

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF INDIAN
BRANCH OF BANK OF CHINA LIMITED IN ACCORDANCE WITH SECTION 30 OF
THE BANKING REGULATION ACT, 1949**

To
The Chief Executive Officer
Bank of China Limited, Indian Branch

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Indian Branch of Bank of China Ltd. **(the Bank)**, which comprise the Balance Sheet as at 31st March, 2021, the Profit and Loss Account and 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.

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 ("the Act") in the manner so required for Banking Companies, and give a true and fair view in conformity with the accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), in so far as they are applicable to the Bank, of the state of affairs of the Bank as at 31st March, 2021, its profit and its cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

3. The Bank's Management is responsible for the other information. The other information comprises the information included in the Basel III Pillar 3 disclosures, (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

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

4. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

5. The Bank's Management is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act and provisions of Section 29 of the Banking Regulation Act, 1949, and circulars, guidelines and directions issued by the Reserve Bank of India from time to time in so far as they are applicable to the Bank. 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 fraud and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; 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 true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Bank's Management is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The description of the auditor's responsibilities for the audit of the financial statements is given in "**Appendix I**" to this report.

Report on Other Legal and Regulatory Requirements

8. 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 read with Section 133 of the Companies Act, 2013 and Rule 7 of the Companies (Accounts) Rules, 2014.
9. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949 and appointment letter issued by the Bank, 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) In our opinion, the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;



10. As required by Section 143(3) of the Companies Act, 2013, we further 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 Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by us in this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting policies prescribed by the Reserve Bank of India.
- (e) The requirements of Section 164(2) of the Act are not applicable considering the Bank is a branch of Bank of China Limited, which is incorporated in China.
- (f) With respect to the existence of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in '**Annexure A**'.

11. 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:

- (a) The Bank does not have any pending litigations which would impact its financial position;
- (b) The Bank has made adequate provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.;
- (c) The Bank does not have any amount which was required to be transferred to the Investor Education and Protection Fund.

12. With respect to the matter to be included in the Auditor's Report under section 197(16):

The requirements of Section 197 of the Act are not applicable considering the Bank is a branch of Bank of China Limited, which is incorporated in China.

13. We also report that:

- (a) There are no significant observations or comments on financial transactions or matters which have any adverse effect on functioning of the Bank.
- (b) There are no qualification, reservation or adverse remark in relation to maintenance of accounts and other matters connected therewith.

For CHOKSHI & CHOKSHI LLP
Chartered Accountants
FRN: 101872W/W100045



Dhananajay Jaiswal
Partner

M.No. 187686

UDIN: 21187686AAAAEG7052



Place: Mumbai

Date: 28th June 2021

APPENDIX – I: FURTHER DESCRIPTION OF THE AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



ANNEXURE - A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 10(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the financial statements of Bank of China Limited, Indian Branch of even date.)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with reference to financial statements of Bank of China Limited, Indian Branch ("the Bank") as of 31st March 2021 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (ICAI). These responsibilities include the design, implementation and maintenance of 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI and the Standards on Auditing, issued by 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements are established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the existence of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system with reference to financial statements.



Meaning of Internal Financial Controls With Reference to Financial Statements

The Bank's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Bank's internal financial control with reference to financial statements includes those policies and procedures that-

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- ii. 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 management of Indian branch of the Bank; and
- iii. 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 With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Bank has, in all material respects, internal financial controls system with reference to financial statements in existence and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2021, based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note.

For CHOKSHI & CHOKSHI LLP
Chartered Accountants
FRN: 101872W/W100045



Dhanaanajay Jaiswal
Partner

M.No. 187686

UDIN: 21187686AAAAEG7052



Place: Mumbai

Date: 28th June 2021

Bank of China Limited - India Branch
(Incorporated in People Republic of China)

Balance Sheet as at 31st March, 2021

(All Amounts in INR '000)

Particulars	Schedule	As at 31st March, 2021	As at 31st March, 2020
<u>CAPITAL & LIABILITIES</u>			
Capital	1	3,525,375	3,525,375
Reserves & Surplus	2	(594,516)	(362,988)
Deposits	3	1,257,209	204,968
Borrowings	4	-	-
Other liabilities and provisions	5	719,310	715,283
TOTAL LIABILITIES:		4,907,378	4,082,638
<u>ASSETS</u>			
Cash and Balances with Reserve Bank of India	6	52,102	194,607
Balances with banks and money at call and short notice	7	2,160,120	3,684,959
Investments	8	2,009,533	-
Advances	9	533,333	50,000
Fixed Assets	10	52,010	71,907
Other Assets	11	100,280	81,165
TOTAL ASSETS:		4,907,378	4,082,638
Contingent Liabilities	12	1,225,859	-
Bills for Collection	-	-	-
Significant Accounting Policies & Notes to Accounts	18		

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

As per our attached Report of even date.

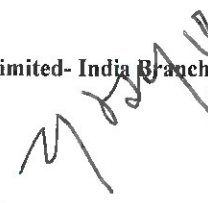
For Chokshi & Chokshi LLP
Chartered Accountants
Regn. No.1018272W/W100045


Dhananajay Jaiswal
Partner
Membership No.: 187686



For Bank of China Limited- India Branch


Zhang Min
Head of Finance & Operations


Hu Beihai
Chief Executive Officer



Place : Mumbai
Date : 28/06/2021

Bank of China Limited - India Branch
 (Incorporated in People Republic of China)

Statement of Profit and Loss Account for the period from 01st April, 2020 to 31st March, 2021

(All Amounts in INR '000)

Particulars	Schedule	Period from 01st April 2020 to 31st March, 2021	Period from 1st April 2019 to 31st March, 2020
I. INCOME			
Interest earned	13	156,380	171,378
Other income	14	14,237	(2,767)
TOTAL :		170,617	168,611
II. EXPENDITURE			
Interest expended	15	10,755	1,748
Operating expenses	16	385,762	337,780
Provisions & contingencies	17	5,627	(4,225)
TOTAL :		402,144	335,303
III. PROFIT/(LOSS)			
Net profit/(loss) for the period/ year		(231,527)	(166,692)
Profit/(Loss) brought forward		-	-
TOTAL :		(231,527)	(166,692)
IV. APPROPRIATIONS			
Transfer to statutory reserves		-	-
Transfer to Capital reserve		-	-
Transfer to Investment Fluctuation reserve		-	-
Profit remitted to Head Office		-	-
Balance carried over to Balance Sheet		(231,527)	(166,692)
TOTAL :		(231,527)	(166,692)

Significant Accounting Policies & Notes to Accounts

18

The Schedules referred to above form an integral part of the Statement of Profit & Loss Account.

As per our attached Report of even date.

For Chokshi & Chokshi LLP
 Chartered Accountants
 Regn. No. 1018272W/W100045


Dhananajay Jaiswal
 Partner
 Membership No.: 187686

Place : Mumbai
 Date : 28/06/2021



For Bank of China Limited- India Branch


Zhang Min
 Head of Finance & Operations


Hu Beihai
 Chief Executive Officer



Bank of China Limited - India Branch
(Incorporated in People Republic of China)

Cash Flow Statement for the year ended 31st March, 2021

(All Amounts in INR '000)

	Particulars	Period from 01st April 2020 to 31st March, 2021	Period from 1st April 2019 to 31st March, 2020
A)	Cash flows from Operating Activities		
	Net Profit after taxes	(231,527)	(166,692)
	Adjustment for		
	Depreciation for the year	21,269	20,791
	Operating (Loss) before changes in working capital	(210,258)	(145,901)
	Changes in working capital		
	Increase/(Decrease) in Deposit	1,052,241	204,968
	Increase/(Decrease) in Other Liabilities	4,027	20,111
	(Increase)/Decrease in Other Assets	(19,115)	(11,225)
	(Increase)/Decrease in Advance	(483,333)	(50,000)
	(Increase)/Decrease in Investment	(2,009,533)	-
	Cash flow (used in)/ from Operating Activities before taxes	(1,665,971)	17,953
	Taxes paid	-	-
	Income Tax refund received	-	-
	Net cash from Operating Activities	(1,665,971)	17,953
B)	Cash flows from Investing Activities		
	Purchase of Fixed Assets	(1,372)	(2,664)
	Net cash Investing Activities	(1,372)	(2,664)
C)	Cash flows from Financing Activities		
	Capital from Head Office	-	11
	Net cash from Financing Activities	-	11
	Net (Decrease)/ Increase in cash and cash equivalents	(1,667,344)	15,300
	Cash and cash equivalent at beginning of the period / year	3,879,566	3,864,266
	Cash and cash equivalent at closing of the period / year	2,212,222	3,879,566

Notes to the Cash flow statement

Cash and Cash equivalent include the following

Particulars	Period from 01st April 2020 to 31st March, 2021	Period from 1st April 2019 to 31st March, 2020
Cash and Balances with Reserve Bank of India (as per Schedule 6)	52,102	194,607
Balances with Banks and Money at Call and Short Notice (as per Schedule 7)	2,160,120	3,684,959
TOTAL :	2,212,222	3,879,566

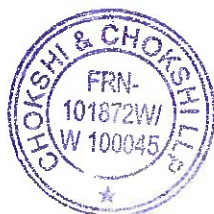
Significant Accounting Policies & Notes to Accounts (Schedule 18)
The Schedules referred to above form an integral part of the Balance Sheet.

As per our attached Report of even date.

For Chokshi & Chokshi LLP
Chartered Accountants
Regn. No.101872W/W100045


Dhanaanajay Jaiswal
Partner
Membership No.: 187686

Place : Mumbai
Date : 28/06/2021



For Bank of China Limited- India Branch


Zhang Min
Head of Finance & Operations

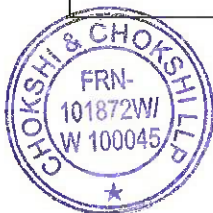

Hu Beihai
Chief Executive Officer



Bank of China Limited - India Branch (Incorporated in People Republic of China)		
Schedules forming part of the Financial Statements for the year ended 31st March, 2021		
	(All Amounts in INR '000)	
Particulars	As at 31st March, 2021	As at 31st March, 2020
SCHEDULE 1 : CAPITAL		
Opening Balance	3,525,375	3,525,375
Additions during the period/ year	-	-
TOTAL :	3,525,375	3,525,375
Amount of deposit kept with the Reserve Bank of India under section 11(2)(b) of the Banking Regulation Act, 1949	2,000	2,000
SCHEDULE 2 : RESERVES AND SURPLUS		
I. Statutory Reserve		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
TOTAL :	-	-
II. Capital Reserve		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
TOTAL :	-	-
III. Share Premium		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
TOTAL :	-	-
IV. Revenue and other Reserves		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
TOTAL :	-	-
V. Balance in Profit and Loss Account	(594,516)	(362,988)
TOTAL : (I + II + III + IV)	(594,516)	(362,988)
SCHEDULE 3 : DEPOSITS		
A.I. Demand Deposits		
(i) From banks	-	-
(ii) From others	738,743	4,968
A.II. Savings Bank Deposits	-	-
A.III. Term Deposits		
(i) From banks	-	-
(ii) From others	518,466	200,000
TOTAL :	1,257,209	204,968
B.I. Deposits of branches in India	1,257,209	204,968
B.II. Deposits of branches outside India	-	-
	1,257,209	204,968
SCHEDULE 4 : BORROWINGS		
A.I. Borrowings in India		
(i) Reserve Bank of India	-	-
(ii) Other banks	-	-
(iii) Other institutions and agencies	-	-
A.II. Borrowings outside India	-	-
TOTAL :	-	-
Secured Borrowings included in I & II above	-	-
SCHEDULE 5 : OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	-	-
II. Interest accrued	819	1,573
III. Advances Liability	-	-
IV. Provision on Standard Assets	2,133	200
V. Deferred Tax Liability (Net)	-	-
VI. Others (including provisions)		
- Payable to Head office	641,055	633,882
- Others	75,303	79,628
TOTAL :	719,310	715,283



