BANK OF BAHRAIN & KUWAIT B.S.C. - INDIAN BRANCHES

(Incorporated in Bahrain with Limited Liability)

INDEPENDENT AUDITOR'S REPORT

To
The Country Head and CEO,
Bank of Bahrain & Kuwait B.S.C– Indian Branches

Report on audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Bank of Bahrain & Kuwait B.S.C– Indian Branches ('the Bank'), which comprise the Balance Sheet as at 31st March 2022, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 in the manner so required for banking companies and are in conformity with accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Bank as at 31st March 2022, 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than financial statements and auditor's report thereon

4. The Bank's Management is responsible for the other information. The other information comprises information included in the Pillar 3 Disclosure under the New Capital Adequacy Framework (Basel III disclosures) but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover such other information and we do not express any form of assurance conclusion thereon.
5. Our responsibility in connection with the audit of the financial statements is to read the other information and in doing so, examine if the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read this other information, if we conclude that there is material misstatement of this other information, we are required to communicate the matter to those charged with governance.

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

6. The Bank's Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013, provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, Bank's 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 Bank's Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Bank's Management is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Bank's Management.
   - Conclude on the appropriateness of Bank's Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. 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.
10. Materiality is the magnitude of the misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. 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

12. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013.
13. 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, have been within the powers of the Bank;
    (c) During the course of our audit we have performed select relevant procedures at one branch. Since the Bank's key operations are automated, with the key application largely integrated to the core banking systems, it does not require its branches to submit any financial returns. Accordingly, our audit is carried out centrally at the Head Office, based on the necessary records and data required for the purpose of the audit being made available to us.
    (d) the profit and loss account shows a true balance of profit for the year then ended.
14. Further, as required by section 143(3) of the Act, we report that:
    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    b) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
    c) the financial accounting systems of the Bank are centralized and therefore, accounting returns for the purpose of preparation of financial statement are not required to be submitted by the branches
    d) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
    e) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
    f) the requirements of section 164(2) of the Companies Act,2013 are not applicable considering the Bank is a branch of Bank of Bahrain & Kuwait B.S.C, which is incorporated with limited liability in Bahrain;
    g) with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
    h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 18.15.8 of Schedule 18 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 Note 18.16.7 of Schedule 18 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.
       iv. with respect to the matter to be included in the Auditor's Report under section 197(16), the requirements of Section 197 of the Companies Act, 2013 are not applicable considering the Bank is a branch of Bank of Bahrain & Kuwait B.S.C, which is incorporated in Bahrain.
       v. i) the Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 18.16.9 of Schedule 18 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds 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, 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.
       ii) the Management has represented that, to the best of its knowledge, as disclosed in the Note 18.16.9 of Schedule 18 to the financial statements, 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, 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.
       iii) Based on such audit procedures that we have considered reasonable and appropriate by us in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement
       v) the requirements of section 123 of the Companies Act,2013 are not applicable considering the Bank is a branch of Bank of Bahrain & Kuwait B.S.C, which is incorporated with limited liability in Bahrain.
15. Other Matter
    The Comparative Financial Statements of the Bank for the year ended March 31, 2021 were audited by Billimoria Mehta & Co. Chartered Accountants, the statutory auditory of the Bank, who had expressed an unmodified opinion on those statements on June 25, 2021. Accordingly, we, A P Sanzgiri & Co, Chartered Accountants, do not express any opinion on the figures reported in the financial statements for the year ended / as at March 31, 2021 Our opinion on financial statements is not modified in respect of this matter.

For and on behalf of
A P Sanzgiri & Co
Chartered Accountants
Firm Regn. No. 116293W
Sd/-
Abhijit Sanzgiri
Partner
M.No: 043230

Place: Mumbai
Date: 27-06-2022
UDIN: 22043230ALSDAJ2682

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BANK OF BAHRAIN & KUWAIT B.S.C – INDIAN BRANCHES

(Referred to in paragraph 13(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

1. We have audited the internal financial controls over financial reporting of Bank of Bahrain & Kuwait B.S.C – Indian Branches ('the Bank') as at 31 March 2022 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls over Financial Reporting

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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Bank's Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For and on behalf of
A P Sanzgiri & Co
Chartered Accountants
Firm Regn. No. 116293W
Sd/-
Abhijit Sanzgiri
Partner
M. No. : 043230

Place: Mumbai
Date: 27-06-2022
UDIN: 22043230ALSDAJ2682

BALANCE SHEET AS AT MARCH 31, 2022

	Schedule	As at March 31, 2022 ₹ (000's)	As at March 31, 2021 ₹ (000's)
CAPITAL AND LIABILITIES			
Capital	1	2,928,863	2,928,863
Reserves & Surplus	2	1,589,363	1,524,923
Deposits	3	20,053,492	24,299,089
Borrowings	4	800,000	800,000
Other Liabilities and Provisions	5	552,450	763,453
TOTAL		**25,924,168**	**30,316,328**
ASSETS			
Cash and balances with Reserve Bank of India	6	863,276	966,414
Balances with Banks and Money at Call and Short Notice	7	1,400,645	5,838,757
Investments	8	5,985,284	6,846,006
Advances	9	16,233,966	14,828,029
Fixed Assets	10	213,892	225,718
Other Assets	11	1,227,105	1,611,404
TOTAL		**25,924,168**	**30,316,328**
Contingent Liabilities	12	9,382,443	13,264,095
Bills for Collection		2,717,418	2,702,776
Significant Accounting Policies and Notes to Accounts	17 & 18		

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

As per our report of even date attached

For A P Sanzgiri & Co
Chartered Accountants
Firm Registration No. 116293W
Sd/-
Abhijit Sanzgiri
Partner
Membership No. 043230
Place: Mumbai
Date: 27th June 2022

For Bank of Bahrain & Kuwait B.S.C.
Indian Branches
Sd/-
Mallikarjun Kota
Country Head & CEO - India
Sd/-
Mehjabeen Saifi
Vice President Financial Control - India

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022

	Schedule	For the year ended March 31, 2022	For the year ended March 31, 2021
		₹ (000's)	₹ (000's)
INCOME			
Interest Earned	13	1,382,680	1,633,742
Other Income	14	217,466	169,880
		1,600,146	**1,803,622**
EXPENDITURE			
Interest Expended	15	1,034,842	1,214,525
Operating Expenses	16	386,619	388,141
Provisions and Contingencies		102,101	61,265
		1,523,562	**1,663,931**
PROFIT			
Net Profit for the year		76,584	139,691
Profit/(Loss) Brought Forward		32,247	17,057
		108,831	**156,748**
APPROPRIATIONS			
Transfer to Statutory Reserve		19,146	34,923
Transfer to/(from) Investment Reserve Account		-	(19,527)
Transfer to Capital Reserve Account		-	1,841
Transfer to Investment Fluctuation Reserve Account		(15,229)	107,264
Transfer to surplus retained for Capital Adequacy		-	-
Transfer to provision (refer schedule 18 note 18.1.2.3 and 18.4.8)		12,144	-
Balance carried over to Balance Sheet		92,770	32,247
		108,831	**156,748**
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to herein form an integral part of the Profit and Loss Account.

As per our report of even date attached

For A P Sanzgiri & Co
Chartered Accountants
Firm Registration No. 116293W
Sd/-
Abhijit Sanzgiri
Partner
Membership No. 043230
Place: Mumbai
Date: 27th June 2022

For Bank of Bahrain & Kuwait B.S.C.
Indian Branches
Sd/-
Mallikarjun Kota
Country Head & CEO - India
Sd/-
Mehjabeen Saifi
Vice President Financial Control - India

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	For the year ended March 31, 2022	For the year ended March 31, 2021
	₹ (000's)	₹ (000's)
Cash flows from operating activities		
Net profit/(loss) before taxation	103,164	191,488
Adjustments for:		
Depreciation on Fixed Assets	22,565	29,138
(Profit)/Loss on sale of fixed assets	(105)	(66)
Other Provisions	36,431	-
Provision in respect of Non performing advances	29,549	15,523
Provision in respect of Non performing advances written back	(114,582)	(614,693)
Provision for Diminution in Fair Value of restructured advances	-	-
Bad Debts written off	88,793	612,500
Provision on country risk	(2,686)	1,743
Provision on Standard Assets	38,015	(5,605)
Provision on Investments	31,875	84,888
Operating profit before working capital changes	**233,019**	**314,916**
(Increase)/Decrease in Investments	828,847	515,126
(Increase)/Decrease in Advances	(1,409,697)	956,647
(Increase)/Decrease in Other Assets	332,517	(480,538)
Increase/(Decrease) in Deposits	(4,245,597)	(2,108,150)
Increase/(Decrease) in Other Liabilities & Provisions	(246,332)	138,606
Increase/(Decrease) in Borrowings	-	(210,000)
Income taxes (paid)/received	(23,372)	38,829
Net Cash Flow generated from/(used in) Operating Activities	**(4,530,615)**	**(834,564)**
Cash flows from investing activities		
Purchase of fixed assets	(10,763)	(39,156)
Proceeds from sale of fixed assets	128	419
Net Cash Flow generated from/(used in) Investing Activities	**(10,635)**	**(38,737)**
Cash flows from financing activities		
Injection of capital	-	-
Remittance of profits	-	-
Net Cash Flow generated from/(used in) Financing Activities	**-**	**-**
Net increase/(decrease) in cash and cash equivalents	**(4,541,250)**	**(873,301)**
Cash and Cash equivalents at the beginning of the year	6,805,171	7,678,472
Cash and Cash equivalents at the end of the year	**2,263,921**	**6,805,171**

As per our report of even date attached

For A P Sanzgiri & Co
Chartered Accountants
Firm Registration No. 116293W
Sd/-
Abhijit Sanzgiri
Partner
Membership No. 043230
Place: Mumbai
Date: 27th June 2022

For Bank of Bahrain & Kuwait B.S.C.
Indian Branches
Sd/-
Mallikarjun Kota
Country Head & CEO - India
Sd/-
Mehjabeen Saifi
Vice President Financial Control - India

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

			As at March 31, 2022 ₹ (000's)	As at March 31, 2021 ₹ (000's)
SCHEDULE 1				
SHARE CAPITAL				
(i)	Amount of deposit kept with the Reserve Bank of India under section 11(2)(b) of the Banking Regulation Act, 1949		560,000	530,000
(ii)	Amount brought in by Bank by way of Capital			
	Opening Balance		2,928,863	2,928,863
	Add: Capital infusion during the year		-	-
	Total		**2,928,863**	**2,928,863**
SCHEDULE 2				
RESERVES AND SURPLUS				
I	**STATUTORY RESERVE**			
	As per Last Balance Sheet		555,467	520,544
	Add: Transfer from Profit & Loss Account		19,146	34,923
			574,613	555,467
II	**PROPERTY INVESTMENT RESERVE**		9,976	9,976
III	**CAPITAL RESERVE**		31,999	30,158
	Add: Transfer from Profit & Loss Account		-	1,841
			31,999	31,999
IV	**SURPLUS RETAINED FOR CAPITAL ADEQUACY**			
	As per Last Balance Sheet		787,970	787,970
	Add: Transfer from Profit & Loss Account		-	-
			787,970	787,970
V	**INVESTMENT RESERVE ACCOUNT (IRA)**			
	As per Last Balance Sheet		-	19,527
	Add/(Less): Transfer from/(to) Profit & Loss Account		-	(19,527)
V	**INVESTMENT FLUCTUATION RESERVE**			
	As per Last Balance Sheet		107,264	-
	Add/(Less): Transfer from/(to) Profit & Loss Account		(15,229)	107,264
			92,035	107,264
VI	**BALANCE IN PROFIT AND LOSS ACCOUNT**		92,770	32,247
	Total		1,589,363	1,524,923

SCHEDULE 3				
DEPOSITS				
A	I	**Demand Deposits**		
	(i)	**From Banks**	13,110	23,791
	(ii)	**From Others**	2,610,492	3,895,569
			2,623,602	3,919,360
	II	**Saving Bank Deposits**	2,331,676	2,012,257
	III	**Term Deposits**		
	(i)	From Banks	-	-
	(ii)	From Others	15,098,214	18,367,472
			15,098,214	18,367,472
	Total		**20,053,492**	**24,299,089**
B	(i)	Deposits of branches in India	20,053,492	24,299,089
	(ii)	Deposits of branches outside India	-	-
	Total		**20,053,492**	**24,299,089**

SCHEDULE 4				
BORROWINGS				
I	**Borrowings in India from**			
	(i)	Reserve Bank of India	800,000	800,000
	(ii)	Other Banks	-	-
	(iii)	Other institutions and agencies	-	-
			800,000	800,000
II	**Borrowings outside India**		-	-
	Total (I+II)		**800,000**	**800,000**

Secured borrowings included in I & II above - ₹ 80 crores (Previous year ₹ 80 crores)

SCHEDULE 5			
OTHER LIABILITIES AND PROVISIONS			
I	Bills Payable	4,183	14,967
II	Interest Accrued	197,192	180,254
III	Provision for standard assets	89,610	61,192
IV	Provision for tax (net of advance tax)	-	-
V	Others (including provisions)	261,465	507,040
	Total	552,450	763,453
SCHEDULE 6			
CASH AND BALANCE WITH RESERVE BANK OF INDIA			
I	Cash in hand (including foreign currency notes)	12,895	10,912
II	Balances with Reserve Bank of India		
	(i) In Current Account	850,381	955,502
	(ii) In Other Account	-	-
	Total (I+II)	**863,276**	**966,414**

SCHEDULE 7				
BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE				
I	In India			
	(i)	Balances with Banks		
		(a) In Current Account	53,926	28,058
		(b) In Other Deposit Account	-	-
	(ii)	Money at Call and Short Notice		
		(a) With Banks	-	-
		(b) With Other Institutions	-	-
		(c) Lending under reverse repo (RBI and banks)	1,010,000	3,180,000
			1,063,926	3,208,058
II	Outside India			
	(i)	In Current Account	336,719	452,021
	(ii)	In Other Deposit Accounts	-	1,900,860
	(iii)	Money at Call and Short Notice	-	277,818
			336,719	2,630,699
		Total (I+II)	**1,400,645**	**5,838,757**

SCHEDULE 8				
INVESTMENTS				
I	Investments in India			
	(i)	Government securities (*)	5,593,111	6,617,469
	(ii)	Other approved securities	-	-
	(iii)	Shares	-	-
	(iv)	Debentures and bonds	-	-
	(v)	Subsidiaries / Joint Ventures	-	-
	(vi)	Others	392,173	228,537
			5,985,284	**6,846,006**
II	Investments outside India		-	-
			5,985,284	**6,846,006**
III	Investments in India			
	Gross Value		6,107,497	6,936,344
	Less:- Provision on Investments		(122,213)	(90,338)
	Net Value		**5,985,284**	**6,846,006**

* includes Securities of FV ₹ 83,06,00 (Previous Year FV 83,06,00) deposited with CCIL,securities of FV of ₹ 81,36,20 (Previous Year 81,36,20) given under LAF and securities of FV of ₹ 560,000 kept with RBI under section 11(2)(b)(ii) of Banking Regulation Act, 1949 (Previous Year FV ₹ 530,000).

