		10,742.87		11,260.02	
Cash Inflows										
9	Secured lending (e.g. reverse repos)		903.00		-		231.26		-	
10	Inflows from fully performing exposures		7,506.41		4,771.01		8,738.09		6,075.12	
11	Other cash inflows		1,030.47		1,030.47		940.36		940.36	
12	Total Cash Inflows		9,439.88		5,801.48		9,909.71		7,015.48	
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
13	TOTAL HQLA		10,462.70		10,200.18		9,299.53		10,916.11	
14	Total Net Cash Outflows		5,813.84		5,588.79		4,940.01		5,559.14	
15	Liquidity Coverage Ratio (%)		179.96%		182.51%		188.25%		196.36%	



As at March 31, 2022

(Rs. in crores)

	March 2022		December 2021		September 2021		June 2021	
	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)		13,479.91		13,047.09		11,516.06		9,483.71
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	0.03	-	0.04	-	0.04	-	0.21	0.02
(i) Stable deposits	-	-	0.02	-	0.02	-	0.02	-
(ii) Less stable deposits	0.03	-	0.02	-	0.02	-	0.19	0.02
3 Unsecured wholesale funding, of which:	14,392.71	7,305.27	13,297.45	7,345.17	13,564.39	7,378.87	10,918.95	5,597.60
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	14,351.20	7,274.14	13,286.32	7,332.02	13,542.85	7,357.33	10,767.19	5,445.84
(iii) Unsecured debt	41.51	31.13	11.13	13.15	21.54	21.54	151.76	151.76
4 Secured wholesale funding		-		-		-		-
5 Additional requirements, of which	2,066.55	969.63	1,435.66	508.30	1,065.22	514.04	905.09	641.76
(i) Outflows related to derivative exposures and other collateral requirements	483.57	483.57	405.26	405.26	452.80	452.80	612.50	612.50
(ii) Outflows related to loss of funding on debt products	346.46	346.46	-	-	-	-	-	-
(iii) Credit and liquidity facilities	1,236.52	139.60	1,030.40	103.04	612.42	61.24	292.59	29.26
6 Other contractual funding obligations	12,661.26	379.84	12,453.98	373.62	11,594.55	347.84	11,368.57	341.06
7 Other contingent funding obligations	25,806.96	2,833.40	25,812.10	3,308.60	25,233.68	3,472.95	26,622.01	3,449.83
8 Total Cash Outflows		11,488.12		11,535.69		11,713.70		10,030.27
Cash Inflows								
9 Secured lending (e.g. reverse repos)	274.88	-	180.85	-	37.52	-	35.13	-
10 Inflows from fully performing exposures	5,286.15	3,593.38	5,326.64	3,481.86	7,811.73	5,410.73	6,521.26	4,693.01
11 Other cash inflows	504.75	504.75	327.82	327.82	453.39	467.03	836.11	836.11
12 Total Cash Inflows	6,065.78	4,098.13	5,835.31	3,809.68	8,302.64	5,877.76	7,392.50	5,529.12
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13 TOTAL HQLA		13,479.91		13,047.09		11,516.06		9,483.71
14 Total Net Cash Outflows		7,389.99		7,726.01		5,835.94		4,501.14
15 Liquidity Coverage Ratio (%)		182.41%		168.87%		197.33%		210.70%

The aforementioned table provides the LCR computation which is based on simple average of daily positions.



(3) INVESTMENTS

a) Composition of Investment Portfolio

As at March 31, 2023

(Rs. in crores)

	Investments in India						Total investments in India	Total Investments outside India	Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others			
Held to Maturity									
Gross	-	-	-	-	-	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-
Available for Sale									
Gross	25,457.98	-	0.01	145.00	-	99.46	25,702.45	-	25,702.45
Less: Provision for depreciation and NPI	(534.92)	-	-	(0.04)	-	-	(534.96)	-	(534.96)
Net	24,923.06	-	0.01	144.96	-	99.46	25,167.49	-	25,167.49
Held for Trading									
Gross	3,301.33	-	-	-	-	-	3,301.33	-	3,301.33
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-
Net	3,301.33	-	-	-	-	-	3,301.33	-	3,301.33
Total Investments	28,759.31	-	0.01	145.00	-	99.46	29,003.78	-	29,003.78
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	(534.92)	-	-	(0.04)	-	-	(534.96)	-	(534.96)
Net	28,224.39	-	0.01	144.96	-	99.46	28,468.82	-	28,468.82



As at March 31, 2022

(Rs. in crores)

	Investments in India							Total Investments outside India	Total Investments
	Government Securities	Other Approved Securities	Shares*	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India		
Held to Maturity									
Gross	-	-	-	-	-	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-
Available for Sale									
Gross	20,434.43	-	0.01	385.05	-	299.19	21,118.68	-	21,118.68
Less: Provision for depreciation and NPI	(485.95)	-	-	-	-	-	(485.95)	-	(485.95)
Net	19,948.48	-	0.01	385.05	-	299.19	20,632.73	-	20,632.73
Held for Trading									
Gross	197.56	-	-	-	-	-	197.56	-	197.56
Less: Provision for depreciation and NPI	(2.71)	-	-	-	-	-	(2.71)	-	(2.71)
Net	194.85	-	-	-	-	-	194.85	-	194.85
Total Investments	20,631.99	-	0.01	385.05	-	299.19	21,316.24	-	21,316.24
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	(488.66)	-	-	-	-	-	(488.66)	-	(488.66)
Net	20,143.33	-	0.01	385.05	-	299.19	20,827.58	-	20,827.58

* net of provision for non-performing investments.



b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	488.66	51.64
b) Add: Provisions made during the year	46.30	437.02
c) Less: Write off / write back of excess provisions during the year	-	-
d) Closing balance	534.96	488.66
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	469.46	347.75
b) Add: Amount transferred during the year	99.91	121.71
c) Less: Drawdown	-	-
d) Closing balance	569.37	469.46
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.00%	2.25%

c) Sale and transfers to/from HTM Category

- (i) The Bank does not have any investments under HTM category as at and during the year ended March 31, 2023 (2022 - Nil).
- (ii) The Bank has not invested in security receipts during the year ended March 31, 2023 (2022 - Nil).
- (iii) During the year, the Bank has not undertaken any transfers of securities to / from HTM category.

d) Non-SLR investment portfolio

(i) Non-performing Non-SLR investments:

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

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	2.52	4.23
Additions during the year	-	-
Reductions during the year*	2.52	1.71
Closing balance	-	2.52
Total provisions held	-	2.52

*The amount represents non- performing investments written off during the year.



(ii) Issuer composition of Non-SLR investments:

(Rs. in crores)

Sr No	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of Unrated Securities		Extent of Unlisted Securities	
		Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
1	2	3		4		5		6		7	
a)	Public sector undertakings ('PSUs')	0.01	0.01	0.01	0.01	-	-	0.01	0.01	0.01	0.01
b)	Financial institutions ('FIs')	-	200.00	-	200.00	-	-	-	-	-	-
c)	Banks	-	-	-	-	-	-	-	-	-	-
d)	Private corporate*	244.46	484.24	244.46	469.19	-	-	-	-	-	-
e)	Subsidiaries / Joint Ventures	-	-	-	-	-	-	-	-	-	-
f)	Others	-	-	-	-	-	-	-	-	-	-
g)	Provision held towards depreciation	-	-	-	-	-	-	-	-	-	-
	Total	244.47	684.25	244.47	669.20	-	-	0.01	0.01	0.01	0.01

* Includes unlisted optionally convertible preference shares having book value of Nil (2022 – Rs. 0.0001 crores), investments in rated and listed non-convertible debentures of Rs. 145 crores (2022 – Rs. 385.05 crores) and investments in rated commercial paper of Rs. 99.46 crores (2022 – Rs. 299.19 crores).