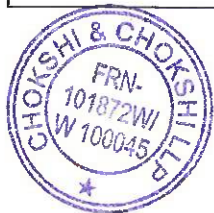
Bank of China Limited - India Branch (Incorporated in People Republic of China)		
Schedules forming part of the Financial Statements for the year ended 31st March, 2021		
Particulars	As at 31st March, 2021	As at 31st March, 2020
SCHEDULE 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand	2	7
II. Balances with Reserve Bank of India		
(i) in Current Account	52,100	194,600
(ii) in Other Account	-	-
TOTAL :	52,102	194,607
SCHEDULE 7 : BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India	2,157,987	3,684,959
i) Balances with banks in		
(a) Current Accounts	23,374	24,795
(b) Other Deposit Accounts	2,134,613	3,660,164
ii) Money at call and short notice	-	-
(a) with banks	-	-
(b) with other institutions	-	-
TOTAL :	2,157,987	3,684,959
II. Outside India		
i) in Current Accounts	2,133	-
ii) in Other Deposit Accounts	-	-
iii) Money at call and short notice	-	-
TOTAL :	2,133	-
GRAND TOTAL : (I & II)	2,160,120	3,684,959
SCHEDULE 8 : INVESTMENTS		
I. Investments in India in		
i) Government securities	2,009,533	-
ii) Other approved securities	-	-
iii) Shares	-	-
iv) Debentures and Bonds	-	-
v) Subsidiaries and /or joint ventures	-	-
vi) Others	-	-
TOTAL :	2,009,533	-
Less: Provision for Depreciation	-	-
TOTAL :	2,009,533	-
II. Investments outside India	-	-
GRAND TOTAL : (I & II)	2,009,533	-
SCHEDULE 9 : ADVANCES		
A. i) Bills purchased and discounted	-	-
ii) Cash credits, overdrafts and loans repayable on demand	-	-
iii) Term loans	533,333	50,000
TOTAL :	533,333	50,000
B. i) Secured by tangible assets (includes advances secured by book debts)	500,000	-
ii) Covered by Bank/Government Guarantees (includes advance to Banks)	-	-
iii) Unsecured	33,333	50,000
TOTAL :	533,333	50,000
C. I Advances in India		
i) Priority Sectors	533,333	50,000
ii) Public Sector	-	-
iii) Banks	-	-
iv) Others	-	-
TOTAL :	533,333	50,000
C. II Advances outside India	-	-
TOTAL : (CI & CII)	533,333	50,000



Bank of China Limited - India Branch (Incorporated in People Republic of China)		
Schedules forming part of the Financial Statements for the year ended 31st March, 2021		
(All Amounts in INR '000)		
SCHEDULE 10 : FIXED ASSETS		
I. Premises (including Leasehold improvements)		
Gross Block		
At Cost at beginning of year	28,739	26,992
Additions during the year	-	1,746
Deductions during the year	-	-
	28,739	28,739
Depreciation to date		
Beginning of the year	10,796	1,257
Additions during the year	9,580	9,539
Deductions during the year	-	-
	20,376	10,796
Net Block :	8,363	17,943
II. Other Fixed Assets (including furniture & fixtures)		
Gross Block		
At Cost at beginning of year	66,084	65,114
Additions during the year	1,372	970
Deductions during the year	-	-
	67,456	66,084
Depreciation to date		
Beginning of the year	12,119	867
Additions during the year	11,690	11,252
Deductions during the year	-	-
	23,809	12,119
Net Block :	43,647	53,965
Capital Work in Progress	-	-
TOTAL (I & II) :	52,010	71,907
SCHEDULE 11 : OTHER ASSETS		
I. Inter-Office Adjustment (net)	-	-
II. Interest/ Discount Accrued	37,062	19,833
III. Tax paid in advance/ input tax credit/Tax deducted at Sources (Net of Provisions)	26,041	26,475
IV. Stationary and Stamp	-	-
V. Non-banking assets acquired in satisfaction of claims	-	-
VI. Others	37,177	34,857
TOTAL :	100,280	81,165
SCHEDULE 12 : CONTINGENT LIABILITIES		
I. Claims against the bank not acknowledged as debts	-	-
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts & IRS	-	-
IV. Guarantees given on behalf of constituents		
a) In India	1,225,859	-
b) Outside India	-	-
V. Acceptances, endorsements and other obligation	-	-
VI. Other items for which the bank is contingently liable	-	-
TOTAL :	1,225,859	-



Bank of China Limited India Branch		
Schedules forming part of the Statement of Profit and Loss account From the Period 01st April 2020 to 31st. March 2021		
(All Amounts in INR '000)		
Particulars	Period from 01st April 2020 to 31st March, 2021	Period from 1st April 2019 to 31st March, 2020
SCHEDULE 13 : INTEREST EARNED		
I. Interest/discount on advances/bills	17,652	452
II. Income on investments	50,292	-
III. Interest on balances with RBI and other inter-bank funds	658	-
IV. Others	87,778	170,926
TOTAL :	156,380	171,378
SCHEDULE 14 : OTHER INCOME		
I. Commission, exchange and brokerage	35,280	500
II. Profit/(Loss) on sale of investments	-	-
III. Profit/(Loss) on revaluation of investments	(14,156)	-
IV. Profit/(Loss) on sale of land, building & other assets	-	-
V. Profit/(Loss) on Foreign exchange translation	(6,887)	(3,275)
VI. Income earned by way of Dividends, etc. from companies and/or Joint ventures in India & abroad	-	-
VII. Miscellaneous Income	-	8
TOTAL :	14,237	(2,767)
SCHEDULE 15 : INTEREST EXPENDED		
I. Interest on Deposits	10,755	1,748
II. Interest on Reserve Bank of India/inter bank borrowing	-	-
III. Premium Paid on Govt Securities	-	-
IV. Others	-	-
TOTAL :	10,755	1,748
SCHEDULE 16 : OPERATING EXPENSES		
I. Payments to and provision for employees	264,176	197,321
II. Rent, Taxes and Lighting	68,645	67,243
III. Printing and stationery	176	1,287
IV. Advertisement and publicity	210	-
V. Depreciation on bank's property	21,269	20,791
VI. Auditors' fees and expenses	735	824
VII. Postages, Telegrams, Telephones, etc.	118	99
VIII. Repairs and maintenance	85	98
IX. Insurance	1,306	1,696
X. Travelling expenses	4,238	13,178
XI. Legal and Professional charges	12,063	12,621
XII. IT expenses	4,659	2,780
XIII. Other expenditure	8,082	19,841
TOTAL :	385,762	337,780
SCHEDULE 17 : PROVISIONS & CONTINGENCIES		
I. Provisions		
Provision Additional	2,800	400
Provision Floating P&L	1,067	-
Provision for Unhedged Foreign Currency Exposure	(133)	400
Provision on Standard Assets	1,933	200
Provision for Country Risk	(40)	125
II. Taxation Charges	-	-
Current Tax Expense	-	(5,350)
TOTAL :	5,627	(4,225)



Bank of China Limited – India Branch

SCHEDULE 18 - Significant Accounting Policies and Notes to Accounts

1. Background:

Bank of China Ltd India Branch ('the Bank') has been granted license by Reserve Bank of India (RBI) to carry on banking business in India on 25th October 2018 and the Bank has commenced its operations from 3rd June 2019. The accompanying financial statements are for the period ended 31st March 2021 comprising of the accounts of India Branch of Bank of China Limited which is incorporated in The People's Republic of China. The bank has only one branch in India as on 31st March 2021 situated in Mumbai. The Bank's name has been included in the Second Schedule to the Reserve Bank of India Act, 1934 vide Notification DBR.IBD. No.10585/23.03.005/2018-19 dated June 19, 2019 and published in the Gazette of India (Part III - Section 4) dated July 27 – August 02, 2019.

2. Basis of Preparation:

The Financial Statements have been prepared on going concern basis in accordance with historical cost convention on accrual basis, except as otherwise stated, and include adjustments that are necessary as the bank is to continue as a going concern, relating to the recoverability & classification of recorded asset amounts or to the amounts & classification of liabilities and comply in all material aspects with generally accepted accounting principles (GAAP) in India, statutory requirements prescribed under the Banking Regulation Act, 1949, circulars & notifications issued by the Reserve Bank of India (RBI) from time to time till date and current practices prevailing within banking industry in the country, notified Accounting Standards specified under section 133 of Companies Act, 2013 read with Rule 7 of Companies (Accounting) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and current practices prevailing within the banking industry in India, to the extent applicable and conform to the statutory requirements prescribed under the Banking Regulation Act, 1949. The financial statements are presented in Indian Rupees rounded off to the nearest thousand, unless otherwise stated.

3. Use of Estimates:

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

4. Significant Accounting Policies

4.1 Revenue Recognition:

- Revenue is recognized to the extent that is probable that the economic benefits will flow to the bank and the revenue can be reliably measured.
- Interest Income is accounted on accrual basis, except in the case of non-performing assets where it is recognized, upon realization, as per the prudential norms of RBI.
- Fee for services are recognized at the time the services are rendered and a binding obligation to receive the fees has arisen. Commission on guarantees and letters of credit are recognized when the instrument is issued.
- Income on discounted instruments is recognized over the tenure of the instrument on a constant yield basis.



4.2 Foreign Exchange Transactions:

- Monetary Assets and Liabilities denominated in foreign currencies are translated at the period end exchange rates notified by the Foreign Exchange Dealers' Association of India (FEDAI) and the resultant gains or losses are recognized in Profit and Loss Account.
- Income and expenditure in foreign currencies are translated at the rates prevailing on the date of the transaction.
- Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- Contingent liability on account of forward exchange, derivative contracts, guarantees, acceptances, endorsements and other obligations are stated at the closing spot exchange rates notified by FEDAI at the balance sheet date.

4.3 Fixed Assets & Depreciation:

- Fixed Assets are stated at cost less accumulated depreciation less impairment provision. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- The Bank capitalizes all costs relating to acquisition and installation of fixed assets. However, fixed assets individually costing less than INR 20,000/- are expensed out in the year of purchase as per Fixed Asset Policy of Bank. The conditions to qualify as Fixed Assets: i) Held for the purpose of rendering services, leasing or operation management ii) The Service life exceeds one fiscal year iii) Having a unit value (exceeding eligible input GST) of more than INR 20,000/- (inclusive).
- The Bank has adopted the life of assets as per Companies Act, 2013. The life for various Fixed Assets are:

Nature	Life	Method
Office Equipments	5 Years	Straight Line Method
Furniture & Fixtures	10 Years	Straight Line Method
Computer	3 Years	Straight Line Method
Motor Vehicle	8 Years	Straight Line Method
Software	3 Years	Straight Line Method
Leasehold improvements	3 Years	Straight Line Method

- Depreciation on the fixed assets added/disposed off/discarded during the period is provided on pro-rata basis with reference to the month of addition/disposal/discarding.
- No Scrap value has been considered by the management for the purpose of calculation of depreciation on the fixed assets.