SCHEDULE 9				
ADVANCES				
A	(i)	Bills purchased and discounted	3,208,741	6,258,223
	(ii)	Cash credits, Overdrafts & Loans repayable on demand	6,615,162	5,247,187
	(iii)	Term Loans	6,410,063	3,322,619
	Total		**16,233,966**	**14,828,029**
B	(i)	Secured by tangible assets*	11,164,517	8,254,523
	(ii)	Covered by Bank/Government Guarantees	2,941,524	5,190,365
	(iii)	Unsecured	2,127,925	1,383,141
	*includes advances against book debts			
	Total		**16,233,966**	**14,828,029**
C	I	Advances in India		
	(i)	Priority Sector	6,863,342	8,574,768
	(ii)	Public Sector	-	-
	(iii)	Banks	-	-
	(iv)	Others	9,370,624	6,253,261
		Sub-total	**16,233,966**	**14,828,029**
	II	Advances outside India	-	-
		Sub-total	**-**	**-**
	Total		**16,233,966**	**14,828,029**

SCHEDULE 10			
FIXED ASSETS			
I	Premises		
	At cost as per last Balance Sheet	188,860	188,860
	Additions during the year	-	-
	Deductions during the year	-	-
	Depreciation to date	(16,985)	(13,847)
		171,875	175,013
II	Other fixed assets		
	At cost as per last Balance Sheet	309,568	291,304
	Additions during the year	10,905	40,288
	Deductions during the year	(1,680)	(22,024)
	Depreciation to date	(277,757)	(259,986)
		41,036	49,582
III	Capital work in progress (including capital advances)	981	1,123
	Total	**213,892**	**225,718**
SCHEDULE 11			
OTHER ASSETS			
I	Inter-office adjustments (net)	-	-
II	Interest accrued	116,175	136,189
III	Tax paid in advance/ tax deducted at source (net of provisions)	99,571	105,581
IV	Deferred Tax (net) (Refer Accounting Policy 10 & Notes to Accounts 55)	277,975	289,250
V	Non-banking assets acquired in satisfaction of claims	-	-
VI	Stationery and stamps	6	7
VII	Others	733,378	1,080,377
	Total	**1,227,105**	**1,611,404**
SCHEDULE 12			
CONTINGENT LIABILITIES			
I	Claims against the bank not acknowledged as debts	207,044	207,044
II	Liabilities on account of outstanding forward exchange contracts	5,841,281	9,343,652
III	Guarantees given on behalf of constituents		
	(a) In India	2,400,106	2,560,863
	(b) Outside India	127,570	245,734
IV	Acceptances, endorsements and other obligations	746,621	852,872
V	Other items for which the Banks is contingently liable		
	- Capital Commitments	3,568	6,954
	- Unclaimed customer balances transferred to RBI DEAF Scheme	19,753	18,976
	- Securities of Staff Gratuity Trust held in Constituent SGL account	36,500	28,000
	Total	**9,382,443**	**13,264,095**

SCHEDULE 13			
INTEREST EARNED			
I	Interest/Discount on Advances/Bills	970,285	1,188,951
II	Income on Investments	336,203	362,036
III	Interest on balance with Reserve Bank of India and other inter-bank funds	72,206	82,603
IV	Others	3,986	152
	Total	**1,382,680**	**1,633,742**

BBK
بنك البحرين والكويت

BANK OF BAHRAIN & KUWAIT B.S.C. - INDIAN BRANCHES

(Incorporated in Bahrain with Limited Liability)

SCHEDULE 14			
OTHER INCOME			
I	Commission, Exchange and Brokerage	105,056	75,751
II	Profit/(Loss) on sale of Investments (net)	8,691	130,856
III	Profit/(Loss) on revaluation of Investments (net)	(31,875)	(84,888)
IV	Profit/(Loss) on sale of assets (net)	105	66
V	Profit/(Loss) on Exchange Transactions (net)	108,149	31,231
VI	Income earned by way of dividends, etc. from subsidiaries, companies, joint venture abroad/ in India	-	-
VII	Processing Fee	16,262	16,496
VIII	Miscellaneous Income	11,078	368
	Total	**217,466**	**169,880**
SCHEDULE 15			
INTEREST EXPENDED			
I	Interest on Deposits	991,946	1,168,249
II	Interest on RBI/Inter-bank borrowings	42,896	46,276
III	Others representing hedging cost	-	-
	Total	**1,034,842**	**1,214,525**
SCHEDULE 16			
OPERATING EXPENSES			
I	Payment to and provisions for employees	187,444	178,881
II	Rent, Taxes and Lighting	71,656	61,651
III	Printing and Stationery	1,841	1,344
IV	Advertisement and Publicity	137	2
V	Depreciation on Bank's Property	22,565	29,138
VI	Directors' Fees, Allowances and Expenses	-	-
VII	Auditors' Fees and Expenses	1,719	1,103
VIII	Law Charges	1,799	885
IX	Postage, Telegrams, Telephones etc.	2,472	4,931
X	Repairs and Maintenance	18,520	14,015
XI	Insurance	33,107	35,972
XII	Other Expenditure	45,359	60,219
	Total	**386,619**	**388,141**

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation

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

2. Use of estimates

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

3. Transaction involving foreign exchange

a) Monetary assets and liabilities denominated in foreign currencies and outstanding forward exchange contracts except foreign currency deposit swaps are revalued at the year end exchange rates notified by the Foreign Exchange Dealers' Association of India (FEDAI) and the resultant gains or losses at present recognised in Profit and Loss Account.

b) Income and expenditure in foreign currencies are translated at the rates prevailing on the date of the transaction.

c) Acceptances, endorsements and other obligations in foreign currencies are stated at the year end exchange rates notified by FEDAI.

d) Foreign currency swaps are marked to market using respective discount rates for foreign currency cash flows. All transactions are then recorded at spot rates notified by FEDAI. The profit or loss on revaluation is recorded in the profit and loss account and is included in other assets/other liabilities. The notional values of these swaps are recorded as contingent liabilities. The premium or discount on swap contracts hedging the foreign currency risk is amortised over the period of the swap contract in accordance with FEDAI guidelines.

4. Investments

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

Accounting and Classification

As per the guidelines for investments laid down by the Reserve Bank of India, the investment portfolio of the Bank is classified under "Held to Maturity", "Available for Sale" and "Held for Trading" categories.

Valuation

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

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

Treasury bills and Commercial papers are valued at carrying cost.

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

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

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

Transfer between categories

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

Sale of Investments under Held to Maturity

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

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

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

5. Advances and Provisions

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

Provision for standard advances is made the rates prescribed by the Reserve Bank of India.

6. Fixed Assets and Depreciation

a) Fixed Assets are stated at original cost of acquisition including taxes, duties, freight and the incidental expenses related to acquisition and installation less accumulated depreciation.

b) Considering the applicability of Schedule II of the Companies Act 2013, the management has estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets. Depreciation on fixed assets is provided on straight-line method, over estimated useful lives, determined by the management, as mentioned below:

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

*Depreciated as per RBI Guidelines

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

c) Assets purchased during the year are depreciated from the month that the asset has been put to use in the year. Assets disposed off during the year are depreciated upto the month before the date of disposal.

d) The Bank considers fixed assets as corporate assets of the banking business (cash-generating unit) as a whole. The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired and provides for impairment losses, if any, in the profit and loss account.

7. Lease Transactions

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

8. Revenue Recognition

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

a) Interest income on advances, other than on Non-Performing Advances, is recognised on accrual basis.

b) Income from investments other than non performing investments is accounted for on accrual basis except dividend on shares of Corporates and Mutual Funds, if any, which is accounted for on cash basis.

c) Interest income on Non-Performing Assets is recognised only on realisation in accordance with the norms prescribed by the Reserve Bank of India.

d) Commission income on letters of credit is accounted on issuance of the letter of credit. Loan processing fees is recognised at inception of the loan. Guarantee commission is accrued on a time proportion basis over the period of guarantee.

9. Employee Benefits

a) Gratuity

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

b) Provident Fund

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

c) Compensated Absences

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

Short term compensated absences are provided for without discounting the liability.

10. Taxation

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

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

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

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

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

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

11. Net Profit

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

a) Provision for current taxes, wealth tax and deferred taxes on income in accordance with statutory requirements;

b) Provision/write off for loan losses and investments;

c) Provision for contingency and other usual and necessary provisions.

12. Provisions, Contingent Assets And Contingent Liabilities

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

a) A possible obligation, arising from a past event (s), the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank or

b) Any present obligation that arises from past events but is not recognized because:

i. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

ii. A reliable estimate of the amount of obligation cannot be made.

13. Cash and Cash Equivalents

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

18. Schedule 18: Notes to Accounts

18.1 Regulatory Capital

As per the RBI guidelines on Capital to Risk Weighted Assets Ratio (CRAR) issued, banks are required to compute their capital requirement under Basel III effective June 30, 2013. The CRAR as per Basel III is 26.09% (Previous year 23.85 %).

18.1.1 Composition of Regulatory Capital

The CRAR of the Bank, calculated as per RBI Basel III guidelines is given below.

(Amount in ₹ crore)

S. No.	Particulars	2022	2021
(i)	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves (net of deductions, if any)	404.82	397.76
(ii)	Additional Tier 1 capital/ Other Tier 1 capital	-	-
(iii)	Tier 1 capital (i + ii)	404.82	397.76
(iv)	Tier 2 capital	19.58	17.57
(v)	Total capital (Tier 1+Tier 2)	424.40	415.33
(vi)	Total Risk Weighted Assets (RWAs)	1626.37	1741.16
(vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)/ Paid-up share capital and reserves as percentage of RWAs	24.89%	22.84%
(viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	24.89%	22.84%
(ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.20%	1.01%
(x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	26.09%	23.85%
(xi)	Leverage Ratio	13.80%	11.51%
(xii)	Percentage of the shareholding of a) Government of India b) State Government c) Sponsor Bank	-	-
(xiii)	Amount of paid-up equity capital raised during the year	-	-
(xiv)	Amount of non-equity Tier 1 capital raised during the year, of which: a) Interest free Funds from Head office	-	-
(xv)	Amount of Tier 2 capital raised during the year	-	-
(xvi)	Amount of subordinated debt raised as Tier–II capital	-	-

18.1.2 Drawdown from Reserves

18.1.2.1 Transfer to / from Investment Fluctuation Reserve (IFR).

In terms of RBI circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 02, 2018 on creation of Investment Fluctuation Reserve (IFR), the Bank has drawn down ₹ 1.52 crores from IFR during the FY 2021-22 (P.Y: created IFR of ₹ 10.73 crores).

18.1.2.2 Transfer to / from Investment Reserve Account (IRA)

The bank has not made any transfer to/from Investment Reserve Account (IRA) in the current year. (P.Y: Transferred from IRA of ₹ 1.95 crores).

18.1.2.3 Draw down from Reserves (excluding Investment Reserve Account (IRA) & Investment Fluctuation Reserve (IFR))

As stated in para 4.2.9.2c of the RBI circular: RBI/2021-2022/104 DOR.No.STR.REC.55/21.04.048/2021-22 dated October 1, 2021, the bank has option to debit "other reserves" for the making provision for the fraud cases where the provisioning is being made in more than one financial year. Accordingly, the Bank has created fraud provision of ₹ 1.21 crores from Reserves during the current year (Previous year Nil).

18.2 Asset liability Management:

18.2.1 Maturity pattern of assets and liabilities

As at March 31, 2022 **(Amount in ₹ crore)**

Maturity Profile	1 day	2-7 days	8-14 days	15-30 days	31 days-2 Months	2 -3 Months	3-6 Months	6-12 Months	1-3 years	3-5 years	Over 5 years	Total
Deposits	14.19	52.55	64.14	46.05	102.68	59.40	150.90	575.23	904.37	34.64	1.20	2005.35
Borrowings	-	-	-	-	-	-	-	-	80.00	-	-	80.00
Loans & Advances	185.88	31.15	41.34	37.99	89.20	47.36	87.73	126.85	864.90	89.63	21.37	1623.40
Investments	-	-	61.87	-	-	-	24.35	-	19.98	353.60	138.73	598.53
Foreign currency assets	35.80	11.85	12.98	1.52	25.15	0.73	0.30	-	233.65	-	14.78	336.76
Foreign currency liabilities	1.13	8.26	7.11	7.38	10.50	6.33	35.34	76.47	85.56	0.22	-	238.30

As at March 31, 2021 **(Amount in ₹ crore)**

Maturity Profile	1 day	2-7 days	8-14 days	15-30 days	31 days-2 Months	2 -3 Months	3-6 Months	6-12 Months	1-3 years	3-5 years	Over 5 years	Total
Deposits	7.81	45.09	45.72	19.67	76.85	191.98	248.17	588.69	1,088.86	116.53	0.54	2,429.91
Borrowings	-	-	-	-	-	-	-	-	80.00	-	-	80.00
Loans & Advances	0.35	113.49	49.42	108.86	324.48	232.78	307.99	83.64	200.81	16.35	44.63	1,482.80
Investments	-	7.99	10.56	-	-	48.11	-	-	82.60	393.49	141.85	684.60
Foreign currency assets	74.57	190.33	10.96	31.21	10.24	87.03	34.54	1.37	-	-	14.26	454.51
Foreign currency liabilities	1.55	8.85	11.94	10.55	10.27	85.38	63.18	91.44	159.06	1.63	0.05	443.90

Classification of assets and liabilities under the different maturity buckets are compiled by management based on the guidelines issued by the RBI and are based on the same assumptions as used by the Bank for compiling the return submitted to the RBI and which have been relied upon by the Auditors.

