SCHEDULE 17 NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2011

(A) SIGNIFICANT ACCOUNTING POLICIES

(1) BASIS OF PREPARATION

The financial statements have been prepared and presented under the historical cost convention and on an accrual basis of accounting and comply with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and conform to the statutory requirements prescribed under the Banking Regulation Act, 1949, circulars issued by the Reserve Bank of India ('RBI') from time to time and current practices within the banking industry in India.

(2) USE OF ESTIMATES

The preparation of the financial statements in conformity with the accounting principles generally accepted in India requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates.

(3) REVENUE RECOGNITION

(i) Interest income is recognised on accrual basis except in case of non-performing assets where it is recognised upon realisation as per the RBI guidelines and in accordance with the Accounting Standard on revenue recognition.

(ii) Commission on LCs and guarantees is recognised over the life of the instrument.

(iii) Other fee incomes are recognised at the time the services are rendered and a right to receive the same is established.

(iv) The Indian branches participate in an integrated dealing room activity with its Head Office and other branches and account for its profits / losses on Derivative transactions under a Residual Profit Split method.

(4) TRANSACTIONS INVOLVING FOREIGN EXCHANGE

(i) Monetary assets and liabilities are translated at the rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') at the year-end and the resulting profits or losses are included in the Profit and Loss Account.

(ii) Income and expenditure items are translated at rates of exchange prevailing on the date of the transaction.

(iii) Outstanding spot contracts are revalued at the rates of exchange notified by FEDAI and the resulting profits or losses are included in the Profit and Loss Account.

Outstanding forward exchange contracts are revalued at the rates of exchange notified by FEDAI (for contracts having maturities beyond the periods specified by FEDAI, the forward rates for such maturities are determined by linear extrapolation of FEDAI forward rates), using the Present Value methodology and the resulting profits or losses are included in the Profit and Loss Account. The notional principal of these contracts is reported under 'Contingent Liabilities'.

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(iv) Contingent liabilities in respect of outstanding forward exchange contracts, guarantees, acceptances, endorsements and other obligations are stated at the spot rates of exchange notified by FEDAI at the year-end.

(5) DERIVATIVE TRANSACTIONS

(i) Outstanding derivative transactions designated as 'Trading', which include interest rate swaps ('IRS'), currency swaps ('CS') and currency options are marked to market using the Present Value methodology. The resulting profits or losses are included in the Profit and Loss Account. The net unrealised profits or losses on these products are recorded in the Balance Sheet under Other Assets or Other Liabilities and Provisions.

(ii) Derivative transactions undertaken for hedging purposes are accounted for on an accrual basis, except those undertaken for hedging an asset or liability that is carried at lower of cost or market value in the financial statements. In such cases, the derivatives are marked to market with the resulting profits or losses being recorded as adjustments to the market values of the designated assets or liabilities.

(iii) Premium paid and received on options is accounted up-front in the Profit and Loss Account. The options are marked to market using the Present Value methodology and the resulting profits or losses are included in the Profit and Loss Account.

(iv) Amounts due to the Bank under derivative contracts which remain unpaid in cash for more than 90 days from the specified date of payment are classified as non-performing assets.

(6) INVESTMENTS

(i) Classification

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

(ii) Valuation

- Held to Maturity:

Government securities and debentures and bonds deemed to be in the nature of an advance are classified as held to maturity investments and are valued at cost. In case the cost price is higher than the face value, such premium is amortised over the period to redemption. Where the cost price is less than the face value, such discount is ignored. Diminution other than temporary, if any, in the value of such investments is determined and provided for on each investment individually.

- Available for Sale:

Government securities are valued at the lower of book value and market value of each investment classification. Market value is determined on the basis of market quotations at the year-end published by Fixed Income Money Market and Derivatives Association of India ('FIMMDA'). Net depreciation, if any, is provided for; net appreciation, if any, is ignored.

Discounted instruments are valued at carrying cost. Discount accrued on these are reported under 'Other Assets – Interest Accrued'.

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

- Held for Trading:

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

(iii) All investments are accounted for on settlement date basis.

(iv) **Transfer between categories**

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

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

- Held to Maturity:

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

- Available for Sale and Held for Trading:

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

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

These are accounted as outright purchase and outright sale respectively. The difference between the clean price of the first leg and the second leg is recognised as interest income/interest expense over the period of the transaction. However, depreciation in their value, if any, compared to their original cost is provided for.

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

(vii) Separate queues are followed for trading and non-trading securities per intention at inception of the transaction. In case of an inefficiency of a hedge, where underlying is an investment, the hedging strategy is unwound. Consequently, the hedged investment is reclassified to Available for Sale category.

