

**BANK OF AMERICA, N.A.
(INDIA BRANCHES)**
(Incorporated in U.S.A. With Limited Liability)

Independent Auditor's Report

To the Local Management Team of Bank of America N.A. (India Branches)

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Bank of America N.A (India Branches) ('the Bank'), which comprise the Balance Sheet as at 31 March 2023, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information ('the Financial Statements'), except for the disclosure relating to net stable funding ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in Schedule 18 (V) - Note 2 (c) of the accompanying financial statements and have not been audited by us.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and circulars and guidelines issued by the Reserve Bank of India ('the RBI'), in the manner so required for banking companies and give a true and fair view, in conformity with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2023, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

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

4. The Bank's Local Management Team is responsible for the other information. The other information comprises the Pillar III Disclosure under the New Capital Adequacy Framework (Basel III disclosures), but does not include the financial statements and our auditor's report thereon.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

5. The accompanying financial statements have been approved by the Bank's Local Management Team. The Bank's Local Management Team is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Local Management Team 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 the Local Management Team either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
7. The Local Management Team is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act, 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 Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.

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

Report on Other Legal and Regulatory Requirements

12. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Act and the relevant rules issued thereunder.
13. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
- a) We have, obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
 - c) We have visited three branches to examine the books of accounts and other records maintained at the branch for the purpose of our audit. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out at centrally as all the necessary records and data required for the purposes of our audit are available therein
14. With respect to the matter to be included in the auditor's report under section 197(16) of the Act, we report that since the Bank is a banking company, as defined under the Banking Regulation Act, 1949; the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section is not applicable.

Further, as required by section 143 (3) of the Act, based on our audit, we report, to the extent applicable, that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
- b) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
- c) the financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
- e) the requirements of section 164(2) of the Act are not applicable considering the Bank is a branch of Bank of America N.A, which is incorporated in United States of America;
- f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Bank as on 31 March 2023 and operating effectiveness of such controls, refer to our separate Report in Annexure I wherein we have expressed an unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Bank, as detailed in Schedule 12 (I), Schedule 18 (IV) - Note 13 and Schedule 18 (V) - Note 21 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;
 - ii. the Bank, as detailed in Schedule 12 (III), Schedule 12 (IV), Schedule 17 and Schedule 18 (V) - Note 21 to the financial statements, has made provision as at 31 March 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank during the year ended 31 March 2023;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in Schedule 18 (V) - Note 27 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Bank to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in Schedule 18 (V) - Note 27 to the financial statements, no funds have been received by the Bank from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The Bank has not declared or paid any dividend during the year ended 31 March 2023.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Sd/-
Murad D. Daruwalla
Partner
Membership Number: 043334
UDIN: 23043334BGSDY13809

Place: Mumbai
Date: 27 June 2023

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm's Registration No.: 105146W/W100621

Sd/-
Vinit K Jain
Partner
Membership Number: 145911
UDIN: 23145911 BGYCB05634

Place: Mumbai
Date: 27 June 2023

BANK OF AMERICA, N.A.
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Annexure I to the Independent Auditor's Report of even date to the members of Bank of America N.A (India Branches) on the financial statements for the year ended 31 March 2023

Referred to in paragraph 14(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Bank of America N.A. (India Branches) ('the Bank') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Bank as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Bank's Local Management Team is responsible for establishing and maintaining internal financial controls based on internal financial control with reference to the 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 ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Bank's business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on internal financial control with reference to the financial statement criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Sd/-
Murad D. Daruwalla
Partner
Membership Number: 043334
UDIN: 23043334BGSDYI3809

Place: Mumbai
Date: 27 June 2023

For **KKC & Associates LLP**
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
Firm's Registration No.: 105146W/W100621