18.2.2 Liquidity Coverage Ratio (LCR)

Qualitative disclosure

The RBI basis the circular titled "Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards" released on June 09, 2014 (DBOD.BP.BC. No.120/21.04.098/2013-14) & Master circular on Disclosure in Financial Statements - Notes to Accounts has advised banks to measure and report LCR. The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered HQLA that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario as specified by supervisors. At a minimum, the stock of liquid assets should enable the Bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective action can be taken. The minimum LCR requirement is 100%.

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

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

(b) Intra period changes:

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

(c) The composition of High Quality Liquid Assets (HQLA):

Banks' High Quality Liquid Assets consists of the following:

i) Cash

ii) Balance with RBI in excess of CRR requirement

iii) Unencumbered portion of investments in Government securities in excess of SLR requirement.

iv) Investments in Government securities held within the mandatory SLR requirement, to the extent allowed by RBI under Marginal Standing facility (MSF)

v) Investment in Government Securities held up to 15% of Net Demand and Time Liabilities (NDTL) permissible under Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR).

(d) Concentration of funding:

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

(e) Derivative exposure and potential collateral calls:

Bank does not have derivative business except forward contracts. Exposure to derivative contracts has been incorporated in the calculation of LCR.

(f) Currency Mismatch in LCR:

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

(g) Centralisation of liquidity management:

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

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

All Inflows and outflows are comprehensively captured in LCR.

Bank's LCR is higher than minimum required LCR and as such Bank is in compliance with RBI guidelines.

Quantitative disclosure

The tables below highlight the position of LCR computed based on simple average of daily position for each quarter.

(Amount in ⊠ crore)

Sr. No.	Particulars	Quarter ended March 31, 2022	
		Total Un-weighted Value	Total Weighted Value
	High Quality Liquid Assets		
1	**Total High Quality Liquid Assets (HQLA)**	**555.78**	**551.59**
Cash Outflows			
2	**Retail deposits and deposits from small business customers, of which:**	**321.53**	**31.91**
(i)	Stable deposits	4.85	0.24
(ii)	Less stable deposits	316.68	31.67
3	**Unsecured wholesale funding, of which:**	**206.66**	**99.92**
(i)	Operational deposits (all counterparties)	-	-
(ii)	Non-operational deposits (all counterparties)	206.66	99.92
(iii)	Unsecured debt	-	-
4	**Secured wholesale funding**	**-**	**-**
5	**Additional requirements, of which**	**980.56**	**97.99**
(i)	Outflows related to derivative exposures and other collateral requirements	-	-
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	980.56	97.99
6	**Other contractual funding obligations**	**296.96**	**8.91**
7	**Other contingent funding obligations**	**-**	**-**
8	**Total Cash Outflows**	**1,805.71**	**238.73**
Cash Inflows			
9	**Secured lending**	**101.00**	**-**
10	**Inflows from fully performing exposures**	**379.50**	**193.72**
11	**Other cash inflows**	**33.38**	**33.38**
12	**Total Cash Inflows**	**513.88**	**227.10**
13	**TOTAL HQLA**		**551.59**
14	**Total Net Cash Outflows**		**11.63**
	25% of Total Cash Outflow		**59.68**
15	**Liquidity Coverage Ratio (%)**		**924.25%**

(Amount in ₹ crore)

Sr. No.	Particulars	Quarter ended Dec 31, 2021	
		Total Un-weighted Value	Total Weighted Value
	High Quality Liquid Assets		
1	**Total High Quality Liquid Assets (HQLA)**	**484.85**	**480.18**
Cash Outflows			
2	**Retail deposits and deposits from small business customers, of which:**	**298.64**	**29.61**
(i)	Stable deposits	5.05	0.25
(ii)	Less stable deposits	293.58	29.36
3	**Unsecured wholesale funding, of which:**	**207.41**	**88.36**
(i)	Operational deposits (all counterparties)	-	-
(ii)	Non-operational deposits (all counterparties)	207.41	88.36
(iii)	Unsecured debt	-	-
4	**Secured wholesale funding**	**25.00**	**-**
5	**Additional requirements, of which**	**439.76**	**47.92**
i)	Outflows related to derivative exposures and other collateral requirements	-	-
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	439.76	47.92
6	**Other contractual funding obligations**	**284.23**	**8.53**
7	**Other contingent funding obligations**	**-**	**-**
8	**Total Cash Outflows**	**1,255.04**	**174.42**
Cash Inflows			
9	**Secured lending**	**27.00**	**-**
10	**Inflows from fully performing exposures**	**327.69**	**165.72**
11	**Other cash inflows**	**25.45**	**25.45**
12	**Total Cash Inflows**	**380.14**	**191.17**
13	**TOTAL HQLA**		**480.18**
14	**Total Net Cash Outflows**		**(16.75)**
	25% of Total Cash Outflow		**43.61**
15	**Liquidity Coverage Ratio (%)**		**1101.08%**

(Amount in ₹ crore)

Sr. No.	Particulars	Quarter ended Sep 30, 2021	
		Total Un-weighted Value	Total Weighted Value
	High Quality Liquid Assets		
1	**Total High Quality Liquid Assets (HQLA)**	**683.82**	**681.34**
Cash Outflows			
2	**Retail deposits and deposits from small business customers, of which:**	**313.13**	**31.02**
(i)	Stable deposits	5.81	0.29
(ii)	Less stable deposits	307.32	30.73
3	**Unsecured wholesale funding, of which:**	**292.21**	**116.99**
(i)	Operational deposits (all counterparties)		
(ii)	Non-operational deposits (all counterparties)	292.21	116.99
(iii)	Unsecured debt		
4	**Secured wholesale funding**	**6.33**	**-**
5	**Additional requirements, of which**	**383.66**	**38.16**
(i)	Outflows related to derivative exposures and other collateral requirements	-	-
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	383.66	38.16
6	**Other contractual funding obligations**	**335.66**	**10.07**
7	**Other contingent funding obligations**	**-**	**-**
8	**Total Cash Outflows**	**1,330.99**	**196.24**
Cash Inflows			
9	**Secured lending**	**241.00**	**-**
10	**Inflows from fully performing exposures**	**284.49**	**142.24**
11	**Other cash inflows**	**43.80**	**43.80**
12	**Total Cash Inflows**	**569.29**	**186.05**
13	**TOTAL HQLA**		**681.34**
14	**Total Net Cash Outflows**		**10.19**
	25% of Total Cash Outflow		**49.06**
15	**Liquidity Coverage Ratio (%)**		**1388.79%**

(Amount in ₹ crore)

Sr. No.	Particulars	Quarter ended June 30, 2021	
		Total Un-weighted Value	Total Weighted Value
	High Quality Liquid Assets		
1	**Total High Quality Liquid Assets (HQLA)**	**827.20**	**823.53**
Cash Outflows			
2	**Retail deposits and deposits from small business customers, of which:**	**303.93**	**30.12**
(i)	Stable deposits	5.39	0.27
(ii)	Less stable deposits	298.54	29.85
3	Unsecured wholesale funding, of which:	327.07	169.79
(i)	Operational deposits (all counterparties)		
(ii)	Non-operational deposits (all counterparties)	327.07	169.79
(iii)	Unsecured debt	-	-
4	Secured wholesale funding	-	-
5	Additional requirements, of which	399.54	39.91
(i)	Outflows related to derivative exposures and other collateral requirements	-	-
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	399.54	39.91
6	Other contractual funding obligations	363.29	10.90
7	Other contingent funding obligations		
8	Total Cash Outflows	1,393.83	250.72
Cash Inflows			
9	Secured lending	333.00	-
10	Inflows from fully performing exposures	296.22	148.11
11	Other cash inflows	146.90	146.90
12	Total Cash Inflows	776.12	295.01
13	TOTAL HQLA		823.53
14	Total Net Cash Outflows		(44.29)
	25% of Total Cash Outflow		68.43
15	Liquidity Coverage Ratio (%)		1203.46%

(Amount in ₹ crore)

Sr. No.	Particulars	Quarter ended March 31, 2021	
		Total Un-weighted Value	Total Weighted Value
	High Quality Liquid Assets		
1	**Total High Quality Liquid Assets (HQLA)**	**702.80**	**701.61**
Cash Outflows			
2	**Retail deposits and deposits from small business customers, of which:**	**229.56**	**22.69**
(i)	Stable deposits	5.26	0.26
(ii)	Less stable deposits	224.30	22.43
3	**Unsecured wholesale funding, of which:**	**338.20**	**136.93**
(i)	Operational deposits (all counterparties)	-	-
(ii)	Non-operational deposits (all counterparties)	338.20	136.93
(iii)	Unsecured debt	-	-
4	**Secured wholesale funding**	**-**	**-**
5	**Additional requirements, of which**	**502.41**	**50.08**
(i)	Outflows related to derivative exposures and other collateral requirements	-	-
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	502.41	50.08
6	**Other contractual funding obligations**		
7	**Other contingent funding obligations**	**292.22**	**8.77**
8	**Total Cash Outflows**	**1,362.39**	**218.47**
	Cash Inflows		
9	**Secured lending**	**174.00**	**-**
10	**Inflows from fully performing exposures**	**317.54**	**158.77**
11	**Other cash inflows**	**316.01**	**316.01**
12	**Total Cash Inflows**	**807.55**	**474.78**
13	**TOTAL HQLA**		**701.61**
14	**Total Net Cash Outflows**		**(256.31)**
	25% of Total Cash Outflow		**54.62**
15	**Liquidity Coverage Ratio (%)**		**1284.53%**

BBK/02/JUNE/22

BBK

بنك البحرين والكويت

BANK OF BAHRAIN & KUWAIT B.S.C. - INDIAN BRANCHES

(Incorporated in Bahrain with Limited Liability)

(Amount in ₹ crore)

Sr. No.	Particulars	Quarter ended Dec 31, 2020	
		Total Un-weighted Value	Total Weighted Value
	High Quality Liquid Assets		
1	**Total High Quality Liquid Assets (HQLA)**	**607.24**	**607.24**
Cash Outflows			
2	**Retail deposits and deposits from small business customers, of which:**	**231.36**	**22.86**
(i)	Stable deposits	5.42	0.27
(ii)	Less stable deposits	225.94	22.59
3	Unsecured wholesale funding, of which:	337.90	152.49
(i)	Operational deposits (all counterparties)	-	-
(ii)	Non-operational deposits (all counterparties)	337.90	152.49
(iii)	Unsecured debt	-	-
4	**Secured wholesale funding**	**-**	**-**
5	**Additional requirements, of which**	**502.48**	**50.13**
(i)	Outflows related to derivative exposures and other collateral requirements	-	-
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	502.48	50.13
6	**Other contractual funding obligations**	**299.87**	**9.00**
7	**Other contingent funding obligations**	**2.33**	**2.33**
8	**Total Cash Outflows**	**1,373.94**	**236.81**
Cash Inflows			
9	**Secured lending**	**169.67**	**-**
10	**Inflows from fully performing exposures**	**210.90**	**105.45**
11	**Other cash inflows**	**251.73**	**251.73**
12	**Total Cash Inflows**	**632.29**	**357.17**
13	**TOTAL HQLA**		**607.24**
14	**Total Net Cash Outflows**		**(120.36)**
	25% of Total Cash Outflow		**59.20**
15	**Liquidity Coverage Ratio (%)**		**1025.74%**

(Amount in ₹ crore)

Sr. No.	Particulars	Quarter ended Sep 30, 2020	
		Total Un-weighted Value	Total Weighted Value
	High Quality Liquid Assets		
1	**Total High Quality Liquid Assets (HQLA)**	**626.13**	**625.15**
Cash Outflows			
2	**Retail deposits and deposits from small business customers, of which:**	**211.09**	**20.84**
(i)	Stable deposits	5.35	0.27
(ii)	Less stable deposits	205.74	20.57
3	**Unsecured wholesale funding, of which:**	**398.50**	**215.48**
(i)	Operational deposits (all counterparties)	-	-
(ii)	Non-operational deposits (all counterparties)	398.50	215.48
(iii)	Unsecured debt	-	-
4	**Secured wholesale funding**	**94.00**	**-**
5	**Additional requirements, of which**	**642.79**	**64.24**
(i)	Outflows related to derivative exposures and other collateral requirements	-	-
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	642.79	64.24
6	**Other contractual funding obligations**	**229.14**	**6.87**
7	**Other contingent funding obligations**	**-**	**-**
8	**Total Cash Outflows**	**1,575.52**	**307.43**
Cash Inflows			
9	**Secured lending**	**97.33**	**-**
10	**Inflows from fully performing exposures**	**210.08**	**105.04**
11	**Other cash inflows**	**191.59**	**191.59**
12	**Total Cash Inflows**	**499.00**	**296.63**
13	**TOTAL HQLA**		**625.15**
14	**Total Net Cash Outflows**		**10.81**
	25% of Total Cash Outflow		**76.86**
15	**Liquidity Coverage Ratio (%)**		**813.37%**

(Amount in ₹ crore)

Sr. No.	Particulars	Quarter ended June 30, 2020	
		Total Un-weighted Value	Total Weighted Value
	High Quality Liquid Assets		
1	**Total High Quality Liquid Assets (HQLA)**	**867.76**	**867.76**
Cash Outflows			
2	**Retail deposits and deposits from small business customers, of which:**	**210.60**	**20.78**
(i)	Stable deposits	5.54	0.28
(ii)	Less stable deposits	205.06	20.51
3	**Unsecured wholesale funding, of which:**	**302.57**	**110.94**
(i)	Operational deposits (all counterparties)		
(ii)	Non-operational deposits (all counterparties)	302.57	110.94
(iii)	Unsecured debt	-	-
4	**Secured wholesale funding**	**101.00**	**-**
5	**Additional requirements, of which**	**600.74**	**60.06**
(i)	Outflows related to derivative exposures and other collateral requirements	-	-
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	600.74	60.06
6	**Other contractual funding obligations**	**288.72**	**8.66**
7	**Other contingent funding obligations**	**-**	**-**
8	**Total Cash Outflows**	**1,503.63**	**200.44**
Cash Inflows			
9	**Secured lending**	**301.00**	**-**
10	**Inflows from fully performing exposures**	**313.09**	**156.55**
11	**Other cash inflows**	**653.03**	**653.03**
12	**Total Cash Inflows**	**1,267.13**	**809.58**
13	**TOTAL HQLA**		**867.76**
14	**Total Net Cash Outflows**		**(609.14)**
	25% of Total Cash Outflow		**50.11**
15	**Liquidity Coverage Ratio (%)**		**1,731.71%**

Note: In computing the above data, estimates/assumptions used by the management have been relied upon by the auditor.