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(7) ADVANCES

Non-performing advances ('NPAs') are identified by periodic appraisals of the portfolio by the Management and appropriate provisions are made based on the provisioning guidelines issued by the RBI. Advances are stated net of specific loan provisions for NPAs, provision for impaired assets, Export Credit Guarantee Corporation Limited ('ECGC') claims and bills rediscounted. A general provision is made as prescribed by the RBI @ 0.25% in case of direct advances to agricultural and SME sectors, 1% in respect of advances classified as commercial real estate, 2% in respect of housing loans at teaser rates and 0.40% for all other advances.

(8) FIXED ASSETS AND DEPRECIATION

(i) Fixed assets are stated at cost less accumulated depreciation, provision for impairment and adjusted for any revaluations as ascertained by the Management. The carrying amount of fixed assets is reviewed at each Balance Sheet date for any indication of impairment based on internal/external factors. Impairment loss on a revalued asset is recognised directly against any revaluation surplus of the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for the same asset.

(ii) Depreciation on owned premises is provided at 2.05 per cent per annum on a straight-line basis. The difference between the depreciation so determined and the depreciation computed on the original cost is transferred from the Revaluation Reserve to the Profit and Loss Account.

(iii) Expenditure incurred on improvements to owned premises is depreciated over a period of 10 years on a straight-line basis.

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

(v) Depreciation on cars is provided at 20 per cent per annum on a straight-line basis.

(vi) Depreciation on computers is provided at 33.33 per cent per annum on a straight-line basis.

(vii) Depreciation on software is provided based on the useful life of the software or five years whichever is lower, on a straight-line basis.

(viii) Depreciation on furniture and fixtures is provided at 8.33 per cent per annum on a straight-line basis.

(ix) Depreciation on plant and machinery and office equipment is provided at 12.5 per cent per annum on a straight-line basis.

(x) Depreciation on blackberries is provided at 50 per cent per annum (2010 - 12.5%) on a straight-line basis.

(xi) Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.

(xii) The above rates are reflective of the Management's estimate of the useful lives of the related fixed assets subject to the minimum rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956.

(9) LEASES

Finance leases, which effectively transfer to the Bank substantially all the risks and benefits incidental to ownership of the leased item are capitalised at the lower of the fair value or present value of the minimum lease payments at the inception of the lease term and disclosed as fixed assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income.

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

(10) EMPLOYEE BENEFITS

The Bank has created separate recognised funds for Provident Fund, Pension and Gratuity. Provident Fund is a defined contribution scheme. Gratuity and pension schemes are defined benefit plans. The net present value of the Bank's obligation towards the defined benefit plans is actuarially determined based on the projected unit credit method as at the Balance Sheet date. Actuarial gains and losses are immediately recognised in the Profit and Loss Account.

There are no other obligations other than the contribution payable to the respective trust. These contributions are charged to the Profit and Loss Account of the year to the extent the contributions to the respective funds are due.

Liability for compensated absences for employees is provided on the basis of an actuarial valuation carried out at the year end.

The Bank accounts for its defined benefit obligations for non-funded deferred bonus benefits on the basis of an independent actuarial valuation as per the projected unit credit method made at the end of each financial year.

Other employee benefits are recognised based on the likely entitlement thereof.

The eligible employees of the Bank have been granted stock awards under various plans, of equity shares of the ultimate holding company, BNP PARIBAS SA, France. As per the various plans, these stock awards vest in a graded manner up to five years. During the year the Bank has charged an amount pertaining to these under the head "Payments to and provisions for employees" as compensation cost.

(11) INCOME TAXES

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

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

Deferred tax assets are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably / virtually certain to be realised.

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(12) PROVISIONS AND CONTINGENCIES

A provision is recognised when the Bank has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed by way of notes to accounts.

Contingent assets are not recognised or disclosed in the financial statements

(13) IMPAIRMENT

(i) The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount.

(ii) After impairment, depreciation is provided on the revised carrying amount of the assets over their remaining useful lives.

(iii) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(B) NOTES TO ACCOUNTS

(1) CAPITAL ADEQUACY

As per the guidelines for implementation of new capital adequacy framework issued on 27th April, 2007, the RBI has directed banks to migrate to a revised framework for capital adequacy computation under Basel II with effect from 31st March, 2008. The migration is required to be carried out in a phased manner where under banks are required to compute their capital requirement under Basel I & Basel II. The minimum capital to be maintained by banks under the revised framework is subject to the prudential floor of 80% of the capital requirement under Basel I for the years March 2010 and March 2011. The computation under Basel 2 guidelines has resulted in a higher minimum capital requirement as compared to 80% of Basel I and hence the capital adequacy ratio as at 31st March, 2011 is 11.92% as per details below (previous year 15.78%).