Sd/-
Vinit K Jain
Partner
Membership Number: 145911
UDIN: 23145911BGYCB05634

Place: Mumbai
Date: 27 June 2023

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BALANCE SHEET AS AT MARCH 31, 2023			PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023		
Schedule	As at March 31, 2023 (Rs. '000)	As at March 31, 2022 (Rs. '000)	Schedule	Year Ended March 31, 2023 (Rs. '000)	Year Ended March 31, 2022 (Rs. '000)
CAPITAL AND LIABILITIES			I. INCOME		
Capital 1	52,325,612	31,882,612	Interest earned 13	37,291,474	23,258,641
Reserves and Surplus 2	122,620,725	111,024,406	Other income 14	2,783,729	6,773,917
Deposits 3	526,554,270	391,838,747	TOTAL	40,075,203	30,032,558
Borrowings 4	9,417,056	151,733	II. EXPENDITURE		
Other Liabilities and Provisions 5	120,293,229	88,430,764	Interest expended 15	8,819,676	5,130,785
TOTAL	831,210,892	623,328,262	Operating expenses 16	9,790,112	8,934,832
ASSETS			Provisions and contingencies 17	9,869,096	7,671,628
Cash and balances with Reserve Bank of India 6	29,127,680	98,918,013	TOTAL	28,478,884	21,737,245
Balances with Banks and Money at Call and Short Notice 7	116,855,791	45,613,980	III. PROFIT		
Investments 8	360,965,479	177,428,935	Net profit for the year	11,596,319	8,295,313
Advances 9	207,161,248	219,122,432	Profit brought forward	22,140,309	15,191,782
Fixed Assets 10	1,785,195	891,810	TOTAL	33,736,628	23,487,095
Other Assets 11	115,315,499	81,353,092	IV. APPROPRIATIONS		
TOTAL	831,210,892	623,328,262	Transfer to Statutory Reserves	2,899,080	2,073,828
Contingent Liabilities 12	15,088,100,539	11,447,789,373	Transfer (from)/to Investment Reserve Account	(365,933)	381,354
Bills for Collection	520,245,135	632,420,128	Transfer to/(from) Investment Fluctuation Reserve	3,670,731	(1,108,396)
Significant accounting policies and notes to the Financial Statements 18			Amount retained in India for meeting Capital to Risk-weighted Asset ratio (CRAR)	8,000,000	–
Schedules referred to above form an integral part of the Balance Sheet			Balance carried over to Balance Sheet	19,532,750	22,140,309
			TOTAL	33,736,628	23,487,095
			Significant accounting policies and notes to the Financial Statements 18		
			Schedules referred to above form an integral part of the profit and loss account		

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration number:
001076N/N500013

Sd/-
Murad D. Daruwalla
Partner
Membership Number: 043334

Place: Mumbai
June 27, 2023

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration number: 105146W/W100621

Sd/-
Vinit K Jain
Partner
Membership Number: 145911

Place: Mumbai
June 27, 2023

For **BANK OF AMERICA, N.A.**
(INDIA BRANCHES)

Sd/-
Kaku Nakhate
Chief Executive Officer

Place: Mumbai
June 27, 2023

Sd/-
Viral Damania
Chief Financial Officer

Place: Mumbai
June 27, 2023

BANK OF AMERICA, N.A.
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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