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

e) Repo transactions (in face value terms)

The details of face value of securities purchased / sold under repurchase agreements (excluding Liquidity Adjustment Facility and Marginal Standing Facility transactions) are as follows:

For the year ended March 31, 2023:

(Rs. in crores)

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	As at March 31, 2023
Securities sold under repo				
(i) Government Securities	14.00	7070.39	8,153.82	13,557.08
(ii) Corporate Debt Securities	-	-	-	-
(iii) Others	-	-	-	-
Securities purchased under reverse repo				
(i) Government Securities	1.00	1,837.67	186.14	330.00
(ii) Corporate Debt Securities	-	-	-	-
(iii) Others	-	-	-	-



For the year ended March 31, 2022:

(Rs. in crores)

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	As at March 31, 2022
Securities sold under repo				
(i) Government Securities	20.00	5112.19	4,247.84	8933.26
(ii) Corporate Debt Securities	-	-	-	-
(iii) Others	-	-	-	-
Securities purchased under reverse repo				
(i) Government Securities	5.00	2855.06	230.16	200.00
(ii) Corporate Debt Securities	-	-	-	-
(iii) Others	-	-	-	-

The above figures exclude days with Nil outstanding.



(4) ASSET QUALITY

a) Classification of advances and provisions held

As at March 31, 2023

(Rs. in crores)

	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	11,881.02	-	-	6.12	6.12	11,887.14
Add: Additions during the year					-	-
Less: Reductions during the year*					6.12	6.12
Closing balance	11,597.88	-	-	-	-	11,597.88
*Reductions in Gross NPAs due to:					6.12	6.12
i) Upgradation					-	-
ii) Recoveries (excluding recoveries from upgraded accounts)					-	-
iii) Technical/ Prudential Write-offs					-	-
iv) Write-offs other than those under (iii) above					6.12	6.12
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	123.21	-	-	6.12	6.12	129.33
Add: Fresh provisions made during the year					-	-
Less: Excess provision reversed/ Write-off loans					6.12	6.12
Closing balance of provisions held	132.70	-	-	-	-	132.70
Net NPAs						
Opening Balance		-	-	-	-	-
Add: Fresh additions during the year					-	-
Less: Reductions during the year					-	-
Closing Balance		-	-	-	-	-
Floating Provisions						
Opening Balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						-
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						-
Add: Technical/ Prudential write-offs during the year						-
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						-
Closing balance						-

Ratios (in per cent)	As at March 31, 2023	As at March 31, 2022
Gross NPA to Gross Advances	0.00%	0.05%
Net NPA to Net Advances	0.00%	0.00%
Provision coverage ratio	NA	100.00%



As at March 31, 2022

(Rs. in crores)

	Standard		Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Less			
Gross Standard Advances and NPAs							
Opening Balance	10,458.53	-	-	6.90	6.90	10,465.43	
Add: Additions during the year					-	-	
Less: Reductions during the year*					0.78	0.78	
Closing balance	11,881.02	-	-	6.12	6.12	11,887.14	
*Reductions in Gross NPAs due to:					0.78	0.78	
i) Upgradation					-	-	
ii) Recoveries (excluding recoveries from upgraded accounts)					-	-	
iii) Technical/ Prudential Write-offs					-	-	
iv) Write-offs other than those under (iii) above					0.78	0.78	
Provisions (excluding Floating Provisions)							
Opening balance of provisions held	94.22	-	-	6.90	6.90	101.12	
Add: Fresh provisions made during the year					-	-	
Less: Excess provision reversed/ Write-off loans					0.78	0.78	
Closing balance of provisions held	123.21	-	-	6.12	6.12	129.33	
Net NPAs							
Opening Balance							
Add: Fresh additions during the year							
Less: Reductions during the year							
Closing Balance							
Floating Provisions							
Opening Balance							
Add: Additional provisions made during the year							
Less: Amount drawn down during the year							
Closing balance of floating provisions							
Technical write-offs and the recoveries made thereon							
Opening balance of Technical/ Prudential written-off accounts							
Add: Technical/ Prudential write-offs during the year							
Less: Recoveries made from previously technical/ prudential written-off accounts during the year							
Closing balance							

Ratios (in per cent)	As at March 31, 2022	As at March 31, 2021
Gross NPA to Gross Advances	0.05%	0.07%
Net NPA to Net Advances	0.00%	0.00%
Provision coverage ratio	100.00%	100.00%



b) Sector-wise Advances and Gross NPAs

(Rs. in crores)

Sr No	Sector	As at March 31, 2023			As at March 31, 2022		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Advances to industries sector eligible as priority sector lending	1,799.31	-	-	1,774.09	-	-
	<i>Of which:</i>						
	<i>Chemicals and Chemicals Product</i>	50.00	-	-	-	-	-
	<i>Vehicles, Vehicle Parts and Transport equipment</i>	250.00	-	-	144.05	-	-
	<i>Engineering</i>	1,256.30	-	-	703.03	-	-
	<i>Electricity (generation ,transportation & distribution)</i>	166.95	-	-	612.45	-	-
3	Services	633.22	-	-	671.19	6.12	0.91%
	<i>Of which:</i>						
	<i>Trade</i>	-	-	-	16.00	-	-
	<i>NBFC's</i>	558.13	-	-	571.12	-	-
4	Personal loans	-	-	-	-	-	-
	Sub-total (A)	2,432.53	-	0.00%	2,445.28	6.12	0.25%
B	Non Priority Sector						
1	Agriculture and allied activities	0.16	-	-	19.03	-	-
2	Industry	6,912.58	-	-	6,888.49	-	-
	<i>Of which:</i>						
	<i>Chemicals and Chemicals Product</i>	1,100.72	-	-	811.73	-	-
	<i>Vehicles, Vehicle Parts and Transport equipment</i>	767.64	-	-	961.46	-	-
	<i>Engineering</i>	965.69	-	-	948.32	-	-
	<i>Electricity (generation ,transportation & distribution)</i>	973.24	-	-	1,925.20	-	-
3	Services	2,252.17	-	-	2,533.68	-	-
	<i>Of which:</i>						
	<i>Trade</i>	902.68	-	-	975.43	-	-
	<i>Others - Non-banking financial companies (NBFCs)</i>	732.43	-	-	1,150.97	-	-
4	Personal loans	0.43	-	-	0.66	-	-
	Sub-total (B)	9,165.34	-	-	9,441.86	-	-
	Total (A+B)	11,597.87	-	0.00%	11,887.14	6.12	0.05%

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



c) Overseas assets, NPAs and revenue

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Assets*	1,628.93	2,190.81
Total NPAs	-	-
Total Revenue*	88.92	32.62

* Includes Balances in Nostro accounts (Other than INR accounts), money at call and short notice and related revenues.

d) Particulars of resolution plan and restructuring

The Bank has not implemented any resolution plans as per the 'Prudential Framework for Resolution of Stressed Assets' issued vide circular DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 during the year.

e) Divergence in asset classification and provisioning

There is no instance of divergence in the asset classification, provisioning of advances and net profit after tax based on the latest inspection report published by the RBI which are required to be disclosed in for the current and previous year.

f) Disclosure of transfer of loan exposures

The Bank has not transferred and acquired to/from other entities any loan that is not in default/stressed loans.

g) Fraud accounts

The disclosure on provision pertaining to fraud accounts in accordance with the RBI circulars is as under

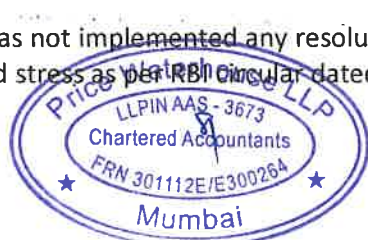
(Rs. in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Number of frauds reported during the year*	-	1
Amount involved in frauds	-	-
Provision made during the year	-	-
Unamortised provision debited from 'other reserves' as at the end of the year	-	-

*No cases of Internal or External Fraud for the year 2022-23 (2022 –Nil). However in 2022, there was 1 case of External Fraud committed on our Client, where Fraud Returns were filed with RBI through XBRL platform.

h) Disclosure under Resolution Framework for COVID-19-related Stress

The Bank has not implemented any resolution plan under the Resolution Framework for COVID – 19 related stress as per RBI circular dated August 6, 2020.