Below is the quarter wise summary of the ratios for both the years:

Quarter	FY 2021-22		FY 2020-21	
	Actual	Limit	Actual	Limit
March	924.18%	100%	1284.57%	90%
December	1101.18%	100%	1025.67%	90%
September	1388.79%	100%	813.37%	80%
June	1203.46%	100%	1731.69%	80%

18.2.3 NSFR

The RBI basis the circular titled "Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR) – Final Guidelines" released on May 17, 2018 (DBR.BP.BC.No.106/21.04.098/2017-18) & Master circular on Disclosure in Financial Statements - Notes to Accounts has advised banks to measure and report NSFR.

The NSFR guidelines aims to ensure reduction in funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress

NSFR = (Available Stable Funding (ASF))>= 100%
(Required Stable Funding (RSF))

As per the RBI guidelines, the above ratio of NSFR should be equal to at least 100% on an ongoing basis.

The following table sets out unweighted and weighted value of NSFR components as at 31st March 2022 and 31st Dec 2021

The Available Stable Funding (ASF) is primarily driven by the total regulatory Capital before the regulatory adjustments/deductions as per Basel III Capital Adequacy guidelines stipulated by RBI and deposits from customers. Under the Required Stable Funding (RSF), the primary drivers are performing loans.

NSFR Disclosure Template

(Amount in ₹ crore)

	As at 31st March 2022	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	**Capital: (2+3)**	**452.92**	**-**	**-**	**-**	**452.92**
2	Regulatory capital	452.92	-	-	-	452.92
3	Other capital instruments					
4	**Retail deposits and deposits from small business customers: (5+6)**	**288.59**	**400.90**	**417.19**	**509.54**	**1,506.04**
5	Stable deposits	-	9.59	-	-	9.11
6	Less stable deposits	288.59	391.31	417.19	509.54	1,496.93
7	**Wholesale funding: (8+9)**	**208.29**	**17.43**	**241.05**	**2.36**	**131.60**
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	208.29	17.43	241.05	2.36	131.60
10	**Other liabilities: (11+12)**	**6.36**	**28.66**	**4.24**	**3.59**	**3.59**
11	NSFR derivative liabilities		-		-	
12	All other liabilities and equity not included in the above categories	6.36	28.66	4.24	3.59	3.59
13	Total ASF (1+4+7+10)					2,094.15
RSF Item						
14	**Total NSFR high-quality liquid assets (HQLA)**					**-**
15	**Deposits held at other financial institutions for operational purposes**	**-**	**-**	**-**	**39.06**	**19.53**
16	**Performing loans and securities: (17+18+19+21+23)**	**-**	**980.83**	**88.17**	**558.05**	**913.99**
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	318.17	19.00	225.14	282.37
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	662.66	69.17	305.70	613.94
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	221.77	-	-	-
21	Performing residential mortgages, of which:	-	-	-	27.21	17.68
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	13.34	-
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
24	**Other assets: (sum of rows 25 to 29)**	**-**	**12.92**	**(0.48)**	**192.40**	**610.78**
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	83.06	70.60
27	NSFR derivative assets		1.64	-0.57	-	1.07
28	NSFR derivative liabilities before deduction of variation margin posted		0.02	0.03	-	0.05
29	All other assets not included in the above categories	694.89	11.26	0.06	109.34	539.06
30	**Off-balance sheet items**		**-**	**-**	**777.37**	**32.32**
31	Total RSF (14+15+16+24+30)					1,576.62
32	Net Stable Funding Ratio (%)					132.82%

(Amount in ₹ crore)

	As at 31st December 2021	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	**Capital: (2+3)**	**448.54**	**-**	**-**	**-**	**448.54**
2	Regulatory capital	448.54	-	-	-	448.54
3	Other capital instruments	-	-	-	-	-
4	**Retail deposits and deposits from small business customers: (5+6)**	**-**	**743.21**	**322.22**	**559.59**	**1,519.00**
5	Stable deposits	-	10.51	-	-	9.98
6	Less stable deposits	-	732.70	322.22	559.59	1,509.02
7	**Wholesale funding: (8+9)**	**169.82**	**170.20**	**121.67**	**85.81**	**231.75**
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	169.82	170.20	121.67	85.81	231.75
10	**Other liabilities: (11+12)**	**116.24**	**-**	**-**	**4.03**	**4.03**
11	NSFR derivative liabilities		-		-	
12	All other liabilities and equity not included in the above categories	116.24	-	-	4.03	4.03
13	Total ASF (1+4+7+10)					2,203.32
RSF Item						
14	**Total NSFR high-quality liquid assets (HQLA)**					**-**
15	**Deposits held at other financial institutions for operational purposes**	**-**	**-**	**-**	**46.14**	**23.07**
16	**Performing loans and securities: (17+18+19+21+23)**	**-**	**1,196.80**	**137.97**	**477.00**	**938.94**
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	453.75	88.50	206.82	319.13
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	743.05	49.47	241.84	601.39
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	129.77	-	-	-
21	Performing residential mortgages, of which:	-	-	0.002	28.34	18.42
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
24	**Other assets: (sum of rows 25 to 29)**	**-**	**2.02**	**1.12**	**83.06**	**647.18**
25	Physical traded commodities, including gold		-	-	-	
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	83.06	70.60
27	NSFR derivative assets		2.00	1.11	-	3.11
28	NSFR derivative liabilities before deduction of variation margin posted		0.02	0.01	-	0.03
29	All other assets not included in the above categories	784.82	-	-	-	573.44
30	**Off-balance sheet items**		**-**	**-**	**925.66**	**39.87**
31	**Total RSF (14+15+16+24+30)**					**1,649.06**
32	**Net Stable Funding Ratio (%)**					**133.61%**

18.3 Investments

18.3.1 Composition of investments Portfolio

(Amount in ₹ crore)

As at 31st Mar 2022	Investments in India				Investments outside India	Total Investments
	Government Securities*	Other Approved Securities	Others	Total investments in India	Government securities, Others	
Held to Maturity						
Gross	138.35	-	-	138.35	-	138.35
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-
Net	138.35	-	-	138.35	-	138.35
Available for Sale						
Gross	432.64	-	39.76	472.40	-	472.4
Less: Provision for depreciation and NPI	(11.68)	-	(0.54)	(12.22)	-	(12.22)
Net	420.96	-	39.22	460.18	-	460.18
Held for Trading						
Gross	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-
Net	-	-	-	-	-	-
Total Investments						
Gross	570.99	-	39.76	610.75	-	610.75
Less: Provision for depreciation and NPI	(11.68)	-	(0.54)	(12.22)	-	(12.22)
Net	559.31	-	39.22	598.53	-	598.53

***Includes Treasury bills**

(Amount in ₹ crore)

As at 31st Mar 2021	Investments in India				Investments outside India	Total Investments
	Government Securities*	Other Approved Securities	Others	Total investments in India	Government securities, Others	
Held to Maturity						
Gross	148.28	-	-	148.28	-	148.28
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-
Net	148.28	-	-	148.28	-	148.28
Available for Sale						
Gross	521.95	-	23.40	545.35	-	545.35
Less: Provision for depreciation and NPI	(8.49)	-	(0.54)	(9.03)	-	(9.03)
Net	513.46	-	22.86	536.32	-	536.32
Held for Trading						
Gross	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-
Net	-	-	-	-	-	-
Total Investments						
Gross	670.23	-	23.40	693.63	-	693.63
Less: Provision for depreciation and NPI	(8.49)	-	(0.54)	(9.03)	-	(9.03)
Net	661.74	-	22.86	684.60	-	684.60

*Includes Treasury bills

18.3.2 Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in ₹ crore)

Sr No.	Particulars	2022	2021
(i)	Movement of provisions held towards depreciation on investments		
	Opening balance	9.03	0.54
	Add: Provisions made during the year	7.23	8.49
	Less: Write-off, excess provisions written back during the year	(4.04)	-
	Closing balance	12.22	9.03
(ii)	Movement of Investment Fluctuation Reserve		
	Opening balance	10.73	-
	Add: Provisions made during the year	-	10.73
	Less: Write-off, excess provisions written back during the year	(1.53)	-
	Closing balance	9.20	10.73
(iii)	Closing balance in IFR as a percentage of closing balance of Investments* in AFS and HFT/Current category	2%	2%

*Carrying value less net depreciation (ignoring net appreciation) i.e. the net amount reflected in the balance sheet

18.3.3 Sale and Transfers to / from HTM Category

The Bank has shifted a security having face value of ₹ 30 crore (previous year ₹ 95 crore) from HTM to AFS category during the year at the beginning of the accounting year with approval of the Board of Directors. There has been no transfer of securities to HTM category during the year (Previous year Nil). In accordance with RBI guidelines, this transfer was excluded from the 5% cap prescribed for value of sales and transfer of securities to/from the HTM category. The market value and book value of HTM investments as on 31st March 2022 is ₹ 137.05 crores and ₹ 138.35 crores respectively. (Previous year ₹ 148.21 crores and ₹ 148.28 crores respectively).

18.3.4 Non-SLR investment portfolio

i) Issuer composition of Non-SLR investments

FY 2021-22 (Amount in ₹ crore)

No.	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' Securities	Extent of 'unlisted' securities
1	PSU's	-	-	-	-	-
2	FI's	-	-	-	-	-
3	Banks (certificate of deposits)	-	-	-	-	-
4	Private corporates	24.35	24.35	-	-	-
5	Subsidiaries/ Joint ventures	-	-	-	-	-
6	Others	15.41	15.41	15.41	15.41	15.41
7	Provision held towards depreciation	(0.55)	-	-	-	-
	Total	39.21				

FY 2020-21 (Amount in ₹ crore)

No.	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' Securities	Extent of 'unlisted' securities
1	PSU's	-	-	-	-	-
2	FI's	-	-	-	-	-
3	Banks (certificate of deposits)	-	-	-	-	-
4	Private corporates	7.99	7.99	-	-	-
5	Subsidiaries/ Joint ventures	-	-	-	-	-
6	Others	15.41	15.41	15.41	15.41	15.41
7	Provision held towards depreciation	(0.55)	-	-	-	-
	Total	22.85				

ii) Non performing Non-SLR investments (Amount in ₹ crore)

Particulars	2021-22	2020-21
Opening balance	0.55	0.55
Additions during the year since 1st April	-	-
Reductions during the above period	-	-
Closing balance	0.55	0.55
Total provisions held	0.55	0.55

18.3.5 Repo and Reverse Repo transactions (in Face Value Terms)

(Amount in ₹ crore)

	Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as at March 31, 2022
Securities sold under repo					
i.	Government securities	80.00 (80.00)	80.00 (101.00)	80.00 (89.61)	80.00 (80.00)
ii.	Corporate debt securities	-	-	-	-
Securities bought under reverse repo					
i.	Government securities	2.00 (10.00)	618.00 (651.00)	202.34 (215.18)	101.00 (318.00)
ii.	Corporate debt securities	-	-	-	-

a) The above transactions pertain to repos and reverse repos done with RBI.
b) The previous year's figures are shown in brackets.
c) Amounts are based on actual borrowing and lending under repo and reverse repo respectively.
d) Minimum outstanding during the year excludes days with Nil outstanding.
e) Average outstanding during the year includes days with Nil outstanding.

18.4 Asset Quality

18.4.1 Classification of advances and provisions held

As at March 31, 2022 (Amount in ₹ crore)

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	1480.79	3.00	11.03	0.13	14.16	1494.95
Add: Additions during the year				[redacted]	16.74	
Less: Reductions during the year*					13.43	
Closing balance	1,609.57	16.74	0.58	0.15	17.47	1,627.04
***Reductions in Gross NPAs due to:**				[redacted]		
i) Upgradation				[redacted]	-	
ii) Recoveries (excluding recoveries from upgraded accounts)					4.55	
iii) Technical/ Prudential Write-offs					-	
iv) Write-offs other than those under (iii) above					8.88	
Provisions (excluding Floating Provisions) (#)						
Opening balance of provisions held		1.48	10.54	0.13	12.15	
Add: Fresh provisions made during the year					2.95	
Less: Excess provision reversed/ Write-off loans					11.45	
Closing balance of provisions held		2.92	0.58	0.15	3.65	
Net NPAs						
Opening Balance		1.52	0.49	-	2.01	
Add: Fresh additions during the year					13.79	
Less: Reductions during the year					1.98	
Closing Balance		13.82	-	-	13.82	
Less: Floating provision					1.05	
Net NPAs after floating provision					12.77	

(#) excludes standard assets provision.