PARTICULARS	Year Ended March 31, 2023 (Rs. '000)	Year Ended March 31, 2022 (Rs. '000)
Cash flow from operating activities		
Net profit before taxation	20,920,160	15,293,455
Adjustments for:		
Depreciation and amortisation	268,859	264,251
(Profit) / Loss on sale of fixed assets	(174)	63,405
Other provisions [Including provision for Enhancing Credit Supply]	237,797	275,111
Provision for Standard Assets and unhedged foreign currency exposure	376,201	373,079
Provision for Compensated Absences	13,031	70,353
Provision for gratuity	75,978	65,962
(Writeback of) / Provision for country risk	(68,743)	25,296
Provision / (Writeback of) for depreciation on investments	866,318	(902,826)
Operating profit before working capital changes	22,689,427	15,528,086
Adjustments for:		
(Increase) / Decrease in investments	(184,402,863)	17,688,134
Decrease / (Increase) in advances	11,961,184	(37,262,813)
(Increase) / Decrease in other assets	(33,388,075)	7,010,084
Increase in deposits	134,715,523	28,833,705
Increase / (Decrease) in other liabilities and provisions	31,228,201	(8,366,666)
Cash (used in) / generated from Operations	(17,196,603)	23,430,530
Taxes Paid (net of refunds received)	(9,898,171)	(6,841,903)
Net Cash (used in) / generated from Operating Activities (A)	(27,094,774)	16,588,627
Cash flow from investing activities		
Purchase of fixed assets (including capital work in progress)	(1,162,245)	(160,771)
Proceeds from sale of fixed assets	174	9,037
Net Cash used in Investing Activities (B)	(1,162,071)	(151,734)
Cash flow from Financing Activities		
Increase / (Decrease) in borrowings (net)	9,265,323	(2,407,117)
Capital received from Head Office (net)	20,443,000	-
Net Cash generated from / (used in) Financing Activities (C)	29,708,323	(2,407,117)
Net Increase in cash and cash equivalents (A+B+C)	1,451,478	14,029,776
Cash and Cash equivalents at the beginning of the year	144,531,993	130,502,217
Cash and Cash equivalents at the end of the year	145,983,471	144,531,993
Net Increase in cash and cash equivalents	1,451,478	14,029,776
Cash and cash equivalents include the following:		
Cash and balances with Reserve Bank of India as per Schedule 6	29,127,680	98,918,013
Balances with banks and money at call and short notice as per Schedule 7	116,855,791	45,613,980
Total Cash and Cash equivalents	145,983,471	144,531,993

Notes to the Cash Flow Statement

The above cash flow statement has been prepared under "Indirect method" as set out in Accounting Standard- 3 "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013.

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration number:
001076N/N500013

Sd/-
Murad D. Daruwalla
Partner
Membership Number: 043334

Place: Mumbai
June 27, 2023

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration number:105146W/W100621

Sd/-
Vinit K Jain
Partner
Membership Number: 145911

Place: Mumbai
June 27, 2023

For **BANK OF AMERICA, N.A.**
(INDIA BRANCHES)