(5) EXPOSURES

a) Exposure to real estate sector

(Rs. in crores)

Category	As at March 31, 2023	As at March 31, 2022
a) Direct Exposure		
i) Residential Mortgages – Lending fully secured by Mortgages on Residential property that is or will be occupied by the borrower or that is rented.	-	-
ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures – a. Residential, b. Commercial Real Estate.	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	745.49	727.11
Funded	-	300.00
Non – Funded	745.49	427.11
Total Exposure to Real Estate Sector	745.49	727.11



b) Exposure to capital market

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	0.01	0.01
(ii) Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investments in equity shares (including IPOs, ESOPs), bonds and debentures, units of equity oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/ convertible debentures/ units of equity oriented mutual funds does not fully cover the advances.	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers *	-	26.72
(vi) Loans sanctioned to corporates against the security of shares/ bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii) Bridge loans to companies against expected equity flows/issues	-	-
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceilings (both direct and indirect)	-	-
Total Exposure to Capital market	0.01	26.73

* This represents Irrevocable Payment Commitment (IPC) issued by the Bank in favour of stock exchange. The same has been classified as financial guarantee.



c) Risk category-wise country exposure

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

(Rs. in crores)

Risk Category	Exposure (net) as at March 31, 2023*	Provision held as at March 31, 2023	Exposure (net) as at March 31, 2022*	Provision held as at March 31, 2022
Insignificant	2,931.58	1.00	6,445.75	0.52
Low	2,397.79	-	402.45	-
Moderately Low	30.00	-	-	-
Moderate	-	-	-	-
Moderately High Risk	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Total	5,359.37	1.00	6,848.20	0.52

The Bank has funded exposure (net) exceeding 1% of the total funded assets to two countries as at March 31, 2023 and the required provision as per RBI guidelines as at March 31, 2023 is INR 1.00 crores (2022 – Rs.0.52 crores).

*Includes indirect country risk exposure.

d) Unsecured Advances

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total unsecured advances of the bank	10,214.99	11,023.55
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

e) Factoring exposures

Receivables acquired under factoring of Rs. 1,586.61 crores as at March 31, 2023 (2022 – Rs. 1,366.93 crores) is included in Schedule 9(A)(i) - Bills purchased and discounted of the balance sheet.

f) Intra-group exposures

The details of Intra-Group Exposure as of March 31, 2023 and March 31, 2022 are as follows:

(Rs. in crores)

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
1	Total amount of intra-group exposures	2,626.47	323.90
2	Total amount of top-20 intra-group exposures	2,626.47	323.90
3	Percentage of intra-group exposures to total exposure of the Bank on borrowers / customers	2.59%	0.37%
4	Details of breach of limits on intra-group exposures and regulatory action thereon, if any	Nil	

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



g) Unhedged foreign currency exposure

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

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

In order to specifically comply with the RBI Guidelines on “Capital and provisioning requirements for exposures to entities with unhedged foreign currency exposures”, the Bank periodically monitors and evaluates the foreign currency exposures of its clients. The key points/basis for this estimation are stated below:

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

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

In case no information is received from the client, information is sourced from the last approved credit rating proposal, the client’s latest available annual report / audited financial statements. The extent of unhedged foreign currency exposures of clients is considered on a net basis (i.e. after considering natural hedges, if any).

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

The Bank uses Largest Annualised Volatility (LAV) for USD-INR currency pair over the period of last 10 years published by FEDAI for computation of likely loss as stipulated in the RBI circular. As at March 31, 2023, LAV is taken at 12.47% (2022 – 12.47%).

The incremental Capital and Provisioning requirement for exposures to entities with Unhedged Foreign Currency Exposure (UFCE) is as under.

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Cumulative Provisioning held for UFCE	37.52	66.63
Incremental Capital Requirement for UFCE	252.49	216.77

(6) Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Deposits of twenty largest depositors	7,522.57	11,393.06
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	39.78%	44.52%



b) Concentration of advances*

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total advances to the twenty largest borrowers	34,124.02	31,770.52
Percentage of advances to twenty largest borrowers to total advances of the bank	33.77%	36.13%

*Advances were computed based on credit exposure i.e. funded and non-funded limits including derivative exposures where applicable. The sanctioned limits or outstanding, whichever are higher, were reckoned. However, in the case of fully drawn term loans, where there is no scope for re-drawal of any portion of the sanctioned limit, bank has reckoned the outstanding as the credit exposure.

c) Concentration of exposures*

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total exposure to the twenty largest borrowers/customers	34,124.02	31,770.52
Percentage of exposures to the twenty largest borrowers/customers to the total exposure of the bank on borrowers/customers	33.69%	35.98%

*Exposures has been computed as per applicable RBI regulation

d) Concentration of NPA*

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to the top twenty NPA accounts	-	8.64
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	-	100%

*The above represents Gross NPA including non-performing investments.

(7) DERIVATIVES

a) Forward rate agreement/Interest rate swap

(Rs. in crores)

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
i)	The notional principal of swap agreement (including forward rate agreement)	1,110,511.06	600,221.66
ii)	Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	4,942.82	3,161.52
iii)	Collateral required by the Bank upon entering into swaps*	Nil	Nil
iv)	Concentration of credit risk arising from the swaps (to banking industry)	93.33%	85.63%
v)	The fair value of the swap book (Liability)	(943.37)	(810.13)



*As at March 31, 2023, the Bank has accepted Rs. 2,645.89 crores (previous year Rs. 2,167.95 crores) and placed Rs. 653.90 crores (previous year Rs. 439.25 crores) as cash collaterals under credit support agreement from counterparties and is taken on a consolidated basis for all the products together including currency and other interest rate derivatives.