4.4 Cash and Cash Equivalents:

Cash and cash equivalents include cash on hand, balances with Reserve Bank of India, balances with other banks and money at call and short notice.

4.5 Employee Benefits:

a) Provident Fund

The Bank contributes an amount equal to the employees' contribution on a monthly basis to the Regional Provident Fund Commissioner (RPFC). The Bank has no liability for future provident fund benefits apart from its monthly contribution which is charged to the Profit and Loss Account.



b) Gratuity

In terms of Accounting Standard 15, liability with regard to gratuity fund is accrued based on actuarial valuation conducted by an independent actuary using the projected unit credit method as at 31 March each year. Actuarial gains and losses are recognized in the Profit and Loss Account in the year in which they arise. The contribution payable/paid is charged to the Profit and Loss Account.

4.6 Taxes on income:

Income tax expense comprises of current tax (i.e. amount of tax for the period, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and deferred tax charge or credit reflecting the tax effects of timing differences between accounting income and taxable income for the period.

Current tax expense is recognized on an annual basis under the tax payable method based on the estimated liability computed after taking credit for allowances and exemption in accordance with the provisions of Income Tax Act, 1961 and rules framed thereunder.

The Bank accounts for deferred taxes in accordance with the provisions of Accounting Standard 22 - Accounting for Taxes on Income. The deferred tax assets are recognized 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 realized. In situations where the Bank has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the balance sheet date.

4.7 Operating Lease:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as Operating Leases. Operating Lease payments are recognized as an expense in the Profit and Loss Account on a straight line basis over the lease term accordance with AS-19 Leases.

4.8 Provisions and Contingent liabilities:

A provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each Balance sheet date and adjusted to reflect the best available estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed. General provision on Standard Advances, provision for Country Risk, additional & floating provision and provision for Unhedged Foreign Currency Exposure is made as per guidelines prescribed by RBI and included under 'Other Liabilities and Provisions'.

4.9 Impairment of Assets:

The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, are provided in the statement of profit and loss account to the extent the carrying amount of assets exceeds their estimated recoverable amount.



4.10 Investments

Classification

In accordance with Reserve Bank of India (“RBI”) guidelines, all investments are categorized as ‘Held to Maturity’, or ‘Held for Trading’ or ‘Available for Sale’.

Investments that Bank intends to hold to maturity are classified as ‘Held to Maturity’. Investments that are held for resale within ninety days from date of purchase are classified as ‘Held for Trading’. All other investments are classified as ‘Available for Sale’. An investment is classified as ‘Held to Maturity’, ‘Available for Sale’ or ‘Held for Trading’ at the time of its purchase.

Valuation

Investments classified as ‘Held to Maturity’ are carried at their acquisition cost. The premium paid on acquisition of debt instruments, if any, is amortized over the period remaining to maturity. Investment classified as ‘Available for Sale’ and ‘Held for Trading’ are marked to market at daily basis respectively based on market price of scrip as available from trades / quotes on stock exchanges or in accordance with the rates / prices notified FBIL (Financial Benchmark India Ltd), FIMMDA (Fixed Income Money Market and Derivatives Association) jointly with PDAI (Primary Dealers Association of India).

Investments categorized as ‘Available for sale’ and ‘Held for Trading’ categories are revalued at the market price or fair value determined as per Regulatory (Fixed Income Money Market and Derivatives Association of India (FIMMDA/RBI) guidelines, and only the net depreciation for each category is provided for and net appreciation is ignored. On provision of depreciation the book value of the individual securities remains unchanged.

Treasury Bills, being discounted instruments, are valued at carrying cost. Discount to the face value of instrument is recognized over remaining period to maturity.

Acquisition Cost

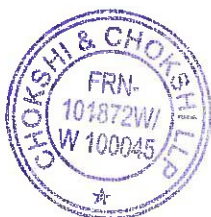
Brokerage, commission etc paid at the time of acquisition of securities are charged to Profit and Loss account. Broken period interest on debt instruments is treated as revenue item and is accounted for in accordance with RBI guidelines.

Disposal of Investments

Profit/Loss on sale of investments under the aforesaid three categories is recognized in the Statement of Profit and Loss. The profit from sale of investment under HTM category, net of taxes and transfer to statutory reserve is appropriated from Statement of Profit and Loss to Capital Reserve in accordance with RBI Guidelines.

Non Performing Investments

Provision for non-performing investments and investment subjected to prudential norms is made based on periodic review of investment and as per guidelines issued by the RBI.



4.11 Advances

Advances are classified as performing and non-performing based on management's periodic internal assessment as per RBI prudential norms. Specific provision for Non-Performing Advances is made on the basis provisioning requirement under prudential norms as laid by the RBI and is deducted from Advances. The Bank also maintains a general loan loss provision on Standard Advances at the rate as prescribed by RBI. General provision on Standard Assets also covers the provision requirement toward un-hedged foreign currency exposure, additional and floating provisions. Provision on Standard Assets, additional & floating provision and Unhedged Foreign Currency Exposure included in Schedule 5 (Other Liabilities and Provisions)

Where there is no longer any realistic prospect of recovery, the outstanding advance is written off.

4.12 Country Risk

The bank follows the guidelines on Country Risk Management in accordance with RBI guidelines and are included in Schedule 5 (Other Liabilities & Provisions) and classification followed by Export Credit Guarantee Corporation of India Ltd. (ECGC) for the purpose of classification and making provisions for country risk exposures. Currently Bank has made provision under low risk category as per ECGC classification.

5. Statutory Disclosures as per Reserve Bank of India circulars & Guidelines.

5.1 Capital Adequacy

In terms of RBI guidelines on New Capital Adequacy Framework, the Bank is required to maintain minimum Capital to Risk weighted Asset Ratio (CRAR) of 9%.

Capital Adequacy Ratio as per RBI guidelines (Basel III Capital Regulations dated 01 Jul 2015) as at 31st March 2021 is given below:

Sr.	Particulars	As at 31 st March 2021	As at 31 st March 2020
i)	Common Equity Tier 1 capital ratio (%)	127.60%	175.07%
ii)	Tier 1 capital ratio (%)	127.60%	175.07%
iii)	Tier 2 capital ratio (%)	0.29%	0.06%
iv)	Total capital ratio (CRAR) (%)	127.89%	175.13%
v)	% of the shareholding of the Government of India in public sector banks	-	-
vi)	Amount of equity capital raised	-	-
vii)	Amount of Additional Tier 1 capital raised ;of which PNCPS: PDI:	- -	- -
viii)	Amount of Tier 2 capital raised; of which Debt capital instrument: Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non- cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	- -	- -



5.2 Investments

		Amount in INR' 000	
Sr.	Items	As at 31 st March 2021	As at 31 st March 2020
1.	Value of Investments		
	i. Gross Value of Investments	20,23,689	-
	a) In India	20,23,689	-
	b) Outside India	-	-
	ii. Provisions for depreciation	14,156	-
	a) In India	14,156	-
	b) Outside India	-	-
	iii. Net Value of Investments	20,09,533	-
	a) In India	20,09,533	-
	b) Outside India	-	-
2.	Movements of provisions held towards depreciation on investments		
	i. Opening balance	-	-
	ii. Add: Provisions made during the period	14,156	-
	iii. Less: Write-off/write-back of excess provisions during the period	-	-
	iv. Closing balance	14,156	-

5.3 Repo / Reverse Repo Transactions

Particulars	Minimum Outstanding during the Period	Maximum Outstanding during the Period	Daily average Outstanding during the Year	As at 31 st March 2021
Securities Sold under repos	Nil	Nil	Nil	Nil
i. Government Securities	(Nil)	(Nil)	(Nil)	(Nil)
ii. Corporate Debt Securities				
Securities purchased under reverse repo	Nil	Nil	Nil	Nil
i. Government Securities	(Nil)	(Nil)	(Nil)	(Nil)
ii. Corporate Debt Securities				

Amount in brackets represents previous year figures.



5.4 Issuer Composition of Non-SLR Investments

The Bank did not have any investments under this category as at 31st March 2021 and 31st March 2020.

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(i)	PSU	-	-	-	-	-
(ii)	FI	-	-	-	-	-
(iii)	Banks	-	-	-	-	-
(iv)	Private Corporates	-	-	-	-	-
(v)	Subsidiaries/Joint Ventures	-	-	-	-	-
(vi)	Others	-	-	-	-	-
(vii)	Provision held towards depreciation	-	-	-	-	-
	Total	-	-	-	-	-

5.5 Non Performing Non-SLR Investment

The Bank did not have any investments under this category as at 31st March 2021.

Particulars	As at 31 st March 2021	As at 31 st March 2020
Opening Balance	-	-
Additions during the period since 1 st April	-	-
Reductions during the above period	-	-
Closing balance	-	-
Total Provision held	-	-

5.6 Sale and transfers to/from HTM Category

There is no sale/transfer to/from HTM category during the period ended 31st March 2021.

5.7 Derivatives

5.7.1 Forward Rate Agreement/Interest Rate Swap

The Bank has not dealt with any Forward rate Agreements (FRA)/Interest Rate Swaps (IRS) and hence the disclosure on the same and risk exposure on derivatives is not applicable.

Particulars	As at 31 st March 2021	As at 31 st March 2020
i) The Notional principal of swap agreements	-	-
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
iii) Collateral required by the bank upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps	-	-
v) The fair value of the swap book	-	-



5.7.2 Exchange Traded Interest Rate Derivatives

The Bank does not deal with any Exchange Traded Interest Rate Derivatives and hence the disclosure on the same and risk exposure on derivatives is not applicable.

Sr.	Particulars	Amount
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the period	-
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 st March 20	-
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	-
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective"	-

5.7.3 Disclosures on risk exposure in derivatives

Qualitative Disclosure

- The Bank has not entered into any derivative transactions during the year ended 31st March 2021. The Bank may undertake transactions in derivatives namely Foreign Exchange Swaps contracts for cover of customer transactions on a back to back basis.
- Risk Management and reporting for derivatives are based on parameters such as Net Open Position limits, Aggregate GAP Limits and FX Stress Testing.

Quantitative Disclosure:

Sr. No.	Particulars	As at 31 st March 2021 Currency Derivative	As at 31 st March 2020 Currency Derivative
1	Derivative (Notional Principal Amount)		
	a) For hedging	-	-
	b) For trading	-	-
2	Marked to Market Positions		
	a) Asset (+)	-	-
	b) Liability (-)	-	-
3	Credit Exposure	-	-
4	Likely impact of one percent change in interest rate (100*PV01)		
	a) On hedging derivatives	-	-
	b) On trading derivatives	-	-
5	Maximum and minimum of 100PV01 observed during the period		
	a) On hedging		
	-) Maximum	-	-
	-) Minimum	-	-
	b) On trading		
	-) Maximum	-	-
	-) Minimum	-	-



5.8 Asset Quality

5.8.1 Non-Performing Assets - The Bank did not have any non-performing advances as at 31st March 2021.

Particulars	As at 31 st March 2021	As at 31 st March 2020
(i) Net NPA's to Net Advances (%)	-	-
(ii) Movement in NPA (Gross)	-	-
(a) Opening Balance	-	-
(b) Additions during the period	-	-
(c) Reductions during the period	-	-
(d) Closing balance	-	-
(iii) Movement of Net NPAs	-	-
(a) Opening Balance	-	-
(b) Additions during the period	-	-
(c) Reductions during the period	-	-
(d) Closing balance	-	-
(iv) Movement of provisions for NPAs (excluding provisions on standard asset)	-	-
(a) Opening Balance	-	-
(b) Provisions made during the period	-	-
(c) Write-off / write-back of excess provisions	-	-
(d) Closing balance	-	-

5.8.2 Details of loan assets subjected to restructuring

There were no instances of restructuring of loan assets during the period.