Sd/-
Kaku Nakhate
Chief Executive Officer

Sd/-
Viral Damania
Chief Financial Officer

Place: Mumbai
June 27, 2023

Place: Mumbai
June 27, 2023

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SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2023 (Rs. '000)	As at March 31, 2022 (Rs. '000)		As at March 31, 2023 (Rs. '000)	As at March 31, 2022 (Rs. '000)
SCHEDULE 1 – Capital			SCHEDULE 4 – Borrowings		
I. Deposit kept with Reserve Bank of India under Section 11(2)(b)(ii) of the Banking Regulation Act, 1949*	61,443,000	40,600,000	I. Borrowings in India		
II. Amount brought in as start-up capital Tier I Capital augmented by Head Office**	2,000	2,000	i) Reserve Bank of India	9,000,000	–
	52,323,612	31,880,612	ii) Other Banks	–	–
TOTAL	52,325,612	31,882,612	iii) Other Institutions and Agencies	252,716	–
*An amount of Rs. 30,943,000 (Rs. '000) [previous year: Rs. 13,500,000 (Rs. '000)] out of the amount held as deposit under Section 11(2) of the Banking Regulation Act, 1949 has been designated as credit risk mitigation (CRM) for offsetting of non-centrally cleared derivative exposure to head office (including overseas branches), and is not reckoned for regulatory capital and other statutory requirements.				9,252,716	–
** Additional Capital received (net of remittance) from head office designated as credit risk mitigation during the year Rs. 20,443,000 (Rs. '000) (previous year: Nil).			II. Borrowings outside India	164,340	151,733
SCHEDULE 2 – Reserves and Surplus			TOTAL (I and II)	9,417,056	151,733
I. Statutory Reserve			Secured borrowings in I and II above	9,252,716	–
Opening balance	28,621,007	26,547,179	SCHEDULE 5 – Other Liabilities and Provisions		
Add : Transfer from Profit and Loss Account	2,899,080	2,073,828	I. Bills payable	286,198	389,318
	31,520,087	28,621,007	II. Inter-office adjustments - net	–	–
II. Capital Reserve			III. Interest accrued	1,907,315	1,371,383
Opening balance	3,457,657	3,457,657	IV. Provision against standard assets (including provision for unhedged foreign currency exposure)	2,638,657	2,262,456
Add : Transfer from Profit and Loss Account	–	–	V. Others [including provisions other than those disclosed in (iv) above.] [Refer Schedule 18 (V) - Note no. 20 (a)]	115,461,059	84,407,607
	3,457,657	3,457,657	TOTAL	120,293,229	88,430,764
III. Amount Retained in India for meeting Capital to Risk-Weighted Asset Ratio (CRAR)			SCHEDULE 6 – Cash and Balances with Reserve Bank of India		
Opening balance	52,875,501	52,875,501	I. Cash in hand (including foreign currency notes)	40,292	39,811
Add : Transfer from Profit and Loss Account	8,000,000	–	II. Balances with Reserve Bank of India		
	60,875,501	52,875,501	i) In Current account	23,017,388	16,508,202
IV. Revenue and Other Reserves			ii) In Other accounts*	6,070,000	82,370,000
Investment Reserve Account			TOTAL	29,127,680	98,918,013
Opening balance	381,354	–	*Represents Standing Deposit Facility / Reverse repo with Reserve Bank of India.		
(Less) / Add : Transfer (to) / from Profit and Loss Account	(365,933)	381,354	SCHEDULE 7 – Balances with Banks and Money at Call and Short Notice		
	15,421	381,354	I. In India		
Investment Fluctuation Reserve			i) Balances with banks		
Opening balance	3,548,578	4,656,974	a) In Current accounts	43,050	59,598
Add / (Less) : Transfer from / (to) Profit and Loss Account	3,670,731	(1,108,396)	b) In Other deposit accounts	–	–
	7,219,309	3,548,578	ii) Money at call and short notice		
V. Balance in Profit and Loss Account	19,532,750	22,140,309	a) with banks	–	–
TOTAL (I, II, III, IV and V)	122,620,725	111,024,406	b) with other institutions	113,599,005	42,532,361
SCHEDULE 3 – Deposits			TOTAL (i and ii)	113,642,055	42,591,959
A. I. Demand Deposits			II. Outside India		
i) From Banks	9,525,696	6,878,040	i) In Current accounts	3,213,736	3,022,021
ii) From Others	239,908,892	199,813,340	ii) In Other deposit accounts	–	–
II. Savings Bank Deposits	376,225	672,134	iii) Money at call and short notice	–	–
III. Term Deposits			TOTAL (I and II)	3,213,736	3,022,021
i) From Banks	–	–		116,855,791	45,613,980
ii) From Others	276,743,457	184,475,233			
TOTAL (I, II and III)	526,554,270	391,838,747			
B. i) Deposits of Branches in India	526,554,270	391,838,747			
ii) Deposits of Branches outside India	–	–			
TOTAL	526,554,270	391,838,747			

**BANK OF AMERICA, N.A.
(INDIA BRANCHES)**

(Incorporated in U.S.A. With Limited Liability)