Nature and terms of the swaps

(Rs. in crores)				
Nature	Benchmark Index	Terms	As at March 31, 2023	As at March 31, 2022
Trading	MIBOR	Fixed payable v/s floating receivable	371,227.41	155,618.88
		Fixed receivable v/s floating payable	368,662.70	148,399.75
		Floating receivable v/s Floating payable	4.99	Nil
Trading	MIFOR	Fixed payable v/s floating receivable	25,510.44	50,089.81
		Fixed receivable v/s floating payable	15,087.27	32,344.73
Trading	MIOIS	Fixed payable v/s floating receivable	832.86	763.39
		Fixed receivable v/s floating payable	150.00	150.00
Trading	EURIBOR	Fixed payable v/s floating receivable	1,448.97	1,280.14
		Fixed receivable v/s floating payable	1,073.31	1,221.19
		Floating receivable v/s floating payable	2,482.03	1,410.69
Trading	LIBOR	Fixed payable v/s floating receivable	12,383.91	11,902.41
		Fixed receivable v/s floating payable	30,872.55	40,325.37
		Floating receivable v/s floating payable	29,607.95	65,583.24
Trading	MMIFO	Fixed payable v/s floating receivable	46,085.00	3,845.00
		Fixed receivable v/s floating payable	23,416.00	4,095.00
Trading	SOFR	Fixed payable v/s floating receivable	70,212.62	35,940.80
		Fixed receivable v/s floating payable	95,728.05	35,486.05
		Floating receivable v/s floating payable	1,643.40	189.48
Trading	SONIA	Fixed payable v/s floating receivable	101.65	99.46
Trading	G-Secs	Fixed receivable v/s floating payable	7,755.22	6,927.46
Trading	Others	Fixed payable v/s floating receivable	929.05	84.22
		Fixed receivable v/s fixed payable	1,058.90	1,058.90
		Fixed receivable v/s floating payable	144.88	124.31
		Floating receivable v/s floating payable	4,091.90	3,281.38
		Total	1,110,511.06	600,221.66

b) Exchange Traded Interest rate derivatives

The Bank has not entered into any exchange traded interest rate derivatives during the year (2022 - Nil).



c) DISCLOSURE ON RISK EXPOSURE IN DERIVATIVES

i) Qualitative Disclosures:

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

There are business line and market risk limits governing the derivative trading activities. The activities/ products that the Bank may undertake as well as the fixing of limits for the same are determined through a comprehensive process involving the Management, legal, operations, IT and risk functions. Advanced front office and market risk systems are in place to monitor the positions and compliance with various risk limits. There is a clear segregation of the front office, market risk monitoring and control and the back office functions relating to transactions in derivatives. The Bank undertakes transactions in derivative products in accordance with the extant guidelines issued by the RBI. The Bank transacts in derivative products both as a market maker and as a tool for risk management purposes to hedge the interest rate and foreign currency risk arising out of balance sheet. The Products available are Interest Rate Swap (IRS), Forward Rate Agreement (FRA), Foreign Currency Forward, Cross Currency Swaps (CCS), Currency Futures and Options.

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

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

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

The Bank uses appropriate hedging instruments to hedge / mitigate risks both in the banking and trading books. The effectiveness of the hedge is monitored periodically. The accounting policy for recording derivative transactions is in place which includes recognition of income and the treatment of gains / losses on cancellation / termination of contracts. The Bank has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year-end, the Bank has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long-term contracts (including derivative contracts), if any, has been made in the books of account.

Netting of exposures to Qualified Central Counterparties (QCCPs):

As per the Master Circular dated July 1, 2015, issued by Reserve Bank of India in relation to Basel III Capital Regulations, Banks are allowed to net off exposures to QCCPs subject to obtaining an independent legal and reasoned opinion as regards to certainty of netting of exposures to QCCPs. The Bank has obtained the legal opinion on this subject matter in relation to Forex Segment. The Bank is a member of Forex Segment of Clearing Corporation of India Limited ('CCIL') which has been granted a status of QCCP by RBI. Accordingly, the Bank has netted off all forward transactions outstanding with CCIL in relation to Forex Segment as on March 31, 2023 for Capital Adequacy computation



ii) Quantitative Disclosure

(Rs. in crores)

Particulars	Currency Derivatives		Interest Rate Derivatives	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
1) Derivatives (Notional Principal Amount)				
a) For hedging	-	-	-	-
b) For trading	434,756.52	326,509.97	1,110,511.06	600,221.66
2) Marked to Market Positions				
a) Asset (+)	10,594.10	8,191.05	4,942.82	3,161.52
b) Liability (-)	(6,625.84)	(4,540.26)	(5,886.18)	(3,972.45)
3) Credit Exposure	32,633.76	26,370.69	13,720.02	7,510.51
4) Likely impact of one percent change in interest rate (100*PV01) (Note 1)				
a) on hedging derivatives	-	-	-	-
b) on trading derivatives	255.40	274.64	1,310.80	622.39
5) Maximum and Minimum of 100*PV01 observed during the year (Note 2)				
a) on hedging				
- i) Maximum	-	-	-	-
- ii) Minimum	-	-	-	-
b) on trading				
- i) Maximum	430.96	483.99	1,323.00	753.48
- ii) Minimum	255.40	257.13	374.85	154.56

Notes:

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

d) Credit default swaps

The Bank has not transacted in credit default swaps during the year ended March 31, 2023 (2022 – Nil).

8) DISCLOSURES RELATING TO SECURITISATION

The Bank has not entered into securitisation transactions during the year ended March 31, 2023 (2022 – Nil)



9) OFF BALANCE SHEET SPVs SPONSORED (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
Nil (2022-Nil)	Nil (2022-Nil)

10) TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEA FUND)

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance of amounts transferred to DEAF	16.55	16.17
Add : Amounts transferred to DEAF during the year	2.64	0.50
Less : Amounts reimbursed by DEAF towards claims	-	(0.12)
Closing balance of amounts transferred to DEAF	19.19	16.55

11) DISCLOSURE OF COMPLAINTS

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr No	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Complaints received by the bank from it's customers			
1.	Number of complaints pending at the beginning of the year	1	7
2.	Number of complaints received during the year	8	3
3.	Number of complaints disposed during the year	4	9
3.1	Of which, number of complaints rejected by the bank	-	-
4.	Number of complaints pending at the end of the year	5	1
Maintainable complaints received by the bank from the Office of Ombudsman			
5.	Number of maintainable complaints received by the banks from Office of Ombudsman	Nil	Nil
5.1	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	Nil	Nil
5.2	Of 5, number of complaints resolved through conciliation/mediation advisories issued by Office of Ombudsman	Nil	Nil
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	Nil	Nil
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.



b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaint received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year ended 31 st March 2023					
1. Internet /Mobile/ Electronic banking	-	-	(100%)	-	-
2. Account opening/ Difficulty in operation of Accounts	-	-	-	-	-
3. Loans & Advances	-	-	(100%)	-	-
4. Bank Guarantees/ Letter of Credit and documentary credits	1	1	100%	1	1
5. Others	-	7	600%	4	2
Total	1	8	166.67%	5	3
Year ended 31 st March 2022					
1. Internet /Mobile/ Electronic banking	2	1	(50%)	-	-
2. Account opening/ Difficulty in operation of Accounts	1	-	(100%)	-	-
3. Loans & Advances	-	1	100%	-	-
4. Bank Guarantees/ Letter of Credit and documentary credits	1	-	(100%)	1	1
5. Others	3	1	(66.67%)	-	-
Total	7	3	(42.85%)	1	1

The above information regarding customer complaints have been identified on the basis of the information available with the Bank.

12) DISCLOSURE OF PENALTIES IMPOSED BY RESERVE BANK OF INDIA

RBI has not imposed any penalty on the Bank during the financial year ended March 31, 2023 (2022 - NIL).

13) DISCLOSURES ON REMUNERATION

In terms of guidelines issued by RBI vide circular no. DOR.Appt.BC.No.23/ 29.67.001/2019-20 dated 4th November 2019 on “Compensation of Whole Time Directors / Chief Executive Officers / Material Risk takers and Control function staff.”, the Bank has submitted a declaration received from its Head Office in France to RBI to the effect that the compensation structure in India, including that of CEO’s, is in conformity with the Financial Stability Board principles and standards.