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub standard	Doubtful	Loss	Total Non-Performing Advances	
Floating Provisions					[redacted]	
Opening Balance					[redacted]	1.05
Add: Additional provisions made during the year						-
Less: Amount drawn down18 during the year						-
Closing balance of floating provisions						1.05
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts					[redacted]	-
Add: Technical/ Prudential write-offs during the year						-
Less: Recoveries made from previously technical/ prudential written-off						-
Closing balance						-

بنك البحرين والكويت

BANK OF BAHRAIN & KUWAIT B.S.C. - INDIAN BRANCHES

(Incorporated in Bahrain with Limited Liability)

As at March 31, 2021 (Amount in ₹ crore)

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	1573.32	7.61	70.90	0.14	78.65	1651.97
Add: Additions during the year	[redacted]	[redacted]	[redacted]	[redacted]	3.00	
Less: Reductions during the year*	[redacted]	[redacted]	[redacted]	[redacted]	67.49	
Closing balance	1,480.79	3.00	11.03	0.13	14.16	1494.95
***Reductions in Gross NPAs due to:**	[redacted]	[redacted]	[redacted]	[redacted]		
i) Upgradation	[redacted]	[redacted]	[redacted]	[redacted]	0.03	
ii) Recoveries (excluding recoveries from upgraded accounts)	[redacted]	[redacted]	[redacted]	[redacted]	6.21	
iii) Technical/ Prudential Write-offs	[redacted]	[redacted]	[redacted]	[redacted]	-	
iv) Write-offs other than those under (iii) above	[redacted]	[redacted]	[redacted]	[redacted]	61.25	
Provisions (excluding Floating Provisions)(#)						
Opening balance of provisions held		3.78	68.15	0.14	72.07	
Add: Fresh provisions made during the year	[redacted]	[redacted]	[redacted]	[redacted]	1.55	
Less: Excess provision reversed/ Write-off loans	[redacted]	[redacted]	[redacted]	[redacted]	61.47	
Closing balance of provisions held		1.48	10.54	0.13	12.15	
Net NPAs						
Opening Balance	[redacted]	3.83	2.75	-	6.58	
Add: Fresh additions during the year	[redacted]	[redacted]	[redacted]	[redacted]	1.45	
Less: Reductions during the year	[redacted]	[redacted]	[redacted]	[redacted]	6.02	
Closing Balance	[redacted]	1.52	0.49	-	2.01	
Less: Floating provision	[redacted]				1.05	
Net NPAs after floating provision	[redacted]				0.96	

(#) excludes standard assets provision

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub standard	Doubtful	Loss	Total Non-Performing Advances	
Floating Provisions	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	
Opening Balance	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	1.05
Add: Additional provisions made during the year	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-
Less: Amount drawn down18 during the year	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-
Closing balance of floating provisions	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	1.05
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-
Add: Technical/ Prudential write-offs during the year	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-
Less: Recoveries made from previously technical/ prudential written-off	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-
Closing balance	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-

Ratios (In Percent)	2022	2021
Gross NPA to Gross Advances	1.07%	0.95%
Net NPA to Net Advances (**)	0.79%	0.06 %
Provision coverage ratio	26.90%	93.22 %

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

a) Deducting the existing floating provisions from gross NPAs to arrive at net NPAs or

b) Reckoning it as part of Tier II capital subject to the overall ceiling of 1.25% of total Risk Weighted Assets.

The Bank has exercised the option of deducting such floating provisions from Gross NPAs to arrive at net NPAs.

18.4.2 Sector-wise Advances and Gross NPAs

(Amount in ₹ crore)

Sr. No.	Sector	2022			2021		
		Total Advances (Gross)	Gross NPAs	% of Gross NPAs to total advances in that sector	Total Advances (Gross)	Gross NPAs	% of Gross NPAs to total advances in that sector
A	Priority Sector						
1	Agriculture activities and allied	-	-	-	-	-	-
2	Advances to industries sector eligible as priority sector lending *	366.14	-	-	306.15	-	-
3	Services #	318.42	-	-	551.33	-	-
4	Personal loans	1.77	-	-	-	-	-
	Sub-total (A)	686.33	-	-	857.48	-	-
B	Non Priority Sector						
1	Agriculture activities and allied	-	-	-	-	-	-
2	Industry *	544.21	16.74	3.08%	396.44	13.28	3.35%
3	Services #	339.87		-	194.59	-	-
4	Personal loans	56.63	0.73	1.28%	46.44	0.88	1.89%
	Sub-total (B)	940.71	17.46	1.86%	637.47	14.16	2.22%
	Total (A+B)	1,627.04	17.46	1.07%	1,494.95	14.16	0.95%
	* Industry of which						
	Chemicals, dyes paints etc.	289.46	-	-	241.56	-	-
	Food processing	123.44	-	-	97.88	-	-
	Rubber, Plastic and their Products	121.37	-	-	65.60	-	-
	Vehicles, Vehicle Parts and Transport Equipment's	100.45	-	-	41.74	-	-
	# Services of which						
	NBFC	268.16	-	-	83.45	-	-

18.4.3 Overseas Assets, NPAs and Revenue

The Bank does not have any Overseas Assets and NPAs as at March 31, 2022 and hence related revenues for the year ended March 31, 2022 is Nil (Previous year Nil).

18.4.4 Particulars of resolution plan and restructuring

There has been no resolution plan implemented in this year (Previous year Nil) under 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.

18.4.5 Disclosure of transfer of loan exposures

The bank has not transferred/acquired any stressed loans or SMA loans during the year.

As at March 31, 2022 **(Amount in ₹ crore)**

Details of NPA loans transferred during the year			
Particulars	To ARCs	To permitted transferees	To other transferees
No: of accounts	-	-	-
Aggregate principal outstanding of loans transferred	-	-	-
Weighted average residual tenor of the loans transferred	-	-	-
Net book value of loans transferred (at the time of transfer)	-	-	-
Aggregate consideration	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-

As at March 31, 2021 **(Amount in ₹ crore)**

Details of NPA loans transferred during the year			
Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	1	-	-
Aggregate principal outstanding of loans transferred	7.5	-	-
Weighted average residual tenor of the loans transferred	0	-	-
Net book value of loans transferred (at the time of transfer)	3.75	-	-
Aggregate consideration	3.75	-	-
Additional consideration realized in respect of accounts transferred in earlier years	0	-	-

18.4.6 Details of Loans acquired during the year

As at March 31, 2022 **(Amount in ₹ crore)**

Particulars	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs
Aggregate principal outstanding of loans acquired	-	-
Aggregate consideration paid	-	-
Weighted average residual tenor of loans acquired	-	-

As at March 31, 2021 **(Amount in ₹ crore)**

Particulars	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs
Aggregate principal outstanding of loans acquired	-	-
Aggregate consideration paid	-	-
Weighted average residual tenor of loans acquired	-	-

18.4.7 Divergence in the asset classification and provisioning

The RBI vide circular no. DBR.BP.BC.No.63/21.04.018/2016-17 & DBR.BP.BC. No.32/21.04.018/2018-19, titled "Disclosure in the Notes to Accounts to the Financial Statements - Divergence in the asset classification and provisioning" released on April 18, 2017 & April 01, 2019 respectively has advised banks to include a disclosure with respect to the additional provisioning requirement or the additional gross NPA assessed by RBI for the financial year.

There has been no NPA divergence observations/comments for the FY 2020-21 and accordingly disclosures as required vide the above circular are not applicable.

18.4.8 Provision pertaining to Fraud Accounts

Particulars	2022	2021
Number of frauds reported	3	3
Amount involved in fraud (₹ crore) (Net of recovery of ₹ 0.58 crore in current year)	4.86	0.01
Amount of provision made for such frauds (₹ crore)	3.65	0.01
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ crore)	1.21	-

18.4.9 Disclosure under Resolution Framework for COVID-19-related Stress

A special window under the Prudential Framework was extended vide circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 to enable the lenders to implement a resolution plan in respect of eligible corporate exposures, and personal loans, while classifying such exposures as Standard.

Disclosures to be made for period ending March 31, 2022

(Amounts in ₹ crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan–Position as at implementation of resolution plan (A)	Of (A), aggregate debt that slipped into NPA during the period	Of (A) amount written off during the period	Of (A) amount paid by the borrowers during the period	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the year
Personal Loans	0.78	-	-	0.09	0.69
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	1.89	-	-	0.13	1.76
Total	**2.67**	**-**	**-**	**0.22**	**2.45**

* As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016

18.5 Exposures

18.5.1 Exposure to real estate sector

(Amount in ₹ crore)

Particulars	2022	2021
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. Exposure would also include non-fund based (NFB) limits.	23.17	17.04
- of which individual housing loans eligible for inclusions in priority sector advances	-	-
(ii) Commercial Real Estate	-	-
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily 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	8.90	-
(ii) Investments in MBS and other securitized exposures	-	-
- Residential Real Estate	-	-
- Commercial Real Estate	-	-
- Any Other- Direct Exposure- Please Specify	-	-
B-Indirect Exposure	-	-
(i) Funded and Non-Funded exposures NHB and Housing Finance Companies (HFCs)	-	-
Total Exposure to Real Estate Sector (A + B)	32.07	17.04

18.5.2 Exposure to capital market **(Amount in ₹ crore)**

Sr. No.	Particulars	2022	2021
(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;	-	-
(ii)	Advances against shares /bonds/ debentures or other securities or on clean basis to individual for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual fund;	0.00051	0.01
(iii)	Advances for any other purpose where shares or convertible bonds or convertible debenture or units of equity-oriented mutual fund are taken as primary security;	-	-
(iv)	Advance for any other purpose to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual fund i.e. where the primary security other than shares/convertible bonds/ convertible debentures/units of equity oriented mutual fund does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loan sanctioned to corporate against security of share/ bonds/ debentures or other security or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loan 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 debenture or units of equity oriented mutual fund;	-	-
(ix)	Financing to stockbrokers for margin trading;	-	-
(x)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to capital market	0.00051	0.01

18.5.3 Risk category wise country exposure

(Amount in ₹ crore)

Risk category	As on March 31, 2022		As on March 31, 2021	
	Exposures	Provisions	Exposures	Provisions
Insignificant	303.18	0.18	390.98	0.21
Low Risk	226.96	0.13	619.21	0.37
Moderate Low Risk	-	-	1.02	-
Moderate Risk	9.87	-	5.72	-
Moderate High Risk	-	-	-	-
High Risk	-	-	-	-
Very High Risk	-	-	-	-
Total	**540.01**	**0.31**	**1016.93**	**0.58**

a) Exposures computed on a net basis i.e., gross exposure 'minus' for cash collaterals, bank guarantees and credit insurance available in/ issued by countries in a lower risk category than the country on which exposure is assumed.

b) Net Exposure is excluding provisions held

18.5.4 Unsecured Advances – advances granted against intangible securities

(Amount in ₹ crore)

Particulars	2022	2021
Total unsecured advances of the bank (Net of NPA)	212.79	138.31
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	-	-

18.5.5 Factoring Exposure

(Amount in ₹ crore)

Particulars	2022	2021
Factoring Exposure	-	-

18.5.6 Intra-Group Exposures

The intra-group exposure comprises of Bank's transactions and exposures to the entities belonging to the bank's own group (group entities). The Bank's exposure to their Head Office and overseas branches of the parent bank, except for proprietary derivative transactions undertaken with them, are excluded from intra-group exposure. The Bank has no other Group Entities in India.

Based on the above the bank has no Intra-Group exposure to be reported as on March 31, 2022. (Previous year Nil)

18.5.7 Unhedged Foreign Currency Exposure

The Bank encourages its borrowers' to hedge their un-hedged exposure. The Bank assesses the un-hedged foreign currency exposure of the borrowers as a part of credit risk assessment. A policy is in place to manage the credit risk arising out of un-hedged foreign currency exposure of the borrowers. The Bank also reviews the portfolio on a periodic basis and maintains provision towards the un-hedged foreign currency exposure of the Borrowers in line with the extant RBI guidelines. The Bank has maintained provision of ₹ 1.11 crores (previous year of ₹0.15 crores) and additional capital of ₹ 2.42 crores (Previous year: Nil) on account of Unhedged Foreign Currency Exposure of its borrowers as at March 31, 2022.

18.6 Concentration of Deposits, Advances, Exposures and NPA

18.6.1 Concentration of Deposits **(Amount in ₹ crore)**

Particulars	2022	2021
Total Deposits of twenty largest depositors	584.33	946.86
% of Deposits of twenty largest depositors to Total deposits of the bank	29.14	38.97

18.6.2 Concentration of Advances* **(Amount in ₹ crore)**

Particulars	2022	2021
Total Advances of twenty largest borrowers*	1186.60	1099.39
% of Advances to twenty largest borrowers to Total Advances of the bank	53.45%	55.95%

*Advances is computed based on credit exposure i.e. funded and non-funded exposure including derivative exposure; sanctioned limits or outstanding, whichever is higher, is reckoned (but excludes inter-bank exposure).

18.6.3 Concentration of Exposures

(Amount in ₹ crore)

Particulars	2022	2021
Total Exposure to twenty largest borrowers/customers*	1186.60	1099.39
% of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	52.52%	55.31%

* Exposure is computed based on total exposure i.e. funded and non-funded exposure including investment and derivative exposure (but excludes inter-bank exposure).

18.6.4 Concentration of NPAs**

(Amount in ₹ crore)

Particulars	2022	2021
Total Exposure to top twenty NPA accounts	16.86	13.39

** The information disclosed pertains to only advances (as reported in Schedule 9 of the Balance Sheet.

18.7 Derivatives

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

18.7.1 Disclosures on risk exposure in derivatives Qualitative Disclosure:

Products

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

Organization architecture

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

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

Policies for hedging risk

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

- Integrated Foreign Exchange policy and
- Asset – Liability Management (ALM) Policy

The Bank monitors the hedges/mitigants on a continuous basis through daily and monthly reports that are reviewed by the dealing room/top management.

Risk measurement and monitoring

a) Risk Measurement:

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

b) Risk Reporting and Risk monitoring systems:

The Bank has the following reports/systems in place which are reviewed by the top management:

i) VaR

ii) Net open position

iii) AGL / IGL

iv) Dealer wise limits

v) Stop loss limits

vi) Bankline limits

Provisioning, collateral and credit risk mitigation

As stated in Schedule 17: Principal accounting policies point no 3 (a) and (d).