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2023 (Rs. '000)	As at March 31, 2022 (Rs. '000)		As at March 31, 2023 (Rs. '000)	As at March 31, 2022 (Rs. '000)
SCHEDULE 8 – Investments			SCHEDULE 10 – Fixed Assets (including furniture & fixtures)		
I. Investments in India			I Premises		
(i) Government securities *	295,064,098	138,242,101	II Other Fixed Assets (including Furniture and Fixtures)*	–	–
(ii) Other approved securities	–	–	At Cost on March 31 of preceding year	2,775,287	2,679,978
(iii) Shares	–	–	Additions during the year	248,215	263,266
(iv) Debentures and bonds	–	–		3,023,502	2,943,244
(v) Subsidiaries and/or joint ventures	–	–	Deductions during the year	1,208	167,957
(vi) Others	18,254,974	–		3,022,294	2,775,287
Gross Investments in India	313,319,072	138,242,101	Accumulated depreciation/ amortization	2,233,750	1,966,099
Less : Provision for depreciation	1,468,507	602,189		788,544	809,188
	311,850,565	137,639,912	Capital Work in Progress	996,651	82,622
II. Investments outside India			TOTAL (I and II)	1,785,195	891,810
(i) Government securities	49,114,914	39,789,023	*[Refer Schedule 18(V) - Note 19]		
Gross Investments outside India	49,114,914	39,789,023	SCHEDULE 11 – Other Assets		
Less : Provision for depreciation	–	–	I. Interest accrued	4,098,998	1,777,426
Total	49,114,914	39,789,023	II. Advance tax and tax deducted at source	1,274,402	1,269,099
TOTAL (I and II)	360,965,479	177,428,935	[net of Provision for Taxation of Rs. 101,118,890 ('000) (Previous Year Rs. 91,264,706 ('000))]		
* Includes securities of Face Value Rs. 11,450,000 ('000) deposited with Clearing Corporation of India Limited (CCIL) as margin deposit [Previous Year: Rs. 16,500,000 ('000)], Rs. 44,760,000 ('000) kept / pledged with Reserve Bank of India for funds borrowed under liquidity adjustment facility/marginal standing facility [Previous year: Rs. 8,900,000 ('000)] and Rs. 28,000,000 ('000) securities kept / pledged in the repo market through CCIL [Previous year : Rs. Nil ('000)].			III. Deferred tax assets [Refer Schedule 18 (V) - Note no. 16]	2,221,024	1,741,500
SCHEDULE 9 – Advances			IV. Others [Refer Schedule 18 (V) - Note no. 20 (b)]	107,721,075	76,565,067
A			TOTAL	115,315,499	81,353,092
(i) Bills purchased and discounted	37,518,434	42,998,497	SCHEDULE 12 – Contingent Liabilities		
(ii) Cash credits, overdrafts and loans repayable on demand	146,047,990	158,167,067	I. Claims against the Bank not acknowledged as Debts (including tax related matters)	4,519,424	3,126,981
(iii) Term loans	23,594,824	17,956,868	II. Liability for partly paid investments	–	–
TOTAL	207,161,248	219,122,432	III. Liability on account of outstanding foreign exchange contracts	6,249,001,977	5,428,432,377
B.			IV. Liability on account of outstanding derivative contracts	8,756,749,496	5,943,511,454
(i) Secured by tangible assets (including book debts)	19,596,076	16,766,651	V. Guarantees given on behalf of constituents#		
(ii) Covered by Bank/ Government guarantees	–	–	(a) in India	58,545,502	47,828,095
(iii) Unsecured	187,565,172	202,355,781	(b) outside India	3,866,768	3,794,561
TOTAL	207,161,248	219,122,432	VI. Acceptances, endorsements and other obligations	4,081,531	3,568,887
C. I. Advances in India			VII. Other items for which the Bank is contingently liable		
(i) Priority sector	47,564,238	69,551,021	– Committed Lines of credit	10,512,417	17,093,809
(ii) Public sector	–	5,000,000	– Capital Commitments	382,913	45,579
(iii) Banks	98,833	77,026	– Depositor Education and Awareness Fund (DEAF) [Refer schedule 18 (V) - Note 9]	440,511	387,630
(iv) Others	159,498,177	144,494,385	TOTAL	15,088,100,539	11,447,789,373
TOTAL	207,161,248	219,122,432			
II. Advances outside India	–	–	# Guarantees outstanding on the balance sheet have been shown after deducting therefrom any cash margin.		
TOTAL (I and II)	207,161,248	219,122,432			