14) OTHER DISCLOSURES

a) Business Ratios

Particulars	(Rs. in crores)	
	Year ended March 31, 2023	Year ended March 31, 2022
i) Interest Income as a percentage to Working Funds	5.21%	4.79%
ii) Non-interest income as a percentage to Working Funds	0.65%	0.58%
iii) Cost of Deposits	4.60%	3.00%
iv) Net Interest Margin	2.82%	3.29%
v) Operating Profit as a percentage to Working Funds	1.76%	2.09%
vi) Return on Assets	0.95%	1.17%
vii) Business (deposits plus advances) per employee	83.12	100.12
viii) Profit per employee	1.34	1.48

Note:

- Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X for Commercial Banks during the 12 months of the financial year.
- Operating Profit = Interest income + Other income - Interest expense - Operating expense.
- Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense.
- Return on Assets would be with reference to average working funds (i.e., total of assets excluding accumulated losses, if any).
- For the purpose of computation of business per employee (deposits plus advances), inter-bank deposits shall be excluded.

b) Bancassurance Business

During the year, the income on account of fees/brokerage earned in respect of insurance broking, agency and bancassurance businesses is Nil (2022 – Nil).

c) Marketing and distribution

During the year ended March 31, 2023 (2022- Nil) the bank has not received any fees/remuneration in respect of marketing and distribution function (excluding bancassurance business) undertaken by them.

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

The Bank has outstanding Priority Sector Lending Certificates (PSLC) amounting to Rs. 4,545 crores as at March 31, 2023 (2022 – Rs. 4,990 crores) which are categorised under PSLC – Micro Enterprises and General for overall achievement of priority sector lending target as per the details given below.

As at March 31, 2023

Type of PSLCs	(Rs. in crores)		
	PSLC bought during the year	PSLC sold during the year	PSLC outstanding as at March 31, 2023
Agriculture	-	-	-
Small and Marginal farmers	-	-	-
Micro Enterprises	425.00	-	425.00
General	4,120.00	-	4,120.00
Total	4,545.00		4,545.00



As at March 31, 2022

(Rs. in crores)

Type of PSLCs	PSLC bought during the year	PSLC sold during the year	PSLC outstanding as at March 31, 2022
Agriculture	-	-	-
Small and Marginal farmers	-	-	-
Micro Enterprises	790.00	-	790.00
General	4,200.00	-	4,200.00
Total	4,990.00	-	4,990.00

e) Provisions and Contingencies

(Rs. in crores)

Provision debited to Profit and Loss Account	As at March 31, 2023	As at March 31, 2022
i) Provisions for NPI	-	-
ii) Provision towards NPA	-	-
iii) Provision made towards Income tax (Refer 18(24))	420.67	489.30
iv) Provision for Standard Assets (Refer 18(22))	9.49	28.98
v) Provision for Unhedged Foreign Currency Exposure (Refer 18(5)(g))	(29.12)	23.13
vi) Provision for Country Risk (Refer 18(5)(c))	0.48	(0.40)
vii) Provision for COVID-19 deferment cases	-	(56.04)
viii) Other Provisions and Contingencies*	6.57	(81.31)
Total	408.09	403.66

*Other provisions and contingencies in the current year includes net of reversal of contingency provisions and provision on statutory dues receivable created in the previous year.

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

f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)

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 April 1, 2018 onwards, with comparatives for the periods ending March 31, 2018 or thereafter.

For implementation of Ind AS, the Bank has formed a Steering Committee which has members from various functions and to supervise the progress of the project, provide guidance on critical aspects of the implementation and leverage on BNPP global project on IFRS 9 implementation.

The RBI vide it's circular DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019, advised that it has decided to defer the implementation of Ind AS till further notice.

The Bank will continue to liaise with RBI and industry bodies on various aspects pertaining to Ind AS implementation.



g) Payment of DICGC Insurance Premium

(Rs. in crores)			
Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
i)	Payment of DICGC Insurance Premium	32.29	26.53
ii)	Arrears in payment of DICGC premium	-	-

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

Included in current year’s Profit and Loss Account:

- a) The reversal of allocation of Head Office expenses pertaining to prior year amounting to nil. (Previous year 2022 includes reversal of allocation for prior period expenses amounting Rs. 8.38 crores).
- b) The reversal of allocation of ITO charges pertaining to prior year amounting to nil. (Previous year 2022 – Rs. 0.72 crores).

16) ACCOUNTING STANDARD 9 – REVENUE RECOGNITION

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

17) ACCOUNTING STANDARD 10 – ACCOUNTING OF FIXED ASSETS

Revaluation of Premises

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

31, 2005 based on their market values determined by a global property consultant. The resulting impairment of Rs. 16.90 crores had been recognised directly against the revaluation surplus held for the same premises.

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

During the year ended March 31, 2011, the Bank has sold part of its revalued premises. The Revaluation Reserve relating to that premise has been reversed for its depreciated value of Rs. 0.31 crores (original value Rs. 0.49 crores) up to the date of sale. During the year ended March 31, 2022, the Bank has sold its revalued premises situated in Mumbai. The Revaluation Reserve relating to that premise has been reversed for its depreciated value of Rs. 5.50 crores (original value Rs. 8.04 crores) up to the date of sale.

During the year ended March 31, 2023, the Bank has sold its revalued premises situated in Ahmedabad. The Revaluation Reserve relating to that premise has been reversed for its depreciated value of Rs. 0.38 crores (original value Rs. 0.61 crores) up to the date of sale.



In compliance with the accounting standard, the Bank charges depreciation relating to the revalued assets to the Profit and Loss Account. Further, the Bank transfers this depreciation from “Revaluation Reserve” to the “General Reserve”. The amount of depreciation so charged to the Profit and Loss Account and transferred from Revaluation Reserve in the current financial year amounts to Rs. 2.61 crores (2022– Rs. 2.67 crores).

On disposal of revalued premises, the amount standing to the credit of revaluation reserve is transferred to Capital Reserve in accordance with the RBI guidelines. Profit on disposal of premises is recognised in the Profit and Loss account and subsequently appropriated to Capital Reserve. Losses are recognised in the Profit and Loss account.

Software (Intangible assets)

Included in ‘Other Fixed Assets’ is capitalised software amounting to:

Particulars	(Rs. in crores)	
	As at March 31, 2023	As at March 31, 2022
At Cost		
Beginning of the year	5.28	5.20
Additions during the year	0.62	1.89
Deductions during the year	-	(1.81)
	5.90	5.28
Depreciation		
Beginning of the year	2.70	3.88
Additions during the year	0.73	0.39
Deductions during the year	-	(1.57)
	3.43	2.70
Net book value	2.47	2.58

18) ACCOUNTING STANDARD 15 - EMPLOYEE BENEFITS

The Bank has recognised Rs. 5.34 crores (2022 - Rs. 4.74 crores) in the Profit and Loss Account for the year towards contribution to Provident Fund.

The gratuity, pension and leave benefits are provided to the employees through funds managed by the Bank.