As per Basel I Norms	Prudential floor of 80%		Prudential floor of 100%	
	As at March 31, 2011	As at March 31, 2010	As at March 31, 2011	As at March 31, 2010
CRAR (%)	18.33	20.46	14.67	16.37
CRAR - Tier I capital (%)	13.02	14.12	10.42	11.29
CRAR - Tier II capital (%)	5.31	6.34	4.25	5.08

As per Basel II Norms (Pillar I)	As at March 31, 2011	As at March 31, 2010
CRAR (%)	11.92	15.78
CRAR - Tier I capital (%)	8.46	10.89
CRAR - Tier II capital (%)	3.46	4.89

(a) Percentage of the shareholding of the Government of India in nationalised banks Nil (2010 - Nil)
(b) Amount raised by issue of Irrevocable Perpetual Debt Instrument Rs. Nil (2010 - Rs. Nil)
(c) Amount raised by issue of Upper Tier II instruments Rs. Nil (2010 - Rs. Nil)
(d) Amount of Subordinated Debt raised during the year as Tier II capital Rs. Nil (2010 - Rs. Nil)

(2) INVESTMENTS

(Rs. in crores)

Particulars	As at March 31, 2011	As at March 31, 2010
(1) Value of Investments		
(i) Gross value of investments	3,879.07	4,074.40
(a) In India	3,879.07	4,074.40
(b) Outside India	-	-
(ii) Provisions for Depreciation	72.57	46.99
(a) In India	72.57	46.99
(b) Outside India	-	-
(iii) Net Value of Investments	3,806.50	4,027.41
(a) In India	3,806.50	4,027.41
(b) Outside India	-	-

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(Rs. in crores)

Particulars	As at March 31, 2011	As at March 31, 2010
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	46.99	16.07
(ii) Add: Provisions made during the year	38.08	30.92
(iii)Less: Write-off / write-back of excess provisions during the year	12.50	-
(iv)Closing balance	72.57	46.99

(3) REPO TRANSACTIONS

The details of book value of securities purchased / sold under repurchase agreements (excluding Liquidity Adjustment Facility) are as follows:

For the year ended March 31, 2011:

(Rs. in crores)

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	As at March 31, 2011
Securities sold under repo				
(i) Government Securities	26.67	5,434.16	137.89	462.82
(ii) Corporate Debt Securities	-	-	-	-
Securities purchased under reverse repo				
(i) Government Securities	90.00	3,930.00	856.79	-
(ii) Corporate Debt Securities	-	-	-	-

For the year ended March 31, 2010:

(Rs. in crores)

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	As at March 31, 2010
Securities sold under repo				
(i) Government Securities	-	322.37	23.44	-
(ii) Corporate Debt Securities	-	-	-	-
Securities purchased under reverse repo				
(i) Government Securities	-	441.88	9.63	-
(ii) Corporate Debt Securities	-	-	-	-

(4) NON-SLR INVESTMENT PORTFOLIO

(i) Issuer composition of Non-SLR investments

As at March 31, 2011:

(Rs. in crores)

Issuer	Amount	Extent of private placement	Extent of 'Below Investment Grade' Securities	Extent of unrated securities	Extent of unlisted securities
Public sector undertakings ('PSUs')	14.53	-	-	0.01	0.01
Financial institutions ('FIs')	58.37	-	-	-	-
Banks	1,318.64	-	-	-	1,318.64
Private corporate *	49.43	-	-	-	-
Subsidiaries / Joint Ventures	-	-	-	-	-
Others	-	-	-	-	-
Provision held towards depreciation	-	-	-	-	-
Total	**1,440.97**	**-**	**-**	**0.01**	**1,318.65**

* Includes unlisted equity share having book value of Rs. 1,000 and unlisted optionally convertible preference shares having book value of Rs. 1,000.

As at March 31, 2010:

(Rs. in crores)

Issuer	Amount	Extent of private placement	Extent of 'Below Investment Grade' Securities	Extent of unrated securities	Extent of unlisted securities
Public sector undertakings ('PSUs')	0.01	-	-	0.01	0.01
Financial institutions ('FIs')	-	-	-	-	-
Banks	1,026.04	-	-	-	1,026.04
Private corporate	12.50	12.50	-	12.50	12.50
Subsidiaries / Joint Ventures	-	-	-	-	-
Others	-	-	-	-	-
Provision held towards depreciation	(12.50)	(12.50)	-	(12.50)	(12.50)
Total	**1,026.05**	**-**	**-**	**0.01**	**1,026.05**

(ii) Non-performing Non-SLR investments:

(Rs. in crores)