BANK OF AMERICA, N.A.
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SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Year Ended March 31, 2023 (Rs. '000)	Year Ended March 31, 2022 (Rs. '000)		Year Ended March 31, 2023 (Rs. '000)	Year Ended March 31, 2022 (Rs. '000)
SCHEDULE 13 – Interest earned			SCHEDULE 16 - Operating expenses		
I. Interest/discount on advances/bills	13,054,159	8,664,743	I. Payments to and provisions for employees	4,707,225	4,054,530
II. Income on investments	14,939,834	7,674,772	II. Rent, taxes and lighting	515,667	463,774
III. Interest on balances with Reserve Bank of India and other inter-bank funds	3,701,860	5,974,056	III. Printing and stationery	72,634	86,417
IV. Others	5,595,621	945,070	IV. Advertisement and publicity	17,045	265
TOTAL	37,291,474	23,258,641	V. Depreciation on Bank's property	268,859	264,251
SCHEDULE 14 – Other income			VI. Directors' fees, allowances and expenses	–	–
I. Commission, exchange and brokerage	1,589,457	1,808,144	VII. Auditors' fees and expenses	25,705	23,239
II. (Loss) on sale of investments (net)	(858,962)	(2,673,764)	VIII. Law Charges	27,071	23,959
III. (Loss) / Profit on revaluation of investments (net)	(866,318)	902,826	IX. Postages, Telegrams, Telephones, etc	353,678	282,775
IV. Profit / (Loss) on sale of land, buildings and other assets (net)	174	(63,405)	X. Repairs and maintenance	321,784	279,045
V. Profit on exchange / derivative transactions (net)	1,544,440	5,674,582	XI. Insurance	485,854	465,074
VI. Miscellaneous income [Refer Schedule 18 (V) - Note no. 20 (c)]	1,374,938	1,125,534	XII. Other expenditure [Refer Schedule 18 (V) - Note no. 20 (d) and 28]	2,994,590	2,991,503
TOTAL	2,783,729	6,773,917	TOTAL	9,790,112	8,934,832
SCHEDULE 15 - Interest expended			SCHEDULE 17 - Provisions and contingencies		
I. Interest on deposits	8,483,356	4,969,015	I. Provision for Standard Assets and unhedged foreign currency exposure	376,201	373,079
II. Interest on Reserve Bank of India/inter-bank borrowings	120,780	10,469	II. (Write back of) / Provision for country risk	(68,743)	25,296
III. Others	215,540	151,301	III. Provision for Taxation [Refer Schedule 18 (V) - Note no. 17]	9,803,365	7,349,911
TOTAL	8,819,676	5,130,785	IV. Write back of Deferred Tax [Refer Schedule 18 (V) - Note no. 16]	(479,524)	(351,769)
			V. Other provisions [Including provision for Enhancing Credit Supply]	237,797	275,111
			TOTAL	9,869,096	7,671,628

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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Schedule 18 - Significant accounting policies and notes to the Financial Statements

I) Background

The financial statements for the year ended March 31, 2023 comprise the accounts of the India branches of Bank of America, N.A. (the Bank), which is incorporated in the United States of America with limited liability.

II) Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated and are in accordance with the generally accepted accounting principles in India, requirement prescribed under the Third Schedule of the Banking Regulation Act, 1949, circulars and guidelines issued by Reserve Bank of India (RBI) from time to time (RBI Guidelines) and Accounting Standards (AS) prescribed under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, to the extent applicable and conform to the statutory requirements prescribed by RBI from time to time and current practices prevailing within the banking industry in India.