5.8.3 Securitization Exposure

The Bank did not have any securitisation exposure during the period.

5.8.4 Details of financial assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

There were no instances of sale of financial assets to Securitisation / Reconstruction Company for asset reconstruction during the period.

Particulars	As at 31 st March 2021	As at 31 st March 2020
(i) No of accounts	-	-
(ii) Aggregate value (net of provisions) of the accounts sold to SC/RC	-	-
(iii) Aggregate Consideration	-	-
(iv) Additional Consideration realised in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/loss over net book value	-	-



5.8.5 Details of non-performing financial assets purchased/sold

There were no instances of purchase/sale of non-performing assets during the period.

Details of non-performing financial assets purchased	As at 31 st March 2021	As at 31 st March 2020
1 (a) No of accounts purchased during the period	-	-
(b) Aggregate outstanding	-	-
2 (a) of these no of accounts restructured during the period	-	-
(b) Aggregate outstanding	-	-

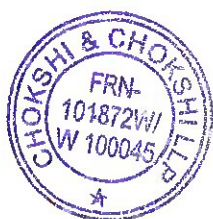
Details of non-performing financial assets sold	As at 31 st March 2021	As at 31 st March 2020
1. No of accounts sold	-	-
2. Aggregate outstanding	-	-
3. Aggregate consideration received	-	-

5.8.6 Sale of non-performing assets (NPAs) to Securitisation Companies(SCs)/Reconstruction Companies(RCs)

Particulars	Backed by NPA's sold by the bank as underlying	Backed by NPAs sold by other banks/ financial institutions/ non-banking financial companies as underlying	Total
	As at 31 st March 2021	As at 31 st March 2021	As at 31 st March 2021
Book Value of Investments in Security Receipts	-	-	-
	As at 31 st March 2020	As at 31 st March 2020	As at 31 st March 2020
Book Value of Investments in Security Receipts	-	-	-

5.8.7 Provisions on Standard Assets

Particular	For the year ended 31 st March 2021 (INR in '000)	For the year ended 31 st March 2020 (INR in '000)
Provisions towards Standard Assets as per RBI norms	2,133	200



5.8.8 Divergence in Asset classification & Provisioning

As per RBI circular No.DBR.BP.BC.No.32/21.04.018/2018-19 dated 01.04.2019, in case the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies and / or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning. No such instances of divergence reported during the year which requires disclosures.

5.9 Business Ratios

Sr. No.	Particulars	For the year ended 31 st March 2021	For the year ended 31 st March 2020
i.	Interest income as a percentage to working funds ¹	3.08%	4.03%
ii.	Non-Interest Income as a percentage to working funds ¹	0.28%	(0.07%)
iii.	Operating Profit/(Loss) as a percentage to working funds ¹	(4.46%)	(4.02%)
iv.	Return on assets ¹ (%)	(4.57%)	(3.92%)
v.	Business (deposits plus advances) per employee (INR'000) ²	19,408	3,672
vi.	Net profit/(loss) per employee (INR'000)	(72.35)	(52.09)

¹ Working funds are reckoned as average of total assets (excluding accumulated losses) as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949, during the period from 1st April 2020 to 31 March 2021.

² Computed based on deposits plus advances (excluding interbank deposits) outstanding as at the period end and also the number of employees as at the period end has been considered.

5.10 Asset Liability Management

Maturity Pattern of certain items of assets and liabilities as of 31st March 2021 (INR in '000)

Maturity Pattern	Loans and Advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities *
Day 1	-	18,51,232	7,38,743	-	2,133	-
2 - 7 days	-	-	2,50,000	-	-	-
8 - 14 days	-	-	-	-	-	-
15 - 30 days	-	-	1,63,466	-	-	-
31 days to 2 months	-	-	-	-	-	-
2 months to 3 months	-	-	1,00,000	-	-	-
3 months to 6 months	-	-	-	-	-	-
6 months to 1 year	33,333	-	5,000	-	-	-
1 to 3 years	500,000	1,58,301	-	-	-	-
3 - 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Total	5,33,333	20,09,533	12,57,209	-	2,133	-



Maturity Pattern of certain items of assets and liabilities as of 31 March 2020

(INR in '000)

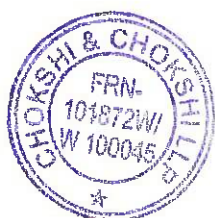
Maturity Pattern	Loans and Advances	Investments	Deposits	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities *
Day 1	-	-	4,968	-	-	-
2 - 7 days	-	-	-	-	-	-
8 - 14 days	-	-	-	-	-	-
15 - 30 days	-	-	100,000	-	-	-
31 days to 2 months	50,000	-	100,000	-	-	-
2 months to 3 months	-	-	-	-	-	-
3 months to 6 months	-	-	-	-	-	-
6 months to 1 year	-	-	-	-	-	-
1 to 3 years	-	-	-	-	-	-
3 - 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Total	50,000	-	204,968	-	-	-

* The Maturity pattern has been complied in the same manner as required for the RBI, Structural Liquidity Returns using certain estimates and assumptions, which have been relied upon by the auditors.

5.11 Exposures to sensitive sectors

5.11.1 Exposure to Real Estate Sector – The Bank does not have any exposure to real estate sector as at 31st March 2021 and 31st March 2020.

Category	As at 31 st March 2021
a) <i>Direct Exposure</i> (i) <i>Residential Mortgages</i> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (ii) <i>Commercial Real Estate</i> Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits; (iii) <i>Investments in Mortgage Backed Securities (MBS) and other securitised exposures</i> – a. <i>Residential</i> b. <i>Commercial Real Estate</i> b) <i>Indirect Exposure</i> Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil



5.11.2 Exposure to Capital Market: The Bank does not have any exposure to capital market sector as at 31st March 2021 and 31st March 2020.

Category	As at 31 st March 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;	Nil
(ii) advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances ;	
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	
(vi) loans sanctioned to corporates against the security of shares / bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	
(vii) bridge loans to companies against expected equity flows/issues;	
(viii) underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	
(ix) financing to stockbrokers for margin trading;	
(x) all exposures to Venture Capital Funds (both registered and unregistered)	
Total Exposure to Capital Market	

5.12 Penalties imposed by RBI

During the period, there has been no instance of any penalty imposed by RBI on the Bank.

5.13 Risk Category wise Country Exposure +

Risk Category	Exposure (net) as at 31 st March 2021 (INR in '000)	Provision held as at 31 st March 2021 (INR in '000)	Exposure (net) as at 31 st March 2020 (INR in '000)	Provision held as at 31 st March 2020 (INR in '000)
Insignificant	-	-	-	-
Low	35,466	85	50,000	125
Moderate	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	35,466	85	50,000	125



5.14 Disclosure on Single Borrower/Group Borrower Limit

During the year ended 31st March 2021, the Bank has complied with Reserve Bank of India guidelines on single borrower and group borrower limit. The exposure limits prescribed are 20% of capital funds of the bank in case of single borrowers (SBL) and 25% of capital funds in case of group borrowers (GBL). In exceptional cases SBL can also be increased by a further 5% of the capital funds with the approval of the Bank's local executive committee. The Bank has not exceeded the aforesaid limits during the current year ended 31st March 2021 as well as 31st March 2020.

Inter-bank advances were NIL during the year. However, during the previous year 31st March 2020, Bank had exceeded inter-bank limit of 25% on account of placement of fixed deposits with commercial banks, which was duly reported and explained to RBI. As of 31st March 2021 all inter-bank exposures arising from placement of fixed deposits were within stipulated limits.

5.15 Unsecured Advances

The Bank has unsecured advances amounting to INR 33,333 (INR in '000) as at 31st March 2021 (*Previous Year 31st March 2020 – 50,000 ('000s)*) is backed by Standby Letter of credit from a Bank of China branch in China.

5.16 Disclosure of Complaints/Unimplemented Awards of Banking Ombudsman

Customer Redress Mechanism as per RBI circular dated 27th January 2021, vide RBI/2020-21/87 CEPD.CO.PR.D.Cir.No.01/13.01.013/2020-21 no customer complaints for current and previous year to be reported as below:

Summary information on complaints received by the bank from customers and from the OBOs

Sr No	Particulars	As at 31st March 2021	As at 31st March 2020
Complaints received by the bank from its customers			
1	Number of complaints pending at beginning of the year	-	-
2	Number of complaints received during the year	-	-
3	Number of complaints disposed during the year	-	-
	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 BO's		
	5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs		
	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)	-	-



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
31st March 2021					
Ground -1	NIL	NIL	NIL	NIL	NIL
Ground -2	NIL	NIL	NIL	NIL	NIL
Ground -3	NIL	NIL	NIL	NIL	NIL
Ground -4	NIL	NIL	NIL	NIL	NIL
Ground -5	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL	NIL
Total		NIL	NIL	NIL	NIL
31st March 2020					
Ground -1	NIL	NIL	NIL	NIL	NIL
Ground -2	NIL	NIL	NIL	NIL	NIL
Ground -3	NIL	NIL	NIL	NIL	NIL
Ground -4	NIL	NIL	NIL	NIL	NIL
Ground -5	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL

5.17 Impairment of Assets

In the opinion of the management, there is no impairment to the assets of the Bank during the period.

5.18 Draw down from Reserves

There was no draw down from the reserves by the Bank during the period.

5.19 Letters of undertaking issued by the Bank

Letter of undertaking outstanding as on 31st March 2021 and 31st March 2020 is Nil.

5.20 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
<u>Domestic</u>	<u>Overseas</u>
-	



5.21 Income Tax

Amount of Provisions made for Income tax during the period.

Particulars	31 st March 2021	31 st March 2020
Provision for Income Tax	-	-

5.22 Concentration of Deposits, Advances, Exposures and NPAs

5.22.1 Concentration of Deposits

Particulars	As at 31 st March 2021 (INR in '000)
Total Deposits of twenty largest depositors	12,57,209
Percentage of Deposits of twenty largest depositors of Total Deposits of the Bank	100%

Particulars	As at 31 st March 2020 (INR in '000)
Total Deposits of twenty largest depositors	2,04,968
Percentage of Deposits of twenty largest depositors of Total Deposits of the Bank	100%

5.22.2 Concentration of Advances

Particulars	As at 31 st March 2021 (INR in '000)
Total Advances of twenty largest borrowers	5,33,333
Percentage of Advances of twenty largest borrowers of Total Advances of the Bank	100%

Particulars	As at 31 st March 2020 (INR in '000)
Total Advances of twenty largest borrowers	50,000
Percentage of Advances of twenty largest borrowers of Total Advances of the Bank	100%



5.22.3 Concentration of Exposures*

Particulars	As at 31 st March 2021 (INR in '000)
Total Exposure of twenty largest borrowers/customers	14,85,220
Percentage of Exposures of twenty largest borrowers/customers of Total Exposure of the Bank on borrowers/customers	100%

Particulars	As at 31 st March 2020 (INR in '000)
Total Exposure of twenty largest borrowers/customers	50,000
Percentage of Exposures of twenty largest borrowers/customers of Total Exposure of the Bank on borrowers/customers	100%

* Exposures computed based on credit and investment exposure as prescribed in Master Circular on Exposure Norms DBOD.No.Dir.BC.3/13.03.00/2013-14 dated 01 July 2013.