Quantitative Disclosure **(Amount in ₹ crore)**

Sr. No.	Particulars	2022		2021	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal)				
	a) For hedging	-	-	-	-
	b) For trading	584.13	-	934.37	-
(ii)	Marked to Market Positions (net)				
	a) Assets (+)	2.05	-	27.72	-
	b) Liability (-)	0.98	-	1.15	-
(iii)	Credit Exposure	14.01	-	46.59	-
(iv)	Likely impact of one percentage change in interest rate (100*PV01)				
	a) On hedging derivatives	-	-	-	-
	b) On trading derivatives	0.43		0.87	-
(v)	Maximum and minimum of 100*PV01 observed during the year				
	a) On hedging				
	Minimum	-	-	-	-
	Maximum	-	-	-	-
	b) On trading				
	Minimum	0.43	-	0.87	-
	Maximum	1.32	-	4.09	-

18.8 Credit Default Swap

The bank does not deal in Credit Default Swap transactions

18.9 Disclosures relating to Securitization

The Bank does not have any securitized assets as of March 31, 2022 and March 31, 2021.

18.10 Off-balance Sheet sponsored Special Purpose Vehicles (SPVs)

The Bank does not have any SPVs as at March 31, 2022 (Previous year Nil).

18.11 Transfer to Depositor Education and Awareness Fund (DEA Fund)

(Amount in ₹ crore)

	Particulars	2022	2021
	Opening balance of amounts transferred to DEA Fund	1.90	1.39
Add	Amounts transferred to DEA Fund during the year	0.16	0.51
Less	Amounts reimbursed by DEA Fund towards claims	0.02	-
	Closing balance of amounts transferred to DEA Fund	2.04	1.90

The amount transferred to DEA Fund is also shown as contingent liability under Schedule 12.

18.12 Disclosure of Complaints

18.12.1 Customer complaints and unimplemented awards of Banking Ombudsman

Sr. No.		Particulars	2022	2021
Complaints received by the bank from its customers				
1.		Number of complaints pending at beginning of the year	-	1
2.		Number of complaints received during the year	2	2
3.		Number of complaints disposed during the year	2	3
	3.1	Of which, number of complaints rejected by the bank	-	-
4.		Number of complaints pending at the end of the year	-	-
Maintainable complaints received by the bank from OBOs				
5.		Number of maintainable complaints received by the bank from OBOs		
	5.1.	Of 5, number of complaints resolved in favour of the bank by BOs	-	1
	5.2	Of 5, number of complaints resolved through conciliation / mediation / advisories issued by Bos	-	1
	5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	-	-
6.		Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

18.12.2 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 complaints 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
FY 2021-22					
E-banking / ATM CARD Not Working	-	2	-	-	-
Ground - 2	-	-	-	-	-
Ground - 3	-	-	-	-	-
Ground - 4	-	-	-	-	-
Ground - 5	-	-	-	-	-
Others	-	-	-	-	-
Total	-	2	-	-	-
FY 2020-21					
Service Related	1	1	-	-	-
Consumer loan related	-	-	-	-	-
Digital Complaint	-	1	-	-	-
Ground - 4	-	-	-	-	-
Ground - 5	-	-	-	-	-
Others	-	-	-	-	-
Total	1	2	-	-	-

The above details have been based on the information provided by the Management and relied upon by the auditor.

18.13 Penalties imposed by the Reserve Bank of India (RBI).

During the FY 2021-22, no penalties were imposed by RBI. (Previous Year – Nil). There is no default in Reverse Repo transactions during the FY 2021-22. (Previous Year – Nil).

18.14 Remuneration

In terms of guidelines issued by RBI vide circular no. DBOD. No. BC. 72/29.67.001/2011-12 dated January 13, 2012 on "Compensation of Whole Time Directors/Chief Executive Officers/Risk takers and Control function staff, etc.", the Bank has submitted a declaration received from its Head Office to RBI to the effect that the compensation structure in India, including that of CEO's, is in conformity with the Financial Stability Board principles and standards wide letter dated April 24, 2022.

18.15 Other Disclosures

18.15.1 Business Ratios

(Amount in ₹ crore unless otherwise stated)

Sr. No.	Particulars	2022	2021
(i)	Interest Income as a percentage to working funds	4.90%	5.36%
(ii)	Non-Interest income as a percentage to working funds	0.77%	0.56%
(iii)	Cost of Deposits	4.55%	4.83%
(iv)	Net Interest Margin	1.39%	1.54%
(v)	Operating Profit as a percentage to working funds	0.63%	0.66%
(vi)	Return on Assets	0.27%	0.45%
(vii)	Business (Deposits + Advances) per employee	35.56	37.24
(viii)	Profit per employee	0.08	0.13

Notes: -

a) Employees as of balance sheet date are considered for computation of ratios.

b) Deposit (excluding interbank) & Advances outstanding as of balance sheet date are taken for calculating ratios in (v) above.

c) Working funds is average of total assets of Form X as reported to RBI.

d) Net Interest Margin = Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense

e) Operating profit = Interest Income + Other Income – Interest Expenses – Operating Expenses

18.15.2 Bancassurance Business

The Bank has earned income from bancassurance business as below:

(Amount in ₹ crore)

Sr. No.	Nature of Income	2021-22	2020-21
1.	For selling life insurance policies	0.07	0.13
2.	For selling non-life insurance policies	0.01	0.04
3.	For selling mutual fund products	0.72	0.36

18.15.3 Marketing and Distribution

The Bank has not earned any income from Marketing and Distribution business during the year ended March 31, 2022 (Previous year Nil).

18.15.4 Priority Sector Lending Certificates (PSLCs)

The Bank has purchased PSLCs during the year. Stock of PSLCs held at year end is detailed below in face value terms.

(Amount in ₹ crore)

Sr No.	Particulars	2022	2021
(i)	PSLC – General	-	145.00
(ii)	PSLC - Micro Enterprises	-	-
(ii)	PSLC – Agriculture	-	-
Total		-	145.00

18.15.5 Breakup of provisions and contingencies

Break of provisions and contingencies charged to the Profit & Loss Account:

(Amount in ₹ crore)

Particulars	2022	2021
Provision for Taxation		
Current Tax	2.94	(0.66)
MAT credit (entitlement)/reversal	(1.41)	
Deferred Tax	1.13	5.85
Provisions on NPA (including Write-offs)	0.38	1.33
Provision on Country Risk	(0.27)	0.17
Provision on Non-Funded Commitments	-	-
Provision on Standard Advances	3.80	(0.56)
Provision on Other Assets (including Write-offs)	3.64	
Total	**10.21**	**6.13**

Provision for Depreciation on Investments is clubbed under other income

18.15.6 Update on IND AS Implementation

The Institute of Chartered Accountants of India has issued Ind-AS (a revised set of accounting standards) which largely converges the Indian accounting standards with International Financial Reporting Standards (IFRS). The Ministry of Corporate Affairs (MCA) has notified these accounting standards (Ind-AS) for adoption. The Reserve Bank of India (RBI) through its press release dated March 22, 2019 has deferred the implementation of Indian Accounting Standards (Ind-AS) till further notice for scheduled commercial banks. In preparedness towards

BBK

بنك البحرين والكويت

BANK OF BAHRAIN & KUWAIT B.S.C. - INDIAN BRANCHES

(Incorporated in Bahrain with Limited Liability)

achieving the same, the Bank is preparing proforma financial statements regularly as required by Reserve Bank of India (RBI) vide its circular ref. DBR.BP.BC.No.106/21.07.001/2015-16 dated June 23, 2016, ref. DO.DBR. BP.No.2535/21.07.001/2017-18 dated September 13, 2017 and mail dated July 20, 2018. The Bank will continue its preparation towards migration to adopting Ind-AS as per regulatory requirement.

18.15.7 Payment of DICGC Insurance Premium

(Amount in ₹ crore)

Sr. No.	Particulars	2022	2021
(i)	Payment of DICGC Insurance Premium (Excluding GST)	2.75	3.11
(ii)	Arrears in payment of DICGC premium	-	-

18.16 Disclosures as per Accounting Standards (AS)

18.16.1 Accounting Standard 15 - Employee benefits

18.16.1.1 Provident fund

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

18.16.1.2 Gratuity

The following tables summarize the components of net benefit expense recognised in the Profit and Loss account and the funded status and amount recognised in the Balance Sheet for the respective plans.

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

(Amount in ₹ crore)

Particulars	2021-22	2020-21
Current service cost	0.52	0.62
Interest cost	0.40	0.36
Expected return on plan assets	0.36	0.28
Actuarial (gains)/losses	0.11	(0.21)
Past Service Cost	-	-
Net expenses	0.67	0.49

2) Balance Sheet: Details of provision for gratuity

(Amount in ₹ crore)

Particulars	2021-22	2020-21
Fair value of plan assets	5.80	5.30
Present value of obligations	6.47	5.79
Asset/(Liability)	(0.67)	(0.49)
Asset/(Liability) recognised in the balance sheet	(0.67)	(0.49)

3) Changes in the present value of the defined benefit obligation are as follows:

(Amount in ₹ crore)

Particulars	2021-22	2020-21
Opening defined benefit obligation	5.79	5.19
Interest cost	0.40	0.36
Current service cost	0.52	0.62
Past service cost	-	-
Cost of Plan Amendment	-	-
Benefits paid	(0.28)	(0.11)
Actuarial (gains) / losses on obligation	0.04	(0.27)
Closing defined benefit obligation	6.47	5.79

4) Changes in the fair value of plan assets are as follow:

(Amount in ₹ crore)

Particulars	2021-22	2020-21
Opening fair value of plan assets	5.30	4.04
Expected return	0.36	0.28
Contributions by employer	0.49	1.15
Benefits paid	(0.27)	(0.11)
Actuarial gains / (losses) on plan assets	(0.08)	(0.06)
Closing fair value of plan assets	5.80	5.30

5) Experience adjustments:

(Amount in ₹ crore)

Particulars	2021-22	2020-21
(Gain)/Loss on obligation due to change in assumption	(0.13)	(0.01)
Experience (Gain)/Loss on obligation	0.16	(0.26)
Actuarial Gain/(Loss) on planned assets	(0.08)	(0.06)

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

Particulars	2021-22	2020-21
Discount Rate (%) p.a.	7.15%	6.86%
Expected rate of return on assets (%) p.a.	7.15%	6.86%
Salary escalation rate (%) p.a.	8.00%	8.00%
Attrition Rate (%) p.a.: For first 4 years	10.00%	10.00%
: After 4 years	4.00%	4.00%

18.16.1.3 Compensated Absences

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

(Amount in ₹ crore)

Particulars	2021-22	2020-21
Total actuarial liability for sick leave	0.56	0.50

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

Particulars	2021-22	2020-21
Discount Rate (%) p.a.	7.15%	6.86%
Salary escalation rate (%) p.a.	8.00%	8.00%

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

Unamortised Pension and Gratuity Liabilities

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

18.16.2 Accounting Standard 17 – Segment reporting

Segment Information about Primary Business Segments for the year March 31, 2022.

(Amount in ₹ crore)

Business Segments	Treasury	Corporate Banking	Retail Banking	Other Banking Operations	Total
Revenue	47.58	103.88	4.17	3.00	158.63
Unallocated Revenue					1.38
Total Segment revenue					160.01
Expense	39.82	87.71	5.86	0.93	134.32
Unallocated Expense					7.82
Total Segment Expense					142.14
Operating Profit	7.76	16.17	(1.69)	2.07	24.31
Unallocated operating profit					(6.44)
Net Operating Profit					17.87
Segment Result	7.76	12.21	(1.64)	(1.57)	16.76
Unallocated result					(6.44)
Total Segment Result					10.32
Income Taxes (net of deferred tax)					2.66
Net Profit					7.66
Other Information					
Segment Assets	788.46	1626.57	51.83	0.17	2,467.03
Unallocated Assets					125.39
Total Assets					2,592.42
Segment Liabilities	90.07	493.15	1544.18	0.20	2,127.60
Unallocated Liabilities					464.82
Total Liabilities					2,592.42

Segment Information about Primary Business Segments for the year March 31, 2021.

(Amount in ₹ crore)

Business Segments	Treasury	Corporate Banking	Retail Banking	Other Banking Operations	Total
Revenue	51.86	121.65	4.37	2.47	180.35
Unallocated Revenue					0.01
Total Segment revenue					180.36
Expense	50.71	95.05	6.14	0.94	152.84
Unallocated Expense					7.43
Total Segment Expense					160.27
Operating Profit	1.15	26.60	(1.77)	1.53	27.51
Unallocated operating profit					(7.41)
Net Operating Profit					20.10
Segment Result	1.16	25.50	(1.62)	1.53	26.57
Unallocated result					(7.42)
Total Segment Result					19.15
Income Taxes (net of deferred tax)					5.18
Net Profit					13.97
Other Information					
Segment Assets	1,400.91	1,467.27	43.55	0.21	2,911.94
Unallocated Assets					119.69
Total Assets					3,031.63
Segment Liabilities	85.99	826.19	1,639.51	0.16	2,551.85
Unallocated Liabilities					479.78
Total Liabilities					3,031.63

a. The Bank operates as a single unit in India and as such has no identifiable geographical segments subject to dissimilar risk and returns. Hence no information regarding the same has been given.

b. The Bank is organised into three main business segments, namely:

i. Treasury – primarily comprising of Dealing Room operations, trading/ investments in Bonds and Government securities.

ii. Corporate Banking – primarily comprising of Wholesale Loans and Advances to Corporates, Investments in Corporate Bonds.

iii. Retail Banking – Primarily comprising of retail loans & advances to customers.

c. The above segments are based on the currently identified segments taking into account the nature of services provided, the risks and returns, overall organisation structure of the Bank and the internal financial reporting system.

d. Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts apportioned/allocated on a reasonable basis.

e. The classification of assets to the respective segments conform to the guidelines issued by RBI vide DBOD.No.BP.BC.81/21.01.018/2006-07 dated April 18, 2007.

f. Segment revenues stated above are aggregate of Schedule 13 – Interest income and Schedule 14 – Other Income with zero spread on account of transfer pricing.