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

III) Use of Estimates

The preparation of the financial statements, in conformity with the Generally Accepted Accounting Principles, requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities as at the date of the financial statements. Actual results could differ from those estimates and difference between the actual results and estimates are recognized in the period in which the results are known. Any revision in the accounting estimates is recognized prospectively in the current and future periods.

IV) Significant Accounting Policies

1) Revenue recognition

- i. Interest income is recognized in the Profit and Loss Account on an accrual basis, except in case of interest on non-performing assets which is recognized as income upon receipt in accordance with the income recognition and asset classification norms of RBI. Interest income on discounted instruments is recognized over the tenor of the instrument.
- ii. Fees from activities such as loan management etc. are amortised over a period of the loan.
- iii. Commission on guarantees and letters of credit is recognized upon receipt except commission exceeding the rupee equivalent of USD 50,000, which is recognized on a straight line basis over the life of the contract.
- iv. All other fee income not mentioned above is recognised upfront.

2) Foreign Exchange Transactions

Transactions in foreign currency are recorded and translated at exchange rates prevailing on the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements, are recognized as income or as expenses in the period in which they arise.

Foreign currency monetary items are reported at the balance sheet date at exchange rates notified by the Foreign Exchange Dealers' Association of India (FEDAI) and the resulting exchange differences are recognized as income or as expense in the Profit and Loss Account.

Foreign exchange spot and forward contracts outstanding as at the balance sheet date and held for trading, are revalued at rates of exchange notified by FEDAI and the resulting gains / losses are recognized in the Profit and Loss Account.

Foreign exchange forward contracts not intended for trading, which are entered into for establishing the amount of reporting currency required or available at the settlement date of a transaction, and are outstanding at the balance sheet date, are valued at the closing spot rate. Premium / discount arising at the inception of such contracts are amortized in the Profit and Loss Account over the life of the contract.

Contingent liabilities on account of foreign exchange contracts, guarantees and acceptances, endorsements and other obligations denominated in foreign currencies at the balance sheet date are disclosed by using the closing rates of exchange notified by the FEDAI.

3) Derivatives

The Bank enters into derivative contracts such as interest rate swaps, cross-currency swaps, currency options, as well as exchange-traded interest rate futures, currency futures, currency options and forward rate agreements.

All derivative contracts are classified as trading derivatives. Outstanding exchange-traded interest rate futures, currency futures and currency options are marked-to-market using the closing price of relevant contracts as published by the exchanges / clearing corporation. Margin money deposited with the exchanges is presented under 'Other Assets'. All other outstanding derivative contracts are valued at the estimated realizable market price (fair value). The resulting gains / losses are recognized in the Profit and Loss Account under 'Other Income'. The corresponding unrealized gains are presented under 'Other Assets' and unrealized losses under 'Other Liabilities' on the Balance Sheet.

Fair value is determined by reference to a quoted market price or by using a valuation model. In case the market prices do not appropriately represent the fair value that would be realized for a position or portfolio, valuation adjustments such as market risk close-out costs and bid-offer adjustments are made to arrive at the appropriate fair value. These adjustments are calculated on a portfolio basis and reported as part of the carrying value of the positions being valued, thus reducing trading assets or increasing trading liabilities.

Valuation models, where used, calculate the expected cash flows under terms of the specific contracts, taking into account the relevant market factors viz. interest rates, foreign exchange rates, volatility, prices etc.

The Bank also maintains general provision for standard assets on the current mark-to-market value of the contract, arising on account of derivative and foreign exchange transactions in accordance with RBI guidelines on prudential norms on income recognition, asset classification and provisioning pertaining to advances.

Any overdue receivables representing positive mark-to-market value of derivative and foreign exchange contracts are treated as non-performing assets, if remaining unpaid for a period of 90 days or more pursuant to the above guidelines.

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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

4) Investments

Investments are accounted for in accordance with RBI guidelines on prudential norms for classification, valuation and operation of investment portfolio by banks.