Details of the same are as follows:



BNP Paribas – Indian Branches
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Notes forming Part of Financial statements for the year ended March 31, 2023

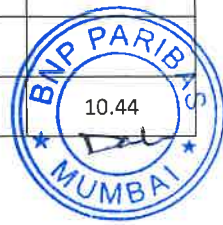
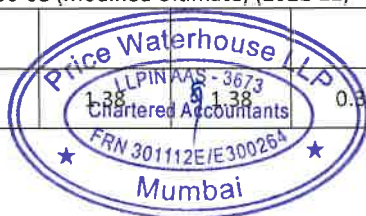
(Rs. in crores)

Sr No	Particulars	Pension (Funded)		Gratuity (Funded)		Compensated absence (Funded)		Provident Fund	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
I	<u>Reconciliation of Defined Benefit Obligations</u>								
	Present Value of obligation as at the beginning of the year	12.67	14.35	18.63	19.03	7.82	7.21	154.24	141.13
	Interest Cost	0.81	0.86	1.16	1.14	0.47	0.41	10.25	9.16
	Current Service Cost	0.04	0.07	2.08	1.95	1.52	0.61	5.34	4.74
	Past Service cost	-	-	-	-	-	-	-	-
	Plan Amendments cost	0.36	-	-	-	-	-	-	-
	Acquisition cost	-	-	-	-	-	-	3.31	0.89
	Employee Contributions	-	-	-	-	-	-	7.08	7.19
	Benefits Paid	(1.55)	(2.52)	(3.04)	(3.47)	(1.96)	(1.83)	(22.56)	(20.15)
	Actuarial (gain) / loss on obligations	0.36	(0.09)	2.61	(0.02)	(1.96)	1.42	(3.22)	11.27
	Present Value of obligation as at the year end	12.69	12.67	21.44	18.63	5.89	7.82	154.44	154.23
II	<u>Reconciliation of Fair Value of Plan Assets</u>								
	Fair Value of Plan Assets as at the beginning of the year	10.80	12.04	19.56	19.92	5.50	6.90	151.70	141.13
	Expected Return on Plan Assets	0.75	0.79	1.38	1.38	0.33	0.43	11.11	10.44
	Employer's Contribution	0.51	0.18	1.97	1.75	-	-	5.04	4.74
	Employee Contribution	-	-	-	-	-	-	7.08	7.19
	Acquisition adjustment	-	-	-	-	-	-	3.31	0.89
	Benefits Paid	(1.55)	(2.52)	(3.04)	(3.47)	(1.96)	(1.83)	(22.56)	(20.15)
	Actuarial gain / (loss)	(0.04)	0.31	(0.13)	(0.02)	0.03	-	(4.72)	7.45
	Fair Value of Plan Asset as at the year end	10.47	10.80	19.74	19.56	3.90	5.50	150.96	151.69
III	<u>Amounts recognised in the Balance Sheet</u>								
	Estimated present value of obligation as at the end of the year	12.69	12.67	21.44	18.63	5.89	7.82	154.44	154.23
	Fair Value of plan assets as at the end of the year	10.47	10.80	19.74	19.56	3.90	5.50	150.96	151.69
	Net Assets/(Liabilities) recognised in the Balance Sheet under 'Other Assets'/'Other Liabilities and Provisions'	(2.22)	(1.87)	(1.70)	0.93	(1.99)	(2.32)	(3.48)	(2.54)



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Sr No	Particulars	Pension (Funded)		Gratuity (Funded)		Compensated absence (Funded)		Provident Fund	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
IV	Expenses recognised in Profit and Loss Account								
	Current Service Cost	0.04	0.07	2.08	1.95	1.52	0.61	5.34	4.74
	Interest Cost	0.81	0.86	1.16	1.14	0.47	0.41	10.25	9.16
	Expected Return on Plan Assets	(0.75)	(0.79)	(1.38)	(1.38)	(0.33)	(0.43)	(11.11)	(10.44)
	Plan Amendments cost	-	-	-	-	-	-	-	-
	Past Service cost	0.36	-	-	-	-	-	-	-
	Effect of the limit in Para 59(b)	-	-	-	-	-	-	-	-
	Net actuarial (gain) / loss recognised	0.40	(0.40)	2.74	-	(1.99)	1.42	1.50	3.82
	Total expenses recognised in the Profit and Loss Account under Payments to and Provisions for employees	0.86	(0.26)	4.60	1.71	(0.33)	2.01	5.98	7.28
V	Investment of Plan Assets								
	Government of India Securities (Central and State)	-	-	-	-	-	-	61.30%	58.80%
	Debt Instruments & related Investments	-	-	-	-	-	-	27.88%	34.12%
	Equities & Related Investment	-	-	-	-	-	-	6.95%	4.78%
	Cash (including Special Deposits)	10.99%	12%	1.95%	2%	-	-	3.87%	2.30%
	Insurer Managed Funds *	89.01%	88%	98.05%	98%	100%	100%	-	-
	Total	100%	100%	100%	100%	100%	100%	100%	100%
	* Insurer Managed Funds are invested in different instruments as per the following categories:								
	Debt	90.08%	92.03%	90.08%	92.03%	90.08%	92.03%	-	-
	Equity	4.59%	4.98%	4.59%	4.98%	4.59%	4.98%	-	-
	Fixed Deposit & Other Assets	5.33%	2.99%	5.33%	2.99%	5.33%	2.99%	-	-
	Total	100%	100%	100%	100%	100%	100%	-	-
VI	Principal Actuarial Assumptions								
	Discount Rate	7.20%	6.80%	7.20%	6.80%	7.20%	6.80%	7.20%	6.80%
	Expected Rate of Return on Plan Asset	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	8.00%	7.50%
	Salary Escalation Rate	6.50%	5.00%	6.50%	5.00%	6.50%	5.00%	6.50%	5.00%
	Attrition Rate	2022-23				2021-22			
		Age			Age				
		20-30	Rate		20-30	Rate			
		31-40	30%		31-40	10%			
		41-50	10%		41-50	8%			
	51-60	7%		51-60	6%				
	51-60	3%		51-60	4%				
	Mortality Rate	IAL 06-08 (Modified Ultimate) (2022-23) IAL 06-08 (Modified Ultimate) (2021-22)							
	Actual Return on Plan Assets:								
	Expected Return on Plan Assets	0.75	0.79	1.38	1.38	0.33	0.43	11.11	10.44



BNP Paribas – Indian Branches
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Notes forming Part of Financial statements for the year ended March 31, 2023

	Actuarial gain / (loss) on plan asset	(0.04)	0.31	(0.12)	(0.02)	0.03	-	(4.72)	7.45
	Actual return on plan asset	0.71	1.10	1.26	1.36	0.36	0.43	6.39	17.89

Experience Adjustments - Gratuity

Sr No	Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
1	Defined Benefit Obligation at end of the period	(21.44)	(18.64)	(19.03)	(18.91)	(18.60)
2	Plan Assets at end of the period	19.74	19.56	19.93	19.11	18.80
3	Funded Status	(1.71)	0.92	0.90	0.20	0.20
4	Experience Gain/(Loss) adjustments on plan liabilities	(1.16)	(0.22)	(0.25)	0.13	(0.15)
5	Experience Gain/(Loss) adjustments on plan assets	(0.13)	(0.02)	(0.07)	(0.18)	(0.13)
6	Actuarial Gain/(Loss) due to change on assumptions	(1.45)	0.24	0.98	(0.07)	(0.23)

Experience Adjustments - Pension

Sr No	Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
1	Defined Benefit Obligation at end of the period	(12.69)	(12.67)	(14.35)	(18.36)	(17.22)
2	Plan Assets at end of the period	10.47	10.80	12.05	16.40	18.33
3	Funded Status	(2.22)	(1.87)	(2.30)	(1.96)	1.11
4	Experience Gain/(Loss) adjustments on plan liabilities	(0.05)	(0.01)	(0.82)	(3.08)	0.23
5	Experience Gain/(Loss) adjustments on plan assets	(0.04)	0.31	(0.05)	(0.22)	(0.13)
6	Actuarial Gain/(Loss) due to change on assumptions	(0.31)	0.10	0.44	(0.14)	(0.13)