18.16.3 Accounting Standard 18 - Related party disclosures:

Parent

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

Subsidiaries of Parent

1. CrediMax
2. Invita Bahrain
3. Global Payment Services
4. 973 Labs Co.W.L.L
5. Invita Claims Management Company

Associated Company of Parent

1. Bahrain Kuwait Insurance (BKIC)
2. Securities Investment Company
3. Bahrain Commercial Facilities Company
4. Invita-Kuwait
5. Ithmar Holding B.S.C
6. Social Insurance Organization (Pension Fund Commission)
7. Kuwait Investment Authority (KIA)
8. Social Insurance Organization (GOSI)
9. The Benefit Company
10. Naseej Company
11. Alosra Bank
12. Diyyar Al Harameen Al Ola Limited
13. BBK Geojit Securities KSC
14. Bahrain Liquidity Fund
15. Magnum Partners Holding Limited
16. Evoque Holdings Jersey Limited
17. LSE Jersey Holdings Limited partnership
18. Aegila Capital Management Limited

Key Management Personnel

Mr. Mallikarjun Kota – Country Head & CEO - India

In line with the RBI circular DBR.BP.BC.No.23/21.04.018/2015-16 dated July 01, 2015 the Bank is not required to disclose details pertaining to related party where under a category there is only one entity (i.e. Head Office & its branches). Similarly, there has been only one entity/person under Key management Personnel at any point of time and therefore those details are also not disclosed.

There were no transactions with other related parties during the year.

Related parties are identified by the management and relied upon by the auditors.

18.16.4 Accounting Standard 19 – Leases

Lease payments for assets taken on operating lease are recognized in the Profit & Loss Account over the term of the lease in accordance with the AS-19 on Leases. The Bank has entered into non- cancellable operating leases only for vehicles and rented premises.

The total of future minimum lease payments under non-cancellable operating leases as determined by the lease agreements are as follows:

(Amount in ₹ crore)

Particulars	2022	2021
Not later than one year	6.26	5.51
Later than one year and not later than five years	10.72	15.91
Later than five years	-	-
Total	16.98	21.42
Total minimum lease payments recognized in the P&L (incl. taxes)	6.49	6.67

The lease agreements entered into pertain to use of premises (including fixed assets) at the branches. The lease agreements do not have any undue restrictive or onerous clauses other than those normally prevalent in similar agreement regarding use of assets, lease escalations, renewals and a restriction on sub-leases.

18.16.5 Accounting standard 22 – Accounting for taxes on income

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

Items on which DTA is created are as follows:

(Amount in ₹ crore)

Particulars	2022	2021
Deferred Tax Assets		
Provision on Advances	6.58	8.75
Provision for Employee Benefits	0.30	0.30
Bonus payable	0.85	0.50
Depreciation on Fixed Assets	-	-
Carried forward losses	19.63	20.34
Others	2.06	0.21
Total	29.42	30.10
Deferred Tax Liability		
Depreciation on Fixed Assets	1.62	1.17
Total	1.62	1.17
Net Deferred tax asset	27.80	28.93

18.16.6 Accounting Standard 26 – Intangible Assets

The Bank holds intangible assets, primarily software, which is reported as part of Schedule 10. Details of the same are given below.

(Amount in ₹ crore)

Particulars	2022	2021
Opening Gross Block	13.73	13.59
Additions during the year	0.39	0.73
Deductions during the year	-	0.59
Depreciation till date	13.49	13.07
Net Block	0.63	0.66
Intangibles under development (CWIP)	0.10	0.10

18.16.7 Accounting Standard 28 – Impairment of assets

As at March 31, 2022 there were no events or changes in circumstances which indicate any material impairment in the carrying value of the assets covered by AS 28 on "Impairment of Assets" (Previous year Nil).

18.16.8 Accounting Standard 29 - Provisions, contingent liabilities and assets

Sr. No	Contingent Liability	Brief description
1	Claims against the Bank not Acknowledged as debts	Includes legal proceeding in the normal course of business, which is disputed by the Bank.
2	Liability on account of outstanding forward foreign exchange contracts and other derivative contracts	The Bank enters into foreign exchange contracts on its own account and for customers. Forward foreign exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The foreign exchange contracts are recorded, as contingent liabilities at notional amount.
3	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	Guarantees given on behalf of constituents, acceptances, endorsements and others. As a part of its normal banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.
4	Other items for which the Bank is contingently liable	This includes contingent liability corresponding to amount transferred to Depositor Education and Awareness Fund, Capital commitment and securities of Staff Gratuity Trust held in Constituent SGL account.

18.17 Miscellaneous disclosures

18.17.1 Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded by the bank

The bank has not exceeded regulatory single and group borrower exposure limits during the year. (Previous year: Nil).

18.17.2 Non-Performing Assets (Mark to Market on Derivative deals)

As per the guidelines issued by RBI vide notification DBOD.No.BP. BC.28/21.04.157/2011-12 dated August 11, 2011, Crystallized Receivables – Positive MTM on terminated derivative deals overdue for more than 90 days have been reported under "Schedule 11- Other Assets" after netting of the "Suspense crystallized receivables". The Gross value of crystallized receivables as on March 31, 2022 is Nil (Previous year: -Nil) and the Net value is Nil (Previous year: Nil).

18.17.3 Provisions towards standard assets

(Amount in ₹ crore)

Particulars	2022	2021
Provisions towards standard assets (including provision for derivative and un-hedged foreign currency exposure)	10.07	6.26

18.17.4 Letters of comfort (LoCs) issued by banks

The Bank did not issue any LoCs during the year (Previous year Nil).

18.17.5 Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

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

18.17.6 Corporate Social Responsibility (CSR)

The details of CSR expenditure are given below:

Gross amount required to be spent by the company during the year ₹ 0.17 crore (Previous year ₹ 0.17 cr.) Amount approved by the Board to be spent during the year ₹ 0.17 crore (Previous year ₹ 0.17 cr.)

Amount spent during the year ended March 31, 2022

(Amount in ₹ crore)

Sr. No.	Particulars	2022	2021
(i)	Construction/Acquisition of any asset	-	-
(ii)	On purposes other than (i) above	0.17	0.17

No amount relating to CSR activities was contributed to any related party of the Bank (Previous year- Nil). The bank has not entered into any contractual obligation with respect to a CSR liability, hence no provision required (Previous year-NIL).

Details of Unspent amount

(Amount in ₹ crore)

For the FY 2021-22						
Opening Balance		Amount required to be spent	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		With Company	In Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	-	-	-	-	-

(Previous Year: Nil)

18.17.7 Provision for Long Term Contracts

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

18.17.8 Sexual Harassment of Women at Workplace

The bank has received no complaints for its disposal under the provisions of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. (Previous Year: Nil)

18.17.9 Rule 11 (e) :

The Bank, as part of its normal banking business, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons. These transactions are part of Bank's normal banking business, which is conducted ensuring adherence to all regulatory requirements.

Given the nature and background of transactions explained above , no funds have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Bank has also not received any fund from any person(s) or entitie(s), 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 by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

18.17.10 Previous Year's Comparatives

Prior year amounts have been re-classified / re-stated wherever necessary to conform to the current year's presentation. The previous year's comparatives were compiled by M/s Bilimoria Mehta & Co. Chartered Accountants.

Signatures to Schedules 1 to 18

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

Sd/-	Sd/-
Mallikarjun Kota	**Mehjabeen Saifi**
Country Head & CEO – India	**Vice President Financial Control – India**

Place: Mumbai

Dated: 27th June 2022

DISCLOSURES UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) FOR THE YEAR ENDED MARCH 31, 2022

1. **Scope of application:**

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

2. **Capital Structure:**

Qualitative Disclosures:

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

Regulatory deductions are on account of intangible assets being deferred tax asset

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

Quantitative Disclosures: **(INR in crore)**

a.	**Tier I Capital**	
	Capital	292.89
	Reserves	140.45
b.	Deduction from Capital (Deferred Tax Asset and Software)	28.52
c.	Tier II Capital	19.58
	Total Eligible Capital	424.40

3. **Capital Adequacy:**

Qualitative Disclosures:

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

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

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

Quantitative Disclosures:

Capital requirement for credit risk	**(INR in crore)**
Portfolios subject to standardized approach	1,325.69
Securitization exposures	0.00
Total @ 11.50% CRAR	152.45
Capital requirement for market risk.	
- Standardized duration approach	
Interest Rate Risk	9.76
Foreign exchange risk (including gold)	1.33
Equity Risk	0.00
Specific Risk Capital Charge - Security Receipts	2.01
Capital requirement for operational risk;	
Basic indicator approach	
Capital required for operational risk	15.75

Total and Tier 1 capital ratios	**(INR in crore)**
Tier I Capital	404.82
Tier II Capital	19.58
Total	424.40
Total CRAR	26.09%
Core CRAR	24.89%

4. **General Disclosures:**

Qualitative Disclosures:

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

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

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

Liquidity Risk:

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

Market Risk:

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

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

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

Credit Risk:

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

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

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

The Bank has a risk asset rating guidelines and all credits are assigned a rating in accordance with the defined criteria. All lending relationships are reviewed at least once a year and more frequently wherever warranted. The Internal Audit Department conducts independent reviews of risk assets periodically and submits its report to Senior Management/Audit Committee.

It is the Bank's policy to ensure that provisions for credit loss are maintained at adequate levels.

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

Definition of past due and impaired assets (for accounting purpose)

Non-performing Assets:

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

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

(i) Interest and /or installment of principal amount remains overdue for a period of 90 days or above in respect of a term loan

(ii) The account remains out of order for a period of more than 90 days in respect of Overdraft/Cash Credit

(iii) Bills remain overdue for a period of more than 90 days in case of bills purchased/discounted.

(iv) Any amount to be received remains overdue for a period of more than 90 days in respect of other accounts.

Discussion of Bank's Credit Risk Management policy

As discussed under the sub head Credit risk

Quantitative Disclosures: **(INR in crore)**

- Total gross credit risk exposures –Fund based 2641.84
- Non-fund based 1001.10
- Geographic distribution of exposure-Fund based and non-fund based separately.

The Bank operates as a single unit in India and as such has no identifiable geographical segment subject to dissimilar risk and returns. Hence no information regarding the same has been given.

- Industry type distribution of exposures- funded and non-funded exposure separately.

Industry break up as at 31-03-2022 **(INR in crore)**

INDUSTRY NAME	FUND BASED O/S			NFB O/S		
	STD	NPA	TOTAL	STD	NPA	TOTAL
A. Mining and Quarrying	-	-	-	-	-	-
B. Food Processing	123.44	-	123.44	-	-	-
C. Beverages (excluding Tea & Coffee) and Tobacco	-	-	-	-	-	-
D. Textiles	16.55	-	16.55	12.97	-	12.97
E. Leather and Leather products	-	-	-	-	-	-
F. Wood and Wood Products	-	-	-	-	-	-
G. Paper and Paper Products	-	-	-	-	-	-
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	-	-	-	-	-	-
I. Chemicals and Chemical Products	289.46	-	289.46	57.78	-	57.78
J. Rubber, Plastic and their Products	121.37	-	121.37	-	-	-
K. Glass & Glassware	-	-	-	-	-	-
L . Cement and Cement Products	69.31	-	69.31	-	-	-
M. Basic Metal and Metal Products	-	-	-	-	-	-
N. All Engineering	25.95	13.83	39.78	61.69	-	61.69
O. Vehicles, Vehicle Parts and Transport Equipment's	100.45	-	100.45	-	-	-
P. Gems and Jewellery	-	-	-	-	-	-
Q. Construction	49.59	-	49.59	40.34	-	40.34
R. Infrastructure	74.06	-	74.06	41.09	-	41.09
S. Other Industries	43.60	-	43.60	0.47	-	0.47
T. NBFC	-	-	-	-	-	-
Residuary other advances (to tally with gross advances)	695.80	(0.01)	695.78	113.08	-	113.08
Total	1,609.58	13.82	1,623.39	327.43	-	327.43

- Residual Contractual Maturity break-down of assets:

(INR in crore)

		1 Day	2 – 7 Days	8 to 14 Days	15 to 30 Days	31 days – upto 2 months	2–to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total
1	Cash	1.29	-	-	-	-	-	-	-	-	-	-	1.29
2	Balance with RBI	-	-	6.93	1.99	4.22	2.51	6.65	23.76	37.43	1.49	0.06	85.04
3	Balances with banks & money at call & short notice	39.06	101	-	-	-	-	-	-	-	-	-	140.06
4	Investments	-	-	61.87	-	-	-	24.35	-	19.98	353.59	138.74	598.53
5	Advances	185.88	31.15	41.34	37.99	89.20	47.36	87.73	126.85	864.90	89.63	21.37	1623.40
6	Fixed Assets	-	-	-	-	-	-	-	-	-	-	21.39	21.39
7	Other assets	-	0.48	2.00	-	5.74	2.95	0.09	0.06	89.64	-	21.75	122.71

- **Amount of NPA's Gross** **(INR in crore)**

Substandard	16.74
Doubtful 1	0.07
Doubtful 2	0.43
Doubtful 3	0.08
Loss	0.15

- Net NPA's(Net of floating provision) 12.77
- NPA Ratios

Gross NPA's to Gross Advances 1.07%

Net NPA's to net advances 0.79%

Movement of NPA's (Gross)

Disclosed in Schedule 18 of the year accounts Note no 6.

Movement of provisions for NPA's

Disclosed in Schedule 18 of the year accounts Note no 6.