Classification

Investments are accounted on settlement date basis and are classified as “Held to Maturity” (HTM), “Held for Trading” (HFT) and “Available for Sale” (AFS) at the time of purchase in accordance with RBI norms. Under each of these classifications, investments are further categorized as i) Government Securities ii) Other approved securities iii) Shares iv) Debentures and Bonds v) Subsidiaries and/or joint ventures and vi) Others.

Valuation

Investments held under HTM classification are carried at acquisition cost. If the acquisition cost is more than the face value, the premium is amortized over the remaining tenor of the investments.

Investments classified under HFT and AFS portfolio are marked-to-market on a monthly basis. Investments classified under HFT and AFS portfolio are valued as per rates declared by Financial Benchmark India Pvt. Ltd. (FBIL) and in accordance with RBI guidelines. Consequently net depreciation, if any, under each of the classifications in respect of any category mentioned in ‘Schedule 8-Investments’ is provided for in the Profit and Loss Account. The net appreciation, if any, under any classification is ignored, except to the extent of any depreciation provided previously. The book value of the individual securities is not changed consequent to periodic valuation of investments.

Treasury Bills including US Treasury bills, Commercial Paper and Certificates of Deposit, being discounted instruments, are valued at carrying cost. Cost of investments is based on the weighted average cost method.

Short sale

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. Such short positions are categorised under HFT category. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant mark-to-market gains/losses are accounted for as per the relevant RBI guidelines.

Investment Reserve Account

In accordance with the RBI guidelines, in case the provision on account of depreciation in the HFT and AFS categories is found to be in excess of the required amount, the excess is credited to the Profit and Loss Account and an equivalent amount net of taxes, if any, adjusted for transfer to Statutory Reserve (to the extent as applicable to such excess provision) is appropriated to the Investment Reserve Account.

The provision required to be created on account of depreciation in investments in AFS and HFT categories is debited to the Profit and Loss Account and an equivalent amount net of tax benefit, if any and net of consequent reduction in transfer to Statutory Reserves is transferred from the Investment Reserve Account to the Profit and Loss Account, to the extent available.

Investment Fluctuation Reserve

In accordance with RBI guidelines on Investment Fluctuation Reserve was created to protect against increase in yields. As required by such guidelines the transfer to this reserve will be lower of the following – i) net profit on sale of investments during the year ; ii) net profit for the year less mandatory appropriations, until the amount of the reserve is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

Transfer between classifications

Transfer of investment between classifications is accounted for in accordance with the extant RBI guidelines, as under:

- a) Transfer from AFS/HFT to HTM is made at the lower of book value or market value at the time of transfer.
- b) Transfer from HTM to AFS/HFT is made at acquisition price/book value if originally placed in HTM at a discount and at amortized cost if originally placed in HTM at a premium.
- c) Transfer from AFS to HFT is made at book value and the related provision for depreciation held, if any, is transferred to provision for depreciation against the HFT securities and vice-versa.

Repo transactions

Market repurchase and reverse repurchase transactions are accounted for as secured borrowing and lending transactions in accordance with RBI guidelines. Borrowing costs on the market repurchase transactions are accounted as interest expense and revenue on reverse repurchase transactions are accounted as interest income.

Repurchase and reverse repurchase transactions with RBI under the Liquidity Adjustment Facility and Marginal Standing Facility are also accounted for as secured borrowing and lending transactions.

Brokerage and Commission

Brokerage and Commission paid at the time of acquisition of a security is charged to the Profit and Loss Account.

Broken period interest

Broken period interest paid at the time of acquisition of the security is charged to the Profit and Loss Account.

5) Tangible fixed assets and capital work-in-progress

Tangible fixed assets are stated at the original cost of acquisition and related expenses less accumulated depreciation and/ or accumulated impairment losses, if any. The cost comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use, any trade discounts and rebates are deducted in arriving at the purchase price. Assets, which are not under active use and are held for disposal, are stated at lower of their net book value and net realizable value. Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use as at the reporting date.