5.22.4 Concentration of NPAs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Total Exposure to top four NPA accounts	-	-

5.23 Sector-wise advances

Sr	Sector	As at 31 st March 2021		
		O/s Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector			
1	Agriculture and allied activities	5,00,000	-	-
2	Advances to industries sector eligible as priority sector lending	33,333	-	-
3	Services	-	-	-
4	Personal Loans	-	-	-
	Sub-total(A)	-	-	-
B	Non Priority Sector			
1	Agriculture and allied activities	-	-	-
2	Industry	-	-	-
3	Services	-	-	-
4	Personal Loans	-	-	-
	Sub-total(B)	-	-	-
	Total (A+B)	5,33,333	-	-



Sr	Sector	As at 31 st March 2020		
		O/s Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector			
1	Agriculture and allied activities	-	-	-
2	Advances to industries sector eligible as priority sector lending	50,000	-	-
3	Services	-	-	-
4	Personal Loans	-	-	-
	Sub-total(A)	-	-	-
B	Non Priority Sector			
1	Agriculture and allied activities	-	-	-
2	Industry	-	-	-
3	Services	-	-	-
4	Personal Loans	-	-	-
	Sub-total(B)	-	-	-
	Total (A+B)	50,000	-	-

5.24 Sector-wise NPAs

Sector	% of NPAs to Total Advances in that sector As at 31 st March 2021	% of NPAs to Total Advances in that sector As at 31 st March 2020
Agriculture & allied activities	-	-
Industry (Micro & Small, Medium and Large)	-	-
Services	-	-
Personal Loans	-	-

5.25 Movement in NPAs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Gross NPAs as on 1 st April of particular year (Opening Balance)	-	-
Additions (Fresh NPAs) during the period	-	-
Sub-total (A)	-	-
Less:-	-	-
(i) Upgradations	-	-
(ii) Recoveries (excluding recoveries made from upgraded accounts)	-	-
(iii) Technical /Prudential Write-offs	-	-
(iv) Write-offs other than those under (iii) above	-	-
Sub-total (B)	-	-
Gross NPAs as on 31 st March of following period (closing balance) (A-B)	-	-

Note: The Bank did not have any NPA expense during the period ended 31st March 2021 and 31st March 2020.



5.26 Overseas Assets, NPAs and Revenue

Particulars	As at 31 st March 2021	As at 31 st March 2020
Total Assets	-	-
Total NPAs	-	-
Total Revenue	-	-

6. Other Disclosures

6.1 Capital

During FY 2020-21, no capital was infused by Head Office (*Previous Year – Nil*).

6.2 Floating Provisions

During FY 2021-21, floating provision of INR 1,067 ('000) was provided (*Previous Year – Nil*).

Particulars	As at 31 st March 2021	As at 31 st March 2020
(a) Opening balance in the floating provisions account	-	-
(b) The Quantum of floating provisions made in the accounting period	1,067	-
(c) amount of drawdown made during the accounting period	-	-
(d) Closing balance in the floating provisions account	1,067	-

6.3 Employee Benefits

Gratuity

The following tables summarize the components of net benefit expense recognized in the Profit and Loss Account and the funded status and the amounts recognized in the balance sheet for the Benefit Plan.

Profit and Loss account

Net employee benefit expense (recognized in the Employee cost)

Particulars	For the year ended 31 st March 2021 (INR in '000)	For the year ended 31 st March 2020 (INR in '000)
Current Service Cost	945	537
Interest Cost of benefit obligation	61	-
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized in the period	45	272
Past service cost	-	-
Net benefit expense	1,051	809
Expected return on plan assets	-	-



Balance Sheet

Particulars	As at 31 st March 2021 (INR in '000)	As at 31 st March 2020 (INR in '000)
Present value of defined benefit obligation	(1,931)	(880)
Fair value of plan assets	-	-
Funded status [Surplus/(Deficit)]	(1,931)	(880)
Unrecognized past service cost	-	-
Net Liability	(1,931)	(880)

Particulars	As at 31 st March 2021 (INR in '000)	As at 31 st March 2020 (INR in '000)
Opening defined benefit obligation	880	71
Interest cost	61	-
Current service cost	945	537
Benefits paid	-	-
Actuarial (gains)/losses on obligation	45	272
Closing defined benefit obligation	1,931	880

Particulars	As at 31 st March 2021 (INR in '000)	As at 31 st March 2020 (INR in '000)
Opening fair value of plan assets	-	-
Expected return	-	-
Contribution by employer	-	-
Benefits paid	-	-
Actuarial gains/(losses)	-	-
Closing fair value of plan assets	-	-

Particulars	As at 31 st March 2021 (INR in '000)	As at 31 st March 2020 (INR in '000)
Defined benefit obligation at the end of the period	-	-
Planned asset at the end of the period	-	-
Funded Status	-	-
Experience Gain/(Losses) adjustment on plan liabilities	-	-
Experience Gain/(Losses) adjustment on plan assets	-	-
Actuarial Gain/(Losses) due to change on assumptions	-	-



Principal actuarial assumptions at the balance sheet date

Particulars	As at 31 st March 2021	As at 31 st March 2020
Discount Rate	6.90%	6.86%
Salary Escalation Rate	7.00%	7.00%
Rate of Employee Turnover	3.00%	3.00%

Other Details:

Particulars	As at 31 st March 2021 (INR in '000)	As at 31 st March 2020 (INR in '000)
No of Active Members	25	23
Per month salary for active members	2,091	1,990
Projected Benefit Obligation	1,931	880

Experience Adjustment:

Particulars	As at 31 st March 2021	As at 31 st March 2020
Acturial (Gains)/Losses on Obligations - Due to Experience	56	272

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

6.4 Segment Reporting

Business Segment

In terms of the RBI's revised guidelines on Segment reporting issued on 18 April 2007 vide RBI Circular No. DBOD.No.BP.BC.81/21.04.018/2006-07, the bank has classified and disclosed its operations under two segments viz. Global Markets (Treasury) and Corporate Institutional Banking which are considered as primary reporting segments. The principle activities of the primary reporting segments are as follows:

Segment	Principal Activity	Revenue/Expenses
Global Markets (Treasury)	Treasury activities comprising of money market operations, intra-day liquidity management and foreign exchange operations.	Revenue consists of interest earned on investments, gain/(loss) on investments, gain/(loss) on Foreign Exchange. Expenses consist of interest on funds borrowed. Expense include directly attributable costs like staff costs, premises costs and overhead expenses.
Corporate & Institutional Banking	The corporate & institutional banking consists of lending to corporate client relationships, foreign institutional group and trade finance.	Revenue consists of interest earned on loans and advances, Fee income on various services and Foreign Exchange products to corporate. Expense include directly attributable costs like deposit interest, staff costs, premises costs and overhead expenses.



31st March 2021 (INR in '000)

Business Segment	Treasury	Corporate Banking	Retail Banking	Other Banking	Total
	March-21	March-21	March-21	March-21	March-21
Revenue	36,793	1,40,710		-6,887	1,70,616
Expenses	-19,858	-88,855			-1,08,713
Unallocated Expenses*				-2,93,430	-2,93,430
Operating Profit/Loss	16,935	51,855	-	-3,00,317	-2,31,527
Income Taxes	-	-	-	-	-
Extraordinary Profit/Loss	-	-	-	-	-
Net Profit/Loss	16,935	51,855	-	-3,00,317	-2,31,527
Other Information	-	-	-	-	-
Segment Assets	20,61,633	26,93,453		1,00,279	48,55,365
Unallocated Assets	-	-	-	-	52,013
Total Assets	-	-	-	-	49,07,378
Segment Liabilities		12,57,209		7,19,310	19,76,519
Unallocated Liabilities	-	-	-	-	29,30,858
Total Liabilities	-	-	-	-	49,07,378

31st March 2020 (INR in '000)

Business Segment	Treasury	Corporate Banking	Retail Banking	Other Banking	Total
	March-20	March-20	March-20	March-20	March-20
Revenue	-	171,378	-	(2,767)	168,611
Expenses	(11,972)	(25,422)	-	-	(37,394)
Unallocated Expenses*	-	-	-	(297,909)	(297,909)
Operating Profit/Loss	(11,972)	145,956	-	(300,676)	(166,692)
Income Taxes	-	-	-	-	-
Extraordinary Profit/Loss	-	-	-	-	-
Net Profit/Loss	(11,972)	145,956	-	(300,676)	(166,692)
Other Information					
Segment Assets	194,600	3,734,958	-	81,165	4,010,723
Unallocated Assets					71,915
Total Assets					4,082,638
Segment Liabilities	-	206,742	-	713,710	920,452
Unallocated Liabilities					3,162,386
Total Liabilities					4,082,638

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

* Unallocated expenses represent control and support function costs.

Part B: Geographical segment

The business of the Bank in India operates as a single unit and there is no identifiable geographical segment.



6.5 Related party disclosure

The information required in this regard in accordance with Accounting Standard 18 on “Related Party disclosures”, issued by ICAI and RBI guidelines, is provided below.

Name and nature of relationship of related parties

Relationship	Name
Parent/Head Office	Bank of China Limited, Beijing China
Branches of Parent/Subsidiaries of Parent/Fellow Subsidiaries/Other Group Entities	Branch offices comprise all branches of Bank of China Limited outside India Fellow subsidiaries & Other Group Entities as published in Global Annual Report of Bank of China 2020
Key Management Personnel	Mr. Hu Beihai Chief Executive Officer – India approved by RBI on 25 January 2019

(INR. in 000)

Particulars	Nature of Related Party	As at 31 st March 2021	Maximum Outstanding during the year
Deposits / Vostro	Parent	-	-
Borrowings	Parent & Branches	-	-
Nostro Balances	Parent	2,133	21,707
Interest payable	Parent & Branches	-	-
Guarantees	Parent & Branches	238,041	238,041
Receiving of Services	Parent & Branches	338	832

Particulars	Nature of Related Party	As at 31 March 2020	Maximum Outstanding during the year
Deposits / Vostro	Parent	-	-
Borrowings	Parent & Branches	-	-
Nostro Balances	Parent	-	-
Interest payable	Parent & Branches	-	-
Guarantees	Parent & Branches	-	-
Receiving of Services	Parent & Branches	-	1,915

With regard to Reserve Bank of India Circular No. DBOD.BP.BC No. 7/21.04.018/2013-14 dated 1 July 2013, the Bank has not disclosed details pertaining to related parties where under a category there is only one entity / person. Similarly, there has been only one person under Key Management Personnel at any given point of time, and therefore, those details are not disclosed.



6.6 Lease Disclosures

The Bank has entered into operating lease for certain assets relating to Business Operations.
 Total of future minimum lease payments are as follows:

Particulars	As at 31 st March 2021 (INR'000)	As at 31 st March 2020 (INR'000)
Not More than one year	46,740	44,727
Later than one year and not later than five year	69,566	116,305
Later than five years	Nil	Nil

Lease payments recognized in the Profit and Loss Account during the period is Rs. 44,727 ('000s) (*Previous Year Rs. 42,801 ('000s)*). The Bank has not entered into leases falling under the category "finance lease". Also, the Bank has not sub-leased any of the assets taken under lease.