Amount of Non –Performing Investments Rs. 0.55 crore

Amount of provision held for Non–Performing Investments Rs. 0.55 crore

Movement of provision for depreciation on investments **(Rs. in crore)**

Particulars	2021-2022
Opening Balance	0.55
Add: Provisions for depreciation made during the year	-
Less: Write-off /Write back of provisions during the year	-
Closing balance	0.55

5. **Credit Risk: Portfolios subject to standardized approach**

Qualitative Disclosures:

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

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

Quantitative Disclosures:

The quantitative disclosures for exposure amounts after risk mitigation subject to the standardized approach are given in three major risk buckets-

(INR in crore)

Below 100% risk weight	2,960.68
100% risk weight	1,221.25
More than 100%	45.14
Deducted	Nil

6. **Credit risk mitigation: Standardized approach**

Qualitative Disclosures:

The Bank has in place credit risk mitigation and collateral management policy

BBK

بنك البحرين والكويت

BANK OF BAHRAIN & KUWAIT B.S.C. - INDIAN BRANCHES

(Incorporated in Bahrain with Limited Liability)

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

Quantitative Disclosures:

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

	Rs. in crore as of 31-03-2022	
	Gross outstanding	Financial Mitigant
Corporate loans*	105.64	38.80
Retail Loans	0.00	0.00

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

7. **Securitization: Standardized approach**

The Bank has not securitized any of its assets portfolios.

8. **Market Risk**

Qualitative Disclosures:

a) The Bank is following the standardized duration for calculating market risk on the following portfolios

Securities held under HFT and AFS categories

Forward foreign exchange contracts

b) Risk Management Department is responsible for identification, assessment, monitoring and reporting the market risks.

c) Risk Management and reporting is based on parameters such as Modified Duration, Maximum permissible exposures, Net Open Position limits, Gap limits, Value at Risk (VAR).

d) The Bank does not have any direct exposure to Capital Market.

Quantitative Disclosures:

The capital requirements for	(INR in crore)
i) Interest rate risk	9.76
ii) Equity position risk	0.00
iii) Foreign exchange risk	1.33
iv) Specific Risk Capital Charge - Security Receipts	2.01

9. **Operational Risk**

Qualitative Disclosures:

Operational Risk is the exposure to loss resulting from inadequate or failed internal processes or people or systems or from external events. The Bank has clearly defined operations procedures for each of its products and services. It also has advanced computer systems that enable it to run operations with speed and accuracy. The Bank has got in place concurrent audit and internal audit systems which help in identifying and rectifying the operational deficiencies.

The approved Business Continuity Plan is in place and implementation of the same is in process. The regular back-ups are made for important data and stored outside the bank's premises. All our branches are integrated under core banking software. A system of prompt submission of reports on frauds is in place in the Bank.

Interest Rate Risk in the Banking book

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

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

10. **Interest rate Risk in the banking Book (IRRBB)**

Qualitative Disclosures

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

Quantitative Disclosures

The impact on the bank's financial condition due to change in interest rate is being monitored. The impact of 200 basis points change upward/ downward in interest rate on Net Interest Income (NII) amounted to an expected loss of INR 2.48crore based on Asset Liability position of March 2022 using the traditional gap analysis.

Table DF-11: Composition of Capital

Part II: Template to be used before March, 2022 (i.e. during the transition period of Basel III regulatory adjustments) **(Rs. in million)**

Sr. No.	Particulars	Amount	Amt Subject to Pre Basel III Treatment	Ref No.
	Common Equity Tier 1 capital: instruments and reserves			
1	Funds from Head Office	2,929		A1
2	Retained earnings	1,404		B1+B2+B3+B4
3	Accumulated other comprehensive income (and other reserves)	-		
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies1)	-		
	Public sector capital injections grandfathered until January 1 2018			
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-		
6	**Common Equity Tier 1 capital before regulatory adjustments**	**4,333**		
	Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	-		
8	Goodwill (net of related tax liability)	-		
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	7		D1
10	Deferred tax assets 2	278		E1
11	Cash-flow hedge reserve	-		
12	Shortfall of provisions to expected losses	-		
13	Securitisation gain on sale	-		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-		
15	Defined-benefit pension fund net assets	-		
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-		
17	Reciprocal cross-holdings in common equity	-		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)3	-		
20	Mortgage servicing rights4 (amount above 10% threshold)	-		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-		
22	Amount exceeding the 15% threshold6	-		
23	of which: significant investments in the common stock of financial entities	-		
24	of which: mortgage servicing rights	-		
25	of which: deferred tax assets arising from temporary differences	-		
26	National specific regulatory adjustments7 (26a+26b+26c+26d)	-		
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	-		
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	-		
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank9	-		
26d	of which: Unamortised pension funds expenditures Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment of which: [INSERT TYPE OF ADJUSTMENT]	-		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		
28	**Total regulatory adjustments to Common equity Tier 1**	**285**		
29	**Common Equity Tier 1 capital (CET1)**	**4,048**		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	-		
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-		
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-		
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-		
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-		
35	of which: instruments issued by subsidiaries subject to Phase out	-		
36	**Additional Tier 1 capital before regulatory adjustments**	-		
	Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	-		
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10 % of the issued common share capital of the entity(Amount above 10 % threshold)	-		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)10	-		
41	National specific regulatory adjustments (41a+41b)	-		
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-		
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-		
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-		
	of which:DTA	-		
	Intangibles other than mortgage-servicing rights (net of related tax liability)	-		
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 1 at 50%]	-		
	of which: [INSERT TYPE OF ADJUSTMENT]	-		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		
43	**Total regulatory adjustments to Additional Tier 1 capital**	-		
44	**Additional Tier 1 capital (AT1)**	-		
44a	**Additional Tier 1 capital reckoned for capital adequacy11**	-		
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)**	**4,048**		
	Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-		
47	Directly issued capital instruments subject to phase out from Tier 2	-		
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-		
49	of which: instruments issued by subsidiaries subject to phase out	-		
50	Provisions[provision for Standard advances,unhedged foreign currency exposures and country risk provisions)	196		C1+C2
51	**Tier 2 capital before regulatory adjustments**	**196**		
	Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-		
53	Reciprocal cross-holdings in Tier 2 instruments	-		
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-		
55	Significant investments13 in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-		
56a	of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	-		
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	-		
	Regulatory Adjustments Applied To Tier 2 in respect of	-		
	Amounts Subject to Pre-Basel III Treatment	-		
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]	-		
	of which: [INSERT TYPE OF ADJUSTMENT	-		
57	**Total regulatory adjustments to Tier 2 capital**	-		
58	**Tier 2 capital (T2)**	196		
58a	**Tier 2 capital reckoned for capital adequacy14**	196		
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	-		
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	196		
59	**Total capital (TC = T1 + T2) (45 + 58c)**	4,244		
60	**Total risk weighted assets (60a + 60b + 60c)**	**16,264**		
60a	of which: total credit risk weighted assets	13,257		
60b	of which: total market risk weighted assets	1,637		
60c	of which: total operational risk weighted assets	1,370		
	Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	24.89%		
62	Tier 1 (as a percentage of risk weighted assets)	24.89%		
63	Total capital (as a percentage of risk weighted assets)	26.09%		
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	8.00%		
65	of which: capital conservation buffer requirement	2.50%		
66	of which: bank specific countercyclical buffer requirement	-		
67	of which: G-SIB buffer requirement	-		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	-		
	National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%		
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%		
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%		
	Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities	-		
73	Significant investments in the common stock of financial entities	-		
74	Mortgage servicing rights (net of related tax liability)	N.A.		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	N.A.		
	Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	196		
77	Cap on inclusion of provisions in Tier 2 under standardised approach	196		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	N.A.		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	N.A.		
	Capital instruments subject to phase-out arrangements			
	(only applicable between March 31, 2017 and March 31, 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	N.A.		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N.A.		
82	Current cap on AT1 instruments subject to phase out	N.A.		
	arrangements	N.A.		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N.A.		
84	Current cap on T2 instruments subject to phase out arrangements	N.A.		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	N.A.		

DF-12 Composition of Capital-Reconciliation Requirements

Step 1 **(Rs in Million)**

Sr. No.	Particulars	Balance sheet as in financial statements	Balance Sheet under regulatory scope of consolidation
A	**Capital & Liabilities**		
i	**Paid-up Capital**	2,929	2,929
	Reserves & Surplus	1,589	1,589
	Minority Interest	-	-
	Total Capital	4,518	4,518
ii	**Deposits**	20,053	20,053
	of which: Deposits from banks	13	13
	of which: Customer deposits	20,040	20,040
	of which: Other deposits (pl. specify)	-	-
iii	**Borrowings**	800	800
	of which: From RBI	800	800
	of which: From banks	-	-
	of which: From other institutions & agencies	-	-
	of which: Others (Borrowings outside India)	-	-
	of which: Capital instruments	-	-
iv	**Other liabilities & provisions**	552	552
	Total	**25,924**	**25,924**
B	**Assets**		
i	Cash and balances with Reserve Bank of India	863	863
	Balance with banks and money at call and short notice	1,401	1,401
ii	**Investments:**	5,985	5,985
	of which: Government securities	5,593	5,593
	of which: Other approved securities	-	
	of which: Shares	-	-
	of which: Debentures & Bonds	-	-
	of which: Subsidiaries / Joint Ventures / Associates	-	-
	of which: Others (Commercial Papers, Mutual Funds etc.)	392	392
iii	**Loans and advances**	16,234	16,234
	of which: Loans and advances to banks	-	
	of which: Loans and advances to customers	16,234	16,234
iv	**Fixed assets**	214	214
v	**Other assets**	1,227	1,227
	of which: Goodwill and intangible assets	-	-
	of which: Deferred tax assets	278	278
vi	Goodwill on consolidation	-	-
vii	Debit balance in Profit & Loss account	-	-
	Total Assets	**25,924**	**25,924**

Step 2 **(Rs in Million)**

Sr. No.	Particulars	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference No.
A	**Capital & Liabilities**			
i	**Paid-up Capital**	2,929	2,929	
	of which: Amount eligible for CET1	2,929	2,929	A1
	of which: Amount eligible for AT1			
	Reserves & Surplus	1,589	1,589	
	of which:			
	Statutory Reserve	575	575	B1
	Property Investment Reserve	10	10	B2
	Capital Reserve	32	32	B3
	Capital Adequacy	788	788	B4
	Investment Fluctuation Reserve	92	92	C1
	Balance in Profit /Loss A/c	93	93	
	Total Capital	**4,518**	**4,518**	
ii	**Deposits**	20,053	20,053	
	of which: Deposits from banks	13	13	
	of which: Customer deposits	20,040	20,040	
	of which: Other deposits (pl. specify)	-	-	
iii	**Borrowings**	800	800	
	of which: From RBI	800	800	
	of which: From banks	-	-	
	of which: From other institutions & agencies	-	-	
	of which: Others (Borrowings outside India)	-	-	
iv	**Other liabilities & provisions**	552	552	
	of which:Provision for Standard Advances,Country Risk,Unhedged foreign currency Exposures)	104	104	C2
	TOTAL Capital & Liabilities	**25,924**	**25,924**	
B	**ASSETS**			
i	Cash and balances with Reserve Bank of India	863	863	
	Balance with banks and money at call and short notice	1,401	1,401	
ii	**Investments**	5,985	5,985	
	of which: Government securities of which: Other approved securities	5,593	5,593	
	of which: Shares	-	-	
	of which: Debentures & Bonds	-	-	
	of which: Subsidiaries / Joint	-	-	
	Ventures / Associates	-	-	
	of which: Others (Commercial Papers,Mutual Funds etc.)	392	392	
iii	**Loans and advances**	16,234	16,234	
	of which: Loans and advances to Banks	-	-	
	of which: Loans and advances to customers	16,234	16,234	
iv	**Fixed assets**	214	214	
	of which:Intangibles	7	7	D1
v	**Other assets**	1,227	1,227	
	of which: Goodwill and intangible assets			
	of which: Deferred tax assets	278	278	E1
vi	**Goodwill on consolidation**	-	-	
vii	**Debit balance in Profit & Loss account**	-	-	
	Total Assets	**25,924**	**25,924**	

Step 3 **(Rs in Million)**

Sr. No.	Particulars	Component of regulatory capital reported by bank	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from Step 2	Reference No.
1	Directly issued qualifying common share (and equivalent for non- joint stock companies) capital plus related stock surplus	2,929	2,929	
2	Retained Earnings	1,404	1,404	
3	"Accumulated other comprehensive income (and other reserves)"	-	-	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-	
6	**Common Equity Tier 1 capital before regulatory adjustments**	**4,333**	**4,333**	
7	Prudential valuation adjustments	-	-	
8	Goodwill (net of related tax liability)	-	-	
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	7	7	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	278	278	
11	Regulatory adjustments applied to Common Equity Tier 1 and Tier 2 to cover deductions	-	-	
	Common Equity Tier 1 capital (CET1)	**4,048**	**4,048**	

Leverage Ratio

The Basel III leverage ratio is defined as the capital measure (Tier-1 capital of the risk based capital framework) divided by the exposure measure, with this ratio expressed as a percentage. As per RBI guidelines, disclosures required for leverage ratio for the Bank at the consolidated level at March 31, 2022 is as follows

a) Table DF 17- Summary comparison of accounting assets vs. leverage ratio exposure measure

Sr. No.	Particulars	(INR in '000s)
1	Total consolidated assets as per published financial statements	**25,924,167**
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	**136,903**
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	**3,557,414**
7	Other adjustments	**-285,230**
8	**Leverage ratio exposure**	**29,333,254**
b)	Table DF-18: Leverage ratio common disclosure template	(INR in '000s)
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	**24,914,167**
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	**-285,230**
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**24,628,938**
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	20,077
5	Add-on amounts for PFE associated with all derivatives transactions	116,826
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	**Total derivative exposures (sum of lines 4 to 10)**	136,903
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	1,010,000
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	1,010,000
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	10,007,930
18	(Adjustments for conversion to credit equivalent amounts)	-6,450,515
19	**Off-balance sheet items (sum of lines 17 and 18)**	3,557,414
	Capital and total exposures	
20	**Tier 1 capital**	4,048,191
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	29,333,254
	Leverage ratio	
22	**Basel III leverage ratio**	13.80%

BBK/06/JUNE/22