Experience Adjustments – Compensated absences

Sr No	Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
1	Defined Benefit Obligation at end of the period	(5.89)	(7.83)	(7.21)	(9.59)	(9.67)
2	Plan Assets at end of the period	3.90	5.50	6.90	7.38	8.00
3	Funded Status	(1.99)	(2.32)	(0.31)	(2.21)	(1.67)
4	Experience Gain/(Loss) adjustments on plan liabilities	2.26	(1.48)	1.10	(0.25)	(0.83)
5	Experience Gain/(Loss) adjustments on plan assets	0.03	-	0.02	(0.05)	(0.02)
6	Actuarial Gain/(Loss) due to change on assumptions	(0.30)	0.06	0.40	(0.03)	(0.15)



Experience Adjustments – Provident Fund*

Sr No	Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
1	Defined Benefit Obligation at end of the period	(154.44)	(154.24)	NA	NA	NA
2	Plan Assets at end of the period	150.96	151.70	NA	NA	NA
3	Funded Status	(3.48)	(2.54)	NA	NA	NA
4	Experience Gain/(Loss) adjustments on plan liabilities	(0.78)	(11.27)	NA	NA	NA
5	Experience Gain/(Loss) adjustments on plan assets	(4.72)	7.45	NA	NA	NA
6	Actuarial Gain/(Loss) due to change on assumptions	4.00	-	NA	NA	NA

*During the year, the Bank has made voluntary contributions to the Employees Provident fund managed by a Trust.

The estimates of future salary increases considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors.

Based on an actuarial valuation as at the Balance Sheet date, the Bank has recognised in the Profit and Loss Account Rs. 12.78 crores for the year ended March 31, 2023 (2022 - Rs. 8.78 crores) towards deferred bonus.

19) ACCOUNTING STANDARD 17 - SEGMENT REPORTING

- i) In line with the RBI guidelines, the Bank has identified 'Treasury Operations', 'Corporate & Wholesale Banking' & 'Other Banking Operations' as the primary reporting segments.
- ii) 'Treasury Operations' comprises of liquidity management, foreign exchange operations (merchant and inter-bank), money market and derivatives trading. 'Corporate & Wholesale Banking Operations' include commercial client relationships, cash management services and trade finance, while 'Other Banking Operations' include custodial operations and other activities.
- iii) The Bank does not have overseas operations and is considered to operate only in the domestic segment.
- iv) The methodology of funds transfer pricing between the segments is determined by the Bank's Assets and Liabilities Management Committee from time to time.
- v) The Bank does not have any reportable segment on retail banking operations and hence the same has not been disclosed separately.



BNP Paribas – Indian Branches
(Incorporated in France with Limited Liability)
Notes forming Part of Financial statements for the year ended March 31, 2023
Business Segments

(Rs. in crores)

Business Segments	Treasury Operations		Corporate & Wholesale Banking		Other Banking Operations		Unallocated		Total		
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	
Revenue	1,825.13	1,461.64	1,055.50	858.37	50.48	30.24	-	-	2,931.11	2,350.25	
Segment Result	792.24	876.96	96.33	136.32	5.50	(11.85)	-	-	894.07	1,001.43	
Unallocated expenses										-	-
Operating Profit										894.07	1,001.43
Income taxes										(420.67)	(489.30)
Extraordinary profit/ loss										-	-
Net Profit										473.40	512.13
Other information											
Segment Assets	49,262.32	45,352.80	12,324.73	13,273.72	6.62	12.96	-	-	61,593.67	58,639.48	
Unallocated Assets										38.54	35.05
Total Assets										61,632.21	58,674.53
*Segment Liabilities	33,879.36	26,665.87	26,675.22	30,446.95	972.26	1,483.68	-	-	61,526.84	58,596.50	
Unallocated Liabilities										105.37	78.03
Total Liabilities*										61,632.21	58,674.53
Capital expenditure to acquire Fixed Assets							6.98	12.92	6.98	12.92	
Depreciation							119.81	117.35	119.81	117.35	

*Includes Capital and Reserves and Surplus.



20) ACCOUNTING STANDARD 18 - RELATED PARTY DISCLOSURES

In terms of the Accounting Standard 18 ('AS-18') on 'Related Party Disclosures' and the related guidelines issued by RBI, the details pertaining to related parties are as under:

(i) Related party relationships:

Sr. No.	Relationship	Party name
1	Parent	BNP Paribas SA, France and its branches
2	Subsidiaries of Parent (with whom the Bank has transactions during current and previous year)	Arval India Private Limited Banca Nazionale Del Lavoro Spa Banco BNPP Brasil SA Bank BGZ BNPP SA BGL BNPP BNP Paribas Asset Management India Pvt. Ltd. BNP Paribas Fortis SA/NV BNP Paribas Global Securities Operations Pvt. Ltd. BNP Paribas India Consultancy Pvt. Ltd. (Formally known as BNP Paribas India Finance Pvt. Ltd.) BNP Paribas India Holding Pvt. Ltd. BNP Paribas India Solution Pvt. Ltd. BNP Paribas Mutual Fund India Pvt. Ltd. BNP Paribas Securities India Pvt. Ltd. BNP Paribas Securities Services BNP Paribas Trustee India Pvt. Ltd. BNP Paribas Wealth Management India Pvt. Ltd. BNP Paribas India Foundation BNP Paribas Arbitrage BNPP Bank Polska SA BNPP Canada Corp BNPP Cardif BNPP El Djazair BNPP Malaysia Berhad BNPP Rcc Inc Espresso Financial Services Pvt. Ltd. Sharekhan BNP Paribas Financial Services Ltd Sharekhan Limited Union Bancaire Pour Le Commerce Et L'Industrie Bank Of The West BNP Paribas (China) Ltd
3	Associates/ Joint Ventures of Parent (with whom the Bank has transactions during current and previous year)	Geojit Financial Services Limited Geojit Technologies Private Limited SBI Life Insurance Company Limited (upto February 21, 2022) Baroda BNP Paribas Asset Management India Pvt Ltd. (wef April 13, 2022) Baroda BNP Paribas Trustee India Pvt Ltd. (wef April 13, 2022)
4	Key Management Personnel	Sanjay Singh – Chief Executive Office



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

Transactions and balances in line with the RBI circular DBR.BP.BC No.23/21.04.018/2015-16 dated 01 July 2015. As per the guidelines on compliance with the accounting standards by banks issued by the RBI on March 29, 2003 and August 30, 2021, the Bank has not disclosed the details pertaining to the related party where there is only one entity/person in any category of related party.