6.7 Deferred Taxation

The Bank has not recognized deferred tax asset as there is no reasonable certainty and on account of carried forward losses that sufficient future taxable income will be available against which such deferred tax asset will be realized.

6.8 Break up of "Provisions and Contingencies" shown under the head expenditure in Profit and Loss account:

Particulars	Year ended 31 st March 2021 (INR'000)	Year ended 31 st March 2020 (INR'000)
Provision on Standard Assets	1,933	200
Provision on Unhedged Foreign Currency Exposure	(133)	400
Provision on Country Risk Assets	(40)	125
Additional Provision	2,800	400
Provision Floating	1,067	-

6.9 Subordinated Debt

The Subordinated Debt for current and previous is NIL.

6.10 Provision Coverage Ratio

The provision coverage ratio is not applicable as the Bank did not have any Non-Performing Assets for the period ended 31st March 2021 and 31st March 2020.

6.11 Bancassurance Business

The Bank has not undertaken Bancassurance business during the period ended 31st March 2021 and 31st March 2020.

6.12 Letter of Comfort(LoCs) issued by the Bank

The Bank had not issued any Letter of Comfort (LoCs) during the period ended 31st March 2021 and 31st March 2020.



6.13 Unamortized Pension and Gratuity Liabilities

The Bank did not have any unamortized Pension and Gratuity liability during the period ended 31st March 2021 and 31st March 2020.

6.14 Disclosures on Remuneration

In accordance with the requirements of the RBI Circular No. DBOD.NO.BC. 72/29.67/001/2011-12 dated 13 January 2012, the Head Office of the Bank has submitted a declaration to RBI that the Bank's compensation policies including that of CEO's, is in conformity with the Financial Stability Board principles and standards.

6.15 Credit Default Swaps

The Bank has not done any Credit Default Swap transactions during the period ended 31st March 2021 and 31st March 2020 and hence no model is used for its pricing.

6.16 Transfer Pricing

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

6.17 Deferred Tax Liability on Special Reserve

The Bank has not created a deferred tax liability on special reserve under section 36(1)(VIII) of the Income Tax Act, 1961.

6.18 Intra Group Exposure

RBI Circular No.RBI/2013-14/487 DBOD.No.BP.BC.96/21.06.102/2013-14 dates 11 February 2014 deals with Management of Intra Group Exposure and Transactions. 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 Head Office and overseas branches of the parent bank, except for derivative transactions undertaken with them, are excluded from intra-group exposure.

The bank's intra group exposure, total amount of top 20 intra-group exposure, percentage of intra-group exposures to total exposure of the bank on borrowers/customers and details relating to breach of limits on intra-group exposure and regulatory action thereon, is Nil for 31st March 2021 and 31st March 2020.

6.19 Transfers to Depositor Education and Awareness Fund(DEAF)

There is no amount to the credit of any account which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years that needs to be transferred to DEAF under the provisions of Section 26A of Banking Regulation Act 1949. Currently DEAF code application for bank with Reserve Bank of India is under process.

Particulars	As at 31 st March 2021	As at 31 st March 2020
Opening balance of amounts transferred to DEAF	-	-
Add: Amounts transferred to DEAF during the period	-	-
Less: Amounts reimbursed by DEAF towards claims	-	-
Closing balance of amounts transferred to DEAF	-	-



6.20 Unhedged Foreign Currency Exposure

The Bank monitors Unhedged Foreign Currency Exposure (UHFCE) to factor the risk arising from currency volatility into pricing as per the guidelines stipulated by RBI circular DBOD.No. BP.BC 85/21.06.200/2013-14 dated 15 January 2014. Bank calculates incremental provisioning and capital requirement for customer as per the methodology suggested in RBI circular. The assessment of unhedged foreign currency exposure is an ongoing process at the Bank. The Bank assess vulnerability of the corporate customers to exchange rate fluctuations.

Particulars	As at 31 March 2021 (INR'000)	As at 31 March 2020 (INR'000)
Incremental Provision	(133)	400
Incremental Capital held	750	1,125

6.21 Liquidity Coverage Ratio – The following table sets forth the simple quarterly average of unweighted and weighted values for all quarters in FY 2020-21.

31st March 2021 (INR'000)

6.21 Liquidity Coverage Ratio

		INR '000							
		Mar-21		Dec-20		Sep-20		Jun-20	
		As at 31 March 2021		As at 31 December 2020 (Three months)		As at 30 September 2020 (Three months)		As at 30 June 2020 (Three months)	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High quality liquid assets		18,70,553	18,70,553	16,94,611	16,94,611	5,33,488	5,33,488	1,63,743	1,63,743
1	Total High Quality Liquid Assets (HQLA)	18,70,553	18,70,553	16,94,611	16,94,611	5,33,488	5,33,488	1,63,743	1,63,743
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:								
(i)	Stable deposits	-	-	337	17	-	-	-	-
(ii)	Less Stable deposits	-	-	70,416	7,042	2,28,338	22,834	337	34
3	2. Unsecured wholesale funding [(i) + (ii) + (iii) + (iv)]	12,57,209	5,02,881	-	-	-	-	67,340	6,734
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(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	-	-	-	-	-	-	1,448	1,448
6	Other contractual funding obligations	41,926	41,926	8,684	8,684	9,446	9,446	8,708	8,708
7	Other contingent funding obligations	12,75,859	39,276	8,33,727	32,345	-	-	375	19
8	Total Cash outflows		5,84,083		48,088		32,280		16,943
Cash Inflows									
9	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	21,60,966	21,60,966	11,25,196	11,25,196	16,56,789	15,72,444	18,44,154	18,43,971
11	Other cash inflows	-	-	-	-	-	-	-	-
12	Total Cash Inflows	21,60,966	21,60,966	11,25,196	11,25,196	16,56,789	15,72,444	18,44,154	18,43,971
Total Adjusted Value									
21	Total HQLA		18,70,553		16,94,611		5,33,488		1,63,743
22	Total Net cash Outflows		-15,76,883		-10,77,108		-15,40,164		-18,27,028
23	25% of Total Cash outflows		1,46,021		12,022		8,070		4,236
24	Liquidity Coverage Ratio (%)		1281.02%		14095.91%		6610.76%		3865.51%



31st March 2020 (INR '000)

		INR '000							
		Mar-20		Dec-19		Sep-19		Jun-19	
		As at 31 March 2020		As at 31 December 2019 (Three months)		As at 30 September 2019 (Three months)		As at 30 June 2019 (Three months)	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High quality liquid assets		1,84,613	1,84,613	1,40,311	1,40,311	1,38,717.67	1,38,717.67	1,61,552	1,61,552
1	Total High Quality Liquid Assets (HQLA)	1,84,613	1,84,613	1,40,311	1,40,311	1,38,718	1,38,718	1,61,552	1,61,552
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-
(i)	Stable deposits	-	-	-	-	-	-	-	-
(ii)	Less Stable deposits	1,01,010	10,101	673	34	-	-	-	-
3	25696	-	-	-	-	-	-	-	-
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(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	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	25,696	25,696	5,285	5,285	1,762	1,762	1,399	1,399
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	Total Cash outflows	-	35,797	-	5,319	-	1,762	-	1,399
Cash Inflows									
9	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	15,95,151	15,94,925	36,61,288	36,61,288	36,78,340	36,78,340	34,36,380	34,36,380
11	Other cash inflows	-	-	-	-	-	-	-	-
12	Total Cash Inflows	15,95,151	15,94,925	36,61,288	36,61,288	36,78,340	36,78,340	34,36,380	34,36,380
Total Adjusted Value									
21	Total HQLA		1,84,613.00		1,40,311.00		1,38,717.67		1,61,552.00
22	Total Net cash Outflows		-1,55,912.8		-36,55,969.00		-36,76,578		-34,34,981
23	25% of Total Cash outflows		8,949.00		1,329.75		440.50		350.00
24	Liquidity Coverage Ratio (%)		2062.95%		10551.68%		31490.96%		46157.71%

6.22 Qualitative disclosure around LCR

"The Bank measures and monitors the LCR in line with the Reserve Bank of India's circular dated June 9, 2014 on "Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards". The LCR guidelines 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 calendar day time horizon under a significantly severe liquidity stress scenario. 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 actions can be taken. Banks are required to maintain High Quality Liquid Assets of a minimum of 100% of its Net Cash Outflows by January 1, 2019. However, with a view to provide transition time, the guidelines mandate a minimum requirement of 60% w.e.f. January 1, 2015 and a step up of 10% every year to reach the minimum requirement of 100% by January 1, 2019.



Banks High Quality Liquid Assets (HQLA) mainly consists of excess CRR balance maintained with RBI, excess of invested in Treasury Bills & Government Securities, Fixed Deposit placement with local bank. Since Bank of China Limited, India is only branch in India all liquidity management is through India branch only done by the Asset Liability Committee. The Bank's capital provides it with adequate liquidity to meet its funding requirements.

The Bank has achieved LCR levels above the minimum stipulated requirement. The monthly as well as quarterly average LCR results have been achieved on account of excess CRR & SLR portfolio and term deposit placement.

6.23 Corporate Social Responsibility

The CSR provisions under the Companies Act, 2013 does not apply to the Bank as it does not meet the following criteria:

- A net worth of Rs. 500 crores or more; or
- A turnover of Rs. 1000 crores or more; or
- A net profit of Rs. 5 crores or more in any fiscal year.

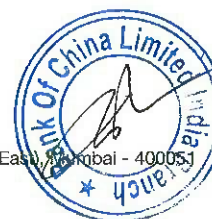
6.24 Sexual Harassment of Women at workplace(Prevention, Prohibition and Redressal)Act, 2013

The bank has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed off during the period 01st April 2020 – 31st March 2021.

Particulars	As at 31 st March 2021	As at 31 st March 2020
No. of complaints received	Nil	Nil
No. of complaints disposed off	Nil	Nil

- 6.25 The total advances reported under schedule 9 include an amount of Rs. Nil (*Previous Year - Nil*) on account of Inter Bank Participation Certificate (IBPC) purchased by the Bank on risk sharing basis.
- 6.26 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 31st March 2021 (*Previous year: Nil*).
- 6.27 Previous year's figures have been regrouped / reclassified / restated where necessary to confirm with current year's presentation. Previous year and Current year figures are not comparable since current year consists of 12 months as against 10 months for previous year.
- 6.28 Prior Period Items - The Bank has reported Prior Period expenses amounting to INR 2,276 in current year and in (*Previous Year -INR 9,967 in '000*) mainly towards Professional Consultancy Fees.
- 6.29 Disclosure under COVID 19 Regulatory Package – The Bank has offered COVID-19 regulatory package to customers announced vide RBI Circular DOR.No.BP.BC.47/21.04.048/2019-20 dated 27th March 2020 to mitigate burden of debt servicing brought about by disruptions on account of COVID 19 pandemic and to comply with the regulatory measures and to ensure the continuity of business. However no customer have availed this facility as on 31st March 2021 and 31st March 2020. Accordingly the Bank has no disclosures required to be made as per the RBI circular RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020.



- 6.30 Bank has not restructured any advances as per RBI circular RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 (*Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances*) and RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 (*Resolution Framework for COVID-19 related stress*) dated 06th August 2020. Accordingly the Bank has no disclosures required to be made as per the aforesaid RBI circular.
- 6.31 Other general disclosure - The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Bank has evaluated impact of this pandemic on its business operations at the time of finalization of accounts for the financial year 2020-21 and based thereon and keeping in view current indicators of future economic conditions, there is no significant impact on the financial statements for 2020-21 and accordingly accounts have been prepared on a going concern basis. The Bank will continue to closely monitor any material changes to future economic conditions.”

As per our attached report of even date.

For Chokshi & Chokshi LLP
Chartered Accountants
FRN:101872W/W100045



Mr. Dhananajay Jaiswal
Partner
Membership No: 187686



For Bank of China Limited - India Branch



Mr. Hu Beihai
Chief Executive Officer



Mr. Zhang Min
Head of Finance & Operations



Place: Mumbai
Date: 28th June 2021

BANK OF CHINA LIMITED INDIA BRANCH
BASEL III: PILLAR 3 DISCLOSURES AS AT 31st March 2021

The capital adequacy framework is applicable to Bank of China Limited India Branch situated in Mumbai for the period ended 31st March 2021.

These are primarily in the context of the disclosure requirements under Annexure 18 - Pillar 3 disclosure requirements of the Reserve Bank of India (RBI) Master Circular - Basel III capital regulation dated July 01, 2015. The Bank has implemented the requirement laid down by RBI for Pillar 3 disclosure, covering both the quantitative and qualitative items. The information provided has been reviewed by senior management. All table DF references relate to those mentioned in Annexure 18 - Pillar 3 of the above mentioned circular.

The Basel III framework consists of three-mutually reinforcing pillars:

- (i) Pillar 1: Minimum capital requirements for credit risk, market risk and operational risk
- (ii) Pillar 2: Supervisory review of capital adequacy and evaluation process
- (iii) Pillar 3: Market discipline

Market Discipline (Pillar 3) comprises a set of disclosures on the Capital Adequacy and Risk Management framework of the Bank. Pillar 3 disclosures as per RBI master circular on Basel III Capital Regulations are set out in the following sections for information.

1. Scope of Application & Capital Adequacy (DF - 1)

Qualitative Disclosures:

- a) List of group entities considered for consolidation: Not Applicable
- b) List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation: Not Applicable

Quantitative Disclosures:

- a) List of group entities considered for consolidation: Not Applicable
- b) The aggregate amount of capital deficiencies in all subsidiaries which are not included in regulatory scope of consolidation: Not Applicable
- c) The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk weighted: Not Applicable
- d) Any restrictions and impediments on transfer of funds or regulatory capital within the banking group. There are no restrictions or impediments on transfer of funds or regulatory capital within the banking group.

The Bank does not have any subsidiary in India which requires to be consolidated in line with AS21 (Consolidated Financial Statements).



2. Capital Adequacy (DF-2) Qualitative

Disclosures

The Bank's capital management approach is to ensure that it maintains a strong capital base to support its business growth and to meet regulatory capital requirements at all times. The bank's Capital Funds are broadly classified as Tier 1 and Tier 2. The bank has well defined Internal Capital Adequacy Process (ICAAP) which covers methodology and information on the on-going assessment of the Bank's key risk, measurement and mitigation of risks. It also provides overview of current and future capital requirements of Bank based on growth projections and assessment of these risks. The focus of ICAAP includes Bank's capital planning, assessment and management of material risks and adequacy of capital under normal and stress conditions.

The Bank has adopted Standardized Approach for Credit Risk, Basic Indicator Approach (BIA) for Operational Risk and Standardized Duration Approach for Market risk for computing CRAR in line with guidelines of the Reserve Bank of India.

Summary information on the terms and conditions of the main features of all capital instruments especially eligible for Tier 1 and Tier 2:

- Tier 1 capital: - Consists of funds from HO for the purpose of meeting capital adequacy norms.
- Tier 2 Capital: - Capital comprises of general loss provisions on standard assets, country risks and un-hedged foreign currency exposures.

Internal capital planning exercise will be carried as and when required to ensure adequacy of capital at the times of changing economic conditions, even at time of economic recession. The Bank wide risk appetite is translated in terms of the targeted CRAR ratio. In capital planning Bank will review:

- ✓ Current capital requirement of bank
- ✓ The targeted and sustainable capital in terms of business strategy, policy and risk appetite.
- ✓ The future capital planning is done on a three year outlook.

Quantitative disclosures	As at 31 st March 2021 (Amount in INR'000)
Capital requirements for credit risk (I):	108,231
Portfolios subject to standardized approach	108,231
Securitization exposures	Nil
Capital requirements for market risk (II):	83,038
Standardized duration approach;	
Interest rate risk	22,288
Foreign exchange risk (including gold)	60,750
Equity risk	Nil
Capital requirements for operational risk (III):	15,458
Basic Indicator Approach	15,458



The Standardized Approach (if applicable)	Nil
Total capital requirement (I + II + III)	206,727
Total capital funds of the Bank (Tier I + Tier II)	2,937,610
Total risk weighted assets	2,296,960
Common Equity Tier I Capital (CET1)	127.60%
Tier I Capital ratio	127.60%
Tier II Capital ratio	0.29%
Total Capital ratio	127.89%

Risk Exposure and Assessment:

General qualitative disclosure for each risk area (identified as under), risk management objectives and policies, processes and techniques used by the Bank to identify, measure, monitor and control the following risks as material to its nature of operations:

- Credit Risk
- Market Risk
- Operational Risk
- Liquidity Risk
- Interest Rate Risk

General Qualitative Disclosures:

Risk Management and Internal Control Committee (“RMICC”): Adequate risk management and measurement of risks in various business operations and timely remedial measures are performed through the RMICC, which meets at least once every quarter. The RMICC regularly oversees the Bank’s risk management policies / practices under various risks viz. Credit, Operational and Market risk. The committee assesses and monitors the level of risk under various functions and initiates appropriate mitigation measures wherever necessary.

3. Credit Risk [table DF 3]

Credit risk is the risk of loss arising from failure of counterparties to meet their financial or contractual obligations to BOC India when due. The Credit risk faced by the Bank arises mainly from corporate advances, exposure to debt securities and settlement balances with market counter-parties.

BOC India maintains a credit risk management framework (policies) that clearly define roles and responsibilities, working procedures, limits and key controls. It is based on BOC’s comprehensive global risk management policies / guidelines.

Credit Risk Rating

Credit risk team assesses the customer’s credit worthiness and monitors the quality of loan portfolio periodically. It monitors credit risk on Bank-wide basis and ensures compliance with approved risk parameters and prudential limits.



The Bank's internal credit rating plays a vital role in decision making and monitoring of customers. BOC India follows the Bank's global rating system to internally rate customers. Internal ratings are assigned to customers based on various qualitative and quantitative risk parameters modelled in the system.

Note: For credit risk weighted assets computation, the bank uses external ratings assigned by domestic credit rating agencies (like CRISIL, ICRA, CARE, etc.) accredited by the Reserve Bank of India.

Concentration Risk

Concentration risk is managed by maintaining acceptable headroom and ongoing monitoring of exposures to ensure adherence to regulatory limits for single / group borrowers and inter-bank exposures.

Credit Monitoring

Exposure monitoring and assessment of customers' business / financial performance on periodic basis enables business units and credit risk team to identify and report problem in relation to any loans on a prompt basis. Reports are received from business units on regular basis, which are evaluated and escalated to senior credit authorities for taking necessary action.

Quantitative disclosure as per table DF 3 Total

a) Total gross credit exposures including Geographic distribution of exposures (Amount in INR'000s)

Particulars	Domestic	Overseas	Total
Fund Based Exposure	533,333	NIL	533,333
Non Fund Based Exposure (Non-market related off-balance sheet exposures)	NIL	12,25,859	12,25,859

Note: Non Fund Based Gross Credit Exposure is the Amount before application of Credit Conversion Factors for computation of Credit Equivalent Amounts.



b) Industry type distribution of exposures. (Amount in INR'000s)

Type of Industry	Funded			Non Funded
	Standard	NPA	Total	Total
Manufacturing of electronic valves, etc (Mobile phone batteries)	33,333	NIL	33,333	NIL
Non-Banking Financial Services	500,000	NIL	500,000	NIL
Banking	NIL	NIL	NIL	12,25,859

c) Residual contractual maturity break down of assets (Rs. In 000s)

Maturity Pattern	Day 1	2-7 days	8-14 days	15-28 days	29 days to 3 mths	3 months to 6 mths	6 months to 1 year	1 to 3 yrs	Over 5 yrs	Total
Cash and balance with RBI and other Banks	44,828	15,21,707	NIL	35,868	NIL	607,819	NIL	NIL	2000	22,12,222
Loans and Advances	NIL	NIL	NIL	NIL	NIL	NIL	33,333	500,000	NIL	533,333
Investments	18,51,232	NIL	NIL	NIL	NIL	NIL	NIL	158,301	NIL	20,09,533

- d) Amount of NPAs (Gross) -NIL
- e) Net NPAs -NIL
- f) NPA Ratios -NIL
- g) Movement of NPAs (Gross) -NIL
- h) Movement of provisions for NPAs -NIL
- i) Amount of Non-Performing Investments -NIL
- j) Amount of provisions held for non-performing investments -NIL
- k) Movement of provisions for depreciation on investments -NIL

4. Credit Risk: Disclosures for Portfolios subject to Standardised Approach: DF-

4 External Ratings

The Bank has adopted the standardized approach of the new capital adequacy framework for computation of capital for credit risk. The Bank has assigned risk weights to different classes of assets as prescribed by RBI.

As at 31st March 2021, the Bank considered external rating of its facility to one borrower



counterparty out of total two borrowers (since the other counterparty was not externally rated by any accredited rating agency as of Mar-21).

For non-market related off-balance sheet exposures, the Bank considered external credit ratings of counter-guarantee issuing foreign banks.

Quantitative disclosures	Amount in INR'000
a) For exposure amounts after risk mitigation subject to the standardised approach, amount of a Bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted:	
• Below 100% risk weight	500,000
• 100% risk weight	
• More than 100% risk weight	33,333 *
• Deducted	NIL

**Note: The above calculations are for loans & advances only and represents closing balance as at 31st March 2021.*

5. Credit Risk Mitigation: Disclosures for Standardized Approaches: DF-5

Taking collateral enables the Bank to manage and mitigate its credit exposure to a counter party. Collateral refers to assets in which the Bank has legally enforceable right in order to mitigate losses in case of a default.

The comprehensive assessment of collateral is performed in which certain qualitative & quantitative factors are considered, including:

- Nature;
- Quality;
- Liquidity;
- Market value;
- Exposure of collateral to other risks such as market risk and operational risk;
- Quality of charge;
- Legal status of rights;
- Legal enforce-ability; and
- Time required to dispose off.

As at 31st March 2021 the Bank had no collateral eligible as credit risk mitigant.



(INR in 000s)

Quantitative disclosures	Amount
• For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts.	-
• For each separately disclosed portfolio the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees / credit derivatives (whenever specifically permitted by RBI)	-

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

The Bank does not have any securitization exposure as at 31st March 2021.

7. Market Risk

Market risk is defined as the risk of losses in on-balance sheet and off-balance sheet positions arising from movement in market prices.

Market Risk is the risk to the bank's earnings and capital due to changes in the market level of interest rates or prices of securities, foreign exchange and equities, as well as the volatilities of those changes. The approaches to manage market risk in the Bank's Trading book and Banking book have to be different, as the positions are carried for different purposes.

Trading Book: The positions held by the bank with an intention of gain from price movements in short time period and hedging positions taken up for trading portfolio.