(ii. a) Transactions during the year ended March 31, 2023

Nature of transactions	Subsidiaries		Associates / Joint Ventures		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Interest expended	45.68	38.20	-	-	45.68	38.20
Interest earned	0.04	0.01	-	-	0.04	0.01
Rendering of services	33.31	20.43	-	-	33.31	20.43
Receiving of services	59.09	59.78	-	-	59.09	59.78

(ii. b) Balances as at year end March 31, 2023

Nature of transactions		Subsidiaries		Associates / Joint Ventures		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Borrowings	<i>As at 31.03.2023</i>	-	-	-	-	-	-
	<i>Max*</i>	13.14	39.09	-	-	13.14	39.09
Deposits	<i>As at 31.03.2023</i>	937.75	2449.15	0.01	-	937.76	2449.15
	<i>Max*</i>	4,548.15	7,248.72	5.96	0.06	4,554.11	7,248.78
Money at call and short notice	<i>As at 31.03.2023</i>	6.10	2.28	-	-	6.10	2.28
	<i>Max*</i>	21.61	47.77	-	-	21.61	47.77
Advances	<i>As at 31.03.2023</i>	0.93	-	-	-	0.93	-
	<i>Max*</i>	13.77	517.91	-	-	13.77	517.91
Non-funded commitment	<i>As at 31.03.2023</i>	53.15	121.51	-	-	53.15	121.51
	<i>Max*</i>	334.51	243.76	-	-	334.51	243.76
Other Assets	<i>As at 31.03.2023</i>	20.02	20.02	-	-	20.02	20.02
	<i>Max*</i>	1,321.46	490.87	0.22	-	1,321.68	490.87
Other Liabilities	<i>As at 31.03.2023</i>	26.98	147.05	-	-	26.98	147.05
	<i>Max*</i>	1,339.45	2,849.53	0.23	-	1,339.68	2,849.53

*Figures indicate maximum balance outstanding during the year based on comparison of the total outstanding balances at each day-end.

21) ACCOUNTING STANDARD 19 - LEASES

Operating Lease:

Operating Leases comprises of leasing of office premises. Lease rentals on account of Non-Cancellable leasing arrangements of Rs. 27.09 crores (2022 - Rs. 24.96 crores) has been included under 'Operating expenses – Rent, taxes and lighting'.



(Rs. in crores)

Future lease rentals payable as at the end of the year:	As at March 31, 2023	As at March 31, 2022
-Not later than one year	20.90	20.04
-Later than one year and not later than five years	26.57	47.57
-Later than five years	-	-

22) ACCOUNTING STANDARD 22 – ACCOUNTING FOR TAXES ON INCOME

Components of Deferred Tax Assets are as under:

(Rs. in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation on fixed assets	13.48	13.39
Provision for employee benefits	17.75	14.86
Other provisions	7.28	6.80
Deferred Tax Assets	38.51	35.05

23) PROVISIONS ON STANDARD ASSETS

(Rs in crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provisions towards Standard Assets (closing balance)*	132.70	123.21
Provisions towards Standard Assets (P&L Charge)	9.49	28.98

*comprise of the minimum provision requirements under Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and additional 0.6% provision in respect of exposure to stressed sectors namely NBFC, Autos and Steel.

24) PROVISION FOR TAX

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

(Rs. in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provision for Tax	424.13	443.06
Reversal of Provision for Tax for prior period	-	-
Provision for Deferred Tax	(3.46)	46.24
Total	420.67	489.30



25) DESCRIPTION OF CONTINGENT LIABILITIES

Contingent Liability	Brief Description
(1) Claims against the Bank not acknowledged as debts.	Pertains to legal proceedings in the normal course of business, which are disputed by the Bank.
(2) Liability on account of outstanding forward exchange contracts and Derivatives	The Bank enters into foreign exchange contracts with inter-bank participants on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The Bank enters into currency swaps, interest rate swaps, forward rate agreements, currency options and currency futures with inter-bank and merchant participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest / principal in one currency against another, based on pre-determined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as contingent liabilities are amounts used as a benchmark for the calculation of the interest component of the contracts.
(3) Guarantees given on behalf of constituents, Acceptances, Endorsements and other obligations.	As a part of its commercial banking activities, the Bank issues documentary credit /letters of credit and guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.
(4) Other items for which Bank is contingently liable.	These include committed line of credit, capital commitment, cash management cheques under clearing and Transfer to Depositor Education Awareness Fund (DEAF).

The Bank has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Management believes that the possibility of an outflow of resources embodying economic benefits in these cases is possible but not probable and hence no provision is required in these cases.

26) Disclosure under Micro, Small & Medium Enterprises Development Act, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management.

- Principal amount of Rs.0.03 crores has remained unpaid at the end of the current year (2022 – Rs. 0.09 crores) to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006.
- No interest was paid during the year as well as during the previous year by the Bank to such suppliers.
- No interest is due and payable for the period of delay in making payment, if any, at end of the current year as well as the previous year by the Bank to such suppliers.
- No interest was accrued and remains unpaid at end of the current year as well as the previous year by the Bank to such suppliers.
- No amount of further interest is remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under section 23.



27) CORPORATE SOCIAL RESPONSIBILITY

The Bank has a local Corporate Social Responsibility (CSR) committee responsible for the preparation and implementation of the CSR policy, review and approval of budgets, developing a monitoring framework for implementation. The Bank has a local policy on CSR that support programs related to Education, Gender Equality and Women empowerment, Art and Culture, Rural development, Environment and any other duly authorised initiative by the Management Committee of the Bank.

As per the provisions of the Section 135 of the Companies Act, 2013, the Bank is required to contribute Rs. 16.91 crores (2022 - Rs. 15.15 crores). During the year, CSR expenditure amounting to Rs. 16.95 crores (2022 - Rs. 15.15 crores) has been spent on various projects by the Bank and such expenditure has been included under 'Other Expenditure' of Schedule 16.

As at March 31, 2023

Particulars	(Rs. in crores)		
	In cash	Yet to be paid in cash	Total
1) Construction/acquisition of any assets	-	-	-
2) For purposes other than (1) above:	16.95	-	16.95

As at March 31, 2022

Particulars	(Rs. in crores)		
	In cash	Yet to be paid in cash	Total
1) Construction/acquisition of any assets	-	-	-
2) For purposes other than (1) above:	15.15	-	15.15

28) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

29) No funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



30) SUBORDINATED DEBT

(Rs. in crores)

Particulars	Coupon Rate	As at March 31, 2023	As at March 31, 2022
EUR 30 million for a period of 10 years (since February 2023)	EURIBOR + 224 bps	268.33	252.66
EUR 30 million for a period of 10 years (since February 2018)	EURIBOR + 100 bps	-	-
EUR 20 million for a period of 10.8 years (since January 2021)	EURIBOR + 130 bps	178.88	168.44
EUR 25 million for a period of 10.7 years (since February 2021)	EURIBOR + 125 bps	223.61	210.55
EUR 9 million for a period of 10.6 years (since March 2021)	EURIBOR + 130 bps	80.50	75.80
EUR 6 million for a period of 10.5 years (since April 2021)	EURIBOR + 134 bps	53.67	50.53
EUR 17.5 million for a period of 10 years (since October 2021)	EURIBOR + 117.5 bps	156.52	147.39
Total		961.51	905.37

Subordinated debt is reported in the financial statements at revalued amount and the resulting gain or loss on revaluation is recognized in the Profit and Loss Account. The loss on account of revaluation for current year is Rs. 56.14 crores (2022 – Profit of Rs.16.44 crores).



31) PRIOR YEAR COMPARATIVES

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

For **Price Waterhouse LLP**

Chartered Accountants

Firm's Registration No.301112E /E300264



Sharad Agarwal

Partner

Membership No. 118522

Place : Mumbai

Date : June 26, 2023

For **BNP Paribas – Indian Branches**



Sanjay Singh

Head of Territory and Chief Executive Officer

Place : Mumbai

Date : June 26, 2023



Grzegorz Marczuk

Chief Operating Officer

Place : Mumbai

Date : June 26, 2023



Deepak Dalmia

Chief Financial Officer

Place : Mumbai

Date : June 26, 2023

For **Borkar & Muzumdar**

Chartered Accountants

Firm's Registration No. 101569W



Devang Vaghani

Partner

Membership No. 109386

Place : Mumbai

Date : June 26, 2023