Banking Book: The banking book comprises assets and liabilities, which are contracted basically on account of relationship or for steady income and statutory obligations and are generally held till maturity.

Bank has established Market Risk Management Policy, which comprises of risk identification, risk measurement, risk control through setting up of limits and triggers, risk monitoring, models of analysis that value positions or measure market risk, risk reporting, etc. Risk Management Internal Control Committee monitors all the risk limits periodically and manages the issues relating to market risk management.

Local Asset Liability Committee "ALCO" meets on a monthly basis to review the structural liquidity, interest rate risk, asset/liability position, FX position if any, CRR/SLR compliance and Capital Adequacy. Stress testing is done on half yearly basis. Internal Capital Adequacy assessment on annual basis.



Quantitative Disclosures

The Bank is following the standardized duration approach for calculating capital requirements for market risk.

(INR. in000s)

Capital requirement for market risk	As at 31 st March 2021	As at 31 st December 2020
Standardized approach		
Interest rate risk	22,288	23,306.39
Foreign exchange risk (including Gold)	60,750	60,750.00
Equity risk	Nil	Nil

8. Operational Risk

Qualitative Disclosures

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, systems, control or external events. As per Basel guidelines, Operational Risk Events are classified into the following standard levels (Level I) - Internal Fraud, External Fraud, Employment Practices and Work Place Safety, Clients Products and Business Practices, Damages to physical assets, Business disruption and system failures and Execution Delivery and Process Management.

Basis an approved Operational Risk Management Policy and other ORM policies and guidelines of the Bank. Bank is in the process of implementing and establishing various operational risk management tools for risk identification, risk assessment, risk analysis & monitoring risk mitigation and risk reporting.

The Bank's approach to operational risk is to contain risks within the Bank's risk appetite and boundaries. As part of building risk culture, all Bank staff are regularly required to undergo various internal training & awareness programs on Operational Risk Management through training sessions and workshops.

Approach for Operational risk Capital Assessment

As per RBI guidelines, the Bank has adopted Basic Indicator Approach (BIA) for assessing capital for operational risk. As per BIA, Operational Risk Weighted Exposures (RWA) is INR 171,750 in '000 and 9% capital requirement on Risk Weighted Exposure as on 31st March 2021 is INR 15,457.5 rounded up to INR 15,458 in '000.



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

Qualitative Disclosures

Interest rate risk refers to the potential for the Bank's earnings or capital being reduced due to fluctuations in interest rates or variability of interest rates. Change in Net Interest Income or Economic Value of Equity is caused by unexpected changes in market interest rates. Interest rate risk is due to variability of interest rates.

The bank strives to between reducing risk to earnings from adverse movements in interest rates and enhancing net achieve a balance interest income through correct anticipation of the direction and extent on interest rate changes. IRRBB is measured and controlled using both Earnings Perspective (Traditional Gap Analysis) and Economic Value Perspective (Duration Gap Analysis). The bank performs Duration Gap Analysis and Traditional Gap Analysis as per RBI guidelines every month for managing risk.

The Duration Gap analysis analyzes the impact of 100 bps, 200 bps & 300 bps change in interest rate on the Net Worth for the Bank. Traditional Gap Analysis analyzes impact of 100bps, 200 bps & 300 bps change in the interest rates on the Earnings.

The Networth of Bank as on 31st March 2021 is INR 2,930,859. If there is change in Interest Rates by 200 bps – (12.99%), the impact in Net Interest Income will be INR -380,719.

Bank also performs half yearly stress test on interest rate risk in order to analyze the impact of stress due to adverse movement in the interest rate risk and its impact on Bank's earnings.

Quantitative Disclosures:

Bank monitors interest rate risk using Duration Gap approach to measure the Market Value of Equity (MVE) for upward and downward rate shocks as per RBI guidelines on the same. The potential change in MVE for different interest shocks as on 31st March 2021 as given below:

100 bps change in interest rates	-6.50%
200 bps change in interest rates	-12.99%
300 bps change in the interest rates	-19.49%

10. General Disclosure for Exposures Related to Counterparty Credit Risk: DF

10 Qualitative disclosures

As per the Master Circular - Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) of RBI dated Jul 31, 2015, Banks are expected to use the standardized method for computation of counterparty credit exposure using the Current Exposure Method (CEM) for market related off balance sheet exposures. The Bank has not carried out any derivative transactions during the year, also there were no derivative contract outstanding as of 31st March 2021 which required any capital allocation

(INR. in 000s)

Particulars	Notional Amount	Current Exposure
Foreign Exchange Contract	Nil	Nil
Total	Nil	Nil

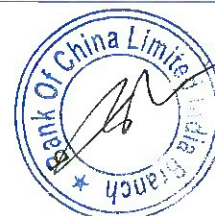
Table DF-11: Composition of Capital (INR. In 000s)

		Amounts Subject to Pre-Basel III Treatment	Ref No.
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus (share premium) (Funds received from Head Office)	3,525,375	
2	Retained earnings	(594,516)	
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	2,930,859	
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)		
10	Deferred tax assets 2		
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 rights ⁴ (amount above 10% threshold)		
21	Deferred tax assets arising from temporary differences ⁵ (amount above 10% threshold, net of related tax liability)		
22	Amount exceeding the 15% threshold ⁶		
23	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 adjustments ⁷ (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 ⁸		
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the Bank		
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:		
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	(594,516)	
29	Common Equity Tier 1 capital (CET 1)	2,930,859	
	Additional Tier 1 capital: instruments		



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:		
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 adequacy ¹¹	-	
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)	2,930,859	
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 ¹²	6,751	
51	Tier 2 capital before regulatory adjustments	6,751	
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 investments ¹³ in the capital Banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
56	National specific regulatory adjustments (56a+56b)		
56a	of which: Investments in the Tier 2 capital of unconsolidated subsidiaries		
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the Bank		
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment		
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	6,751	
58a	Tier 2 capital reckoned for capital adequacy¹⁴	-	
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	-	
58c	Total Tier 2 capital admissible for capital adequacy (58a + 58b)	-	
59	Total capital (TC = T1 + T2) (45 + 58c)	2,937,610	
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment		

60	Total risk weighted assets (60a + 60b + 60c)	2,296,960	
60a	of which: total credit risk weighted assets	12,02,565	
60b	of which: total market risk weighted assets	922,645	
60c	of which: total operational risk weighted assets	171,750	
Capital Ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	127.60%	
62	Tier 1 (as a percentage of risk weighted assets)	127.60%	
63	Total capital (as a percentage of risk weighted assets)	127.89%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	-	
65	of which: capital conservation buffer requirement	-	
66	of which: Bank specific countercyclical buffer requirement	-	
67	of which: G-SIB buffer requirement	-	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	-	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities		
73	Significant investments in the common stock of financial entities		
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)		
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	6,751	
77	Cap on inclusion of provisions in Tier 2 under standardised approach		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach		

Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

Table DF-12: Composition of Capital – Reconciliation Requirements

Step 1 The Scope of regulatory consolidation and accounting consolidation is identical and accordingly the step 1 of the reconciliation is not required.

Step 2

ii	Investments:	20,09,533	
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		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
A	Capital & Liabilities		Not Applicable
i	Paid-up Capital	35,25,375	
	Reserves & Surplus		
	Minority Interest	-	
	Total Capital	35,25,375	
ii	Deposits	12,57,209	
	of which: Deposits from Banks	Nil	
	of which: Customer deposits	12,57,209	
	of which: Other deposits (pl. specify)	Nil	
ii	Borrowings	Nil	
i	of which: From RBI	Nil	
	of which: From Banks	Nil	
	of which: From other institutions & agencies	Nil	
	of which: Others (pl. specify)	Nil	
	of which: Capital instruments	Nil	
iv	Other liabilities & provisions	7,19,310	
	Total	5,501,894	
B	Assets		
i	Cash and balances with Reserve Bank of India	52,102	



	Balance with Banks and money at call and short notice	21,60,120	
	of which: Government securities	20,09,533	
	of which: Other approved securities of which: Shares	Nil	
	of which: Debentures & Bonds	Nil	
	of which: Subsidiaries / Joint Ventures / Associates	Nil	
	of which: Others (Commercial Papers, Mutual Funds etc.)	Nil	
iii	Loans and advances	533,333	
	of which: Loans and advances to Banks	Nil	
	of which: Loans and advances to customers	533,333	
iv	Fixed assets	52,010	
v	Other assets	100,280	
	of which: Goodwill and intangible assets	Nil	
	of which: Deferred tax assets	Nil	
vi	Goodwill on consolidation	Nil	
vii	Debit balance in Profit & Loss account	594,516	
	Total Assets	5,501,894	

Step 3

Common Equity Tier 1 capital: instruments and reserves			
		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
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	3,525,375	-
2	Retained earnings	(594,516)	-
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 all owed in group CET1)	-	-
6	Common Equity Tier 1 capital before regulatory adjustments	2,930,859	-
7	Prudential valuation adjustments	-	-
8	Goodwill (net of related tax liability)	-	-

Table DF-13: Main features of Regulatory Capital Instruments

BOC India has not issued any regulatory capital instruments.

Table DF-14: Full terms & conditions of Regulatory Capital Instruments

BOC India has not issued any regulatory capital instruments.



TableDF-15: Disclosure Requirements for Remuneration

In accordance with the requirements of the RBI Circular No. DBOD.NO.BC. 72/29.67/001/2011-12 dated 13 January 2012, the Head Office of the Bank has submitted a declaration to RBI that the Bank's compensation policies including that of the CEO's, is in compliance of the RBI regulations.

Table DF-16: Equities - Disclosure for Banking Book Positions

The bank has no investment in shares or equities.

DF-17: Summary Comparison of accounting assets and leverage ratio exposure (INR.in 000s)

Sr. No.	Particulars	Amount
1	Total consolidated assets as per published financial statements	4,907,378
2	Adjustment for investments in Banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	Nil
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	Nil
4	Adjustments for derivative financial instruments	Nil
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	Nil
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	951,886
7	Other adjustments	Nil
8	Leverage ratio exposure	5,859,264

DF-18: Leverage ratio common disclosure template (Rs.in 000s)

Sr. No.	Leverage ratio framework	Amount
On-Balance sheet exposure		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	Nil
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	Nil
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	4,907,378
Derivative exposure		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	Nil
5	Add-on amounts for PFE associated with all derivatives transactions	Nil



6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	Nil
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	Nil
8	(Exempted CCP leg of client-cleared trade exposures)	Nil
9	Adjusted effective notional amount of written credit derivatives	Nil
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	Nil
11	Total derivative exposures (sum of lines 4 to 10)	Nil
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	Nil
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	Nil
14	CCR exposure for SFT assets	Nil
15	Agent transaction exposures	Nil
16	Total securities financing transaction exposures (sum of lines 12 to 15)	Nil
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	1,225,859
18	(Adjustments for conversion to credit equivalent amounts)	(273,973)
19	Off-balance sheet items (sum of lines 17 and 18)	951,886
Capital and total exposures		
20	Tier 1 capital	2,930,859
21	Total exposures (sum of lines 3, 11, 16 and 19)	5,859,264
Leverage ratio		
22	Basel III leverage ratio	50.02%

For Bank of China Limited India Branch


 Mr. Hu Beihai
 Chief Executive Officer


 Mr. Zhang Min
 Head of Finance & Operations



Place: Mumbai
 Date: 28th June 2021