Particulars	As at March 31, 2011	As at March 31, 2010
Opening balance	12.50	12.50
Add: Additions during the year	-	-
Less: Reductions during the year	12.50	-
Closing balance	-	12.50
Total provisions held	**-**	**12.50**

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(5) DERIVATIVES

Forward Rate Agreement / Interest Rate Swap:

(Rs. in crores)

S.No.	Particulars	As at March 31, 2011	As at March 31, 2010
i)	The notional principal of swap agreement (including forward rate agreement)	394,053.13	349,398.78
ii)	Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	3,583.26	4,225.50
iii)	Collateral required by the Bank upon entering into swaps	NA	NA
iv)	Concentration of credit risk arising from the swaps to banking industry	98.68%	98.96%
v)	The fair value of the swap book (loss)	(194.92)	(396.92)

In the Management's opinion, all derivative transactions have been entered into with reputed counterparties under approved credit lines and carry negligible inherent credit risk.

Nature and terms of the swaps (including FRA):

(Rs. in crores)

Nature	Benchmark Index	Terms	As at March 31, 2011	As at March 31, 2010
Trading	MIBOR	Fixed payable v/s floating receivable	157,087.20	132,205.20
		Fixed receivable v/s floating payable	158,495.00	127,644.90
Trading	MIFOR	Fixed payable v/s floating receivable	23,775.50	33,486.00
		Fixed receivable v/s floating payable	22,655.25	31,755.25
Trading	INBMK	Fixed payable v/s floating receivable	600.00	200.00
		Fixed receivable v/s floating payable	275.00	175.00
Trading	MIOIS	Fixed receivable v/s floating payable	165.00	25.00
Trading	EURIBOR	Fixed payable v/s floating receivable	253.53	120.91
		Floating receivable v/s Floating payable	316.91	120.91
		Fixed receivable v/s floating payable	63.38	-
Trading	LIBOR	Fixed payable v/s floating receivable	10,558.58	9,132.51
		Fixed receivable v/s floating payable	13,357.52	7,471.82
		Floating receivable v/s Floating payable	5,355.30	2,982.26
Trading	Others	Fixed payable v/s floating receivable	450.00	250.00
		Fixed receivable v/s Fixed payable	195.63	200.74
		Fixed receivable v/s floating payable	236.49	221.22
		Floating receivable v/s Floating payable	212.84	3,407.06
			394,053.13	349,398.78

Includes notional principal of Forward Rate Agreements outstanding as at March 31, 2011 Rs. 1,211.01 crores (2010 - Rs. Nil).

(6) **EXCHANGE TRADED INTEREST RATE DERIVATIVE**

The Bank has not entered into any exchange traded interest rate derivatives during the year. (2010 - Rs. Nil)

(Rs. in crores)

	Particulars	As at March 31, 2011	As at March 31, 2010
(i)	Notional Principal amount of exchange traded interest rate Derivatives undertaken during the year	Nil	Nil
(ii)	Notional Principal amount of exchange traded interest rate Derivatives outstanding as at the end of the year	Nil	Nil
(iii)	Notional Principal amount of exchange traded interest rate Derivatives outstanding and not "highly effective"	Nil	Nil
(iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not " highly effective"	Nil	Nil

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(7) DISCLOSURE ON RISK EXPOSURE IN DERIVATIVES

(i) Qualitative Disclosures:

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

There are business line and market risk limits governing the derivative trading activities. The activities/ products that the Bank may undertake as well as the fixing of the limits for the same are determined through a comprehensive process involving the Management, legal, operations, IT and risk functions. Advanced front office and market risk systems are in place to monitor the positions and compliance with various risk limits. There is a clear segregation of the front office, market risk monitoring and control and the back office functions relating to transactions in derivatives.

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

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

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

The Bank uses appropriate hedging instruments to hedge / mitigate risks both in the banking and trading books. The effectiveness of the hedge is monitored periodically. The accounting policy for recording derivative transactions is in place which includes recognition of income and the treatment of gains / losses on cancellation / termination of contracts.

(ii) Quantitative Disclosures:

(Rs. In crores)

Particulars	Currency Derivatives		Interest Rate Derivatives	
	As at March 31, 2011	As at March 31, 2010	As at March 31, 2011	As at March 31, 2010
1) Derivatives (Notional Principal Amount)				
a) For hedging	38.54	38.80		-
b) For trading	133,568.93	153,311.30	394,053.13	349,398.78
2) Marked to Market Positions				
a) Asset (+)	101.08	281.14	0.03	-
b) Liability (-)	(8.93)	(55.06)	(194.95)	(396.92)
3) Credit Exposure	7,433.94	9,132.29	6,776.82	7,077.52
4) Likely impact of one percent change in interest rate (100*PV01) (Note 1)				
a) on hedging derivatives	-	(0.03)	-	-
b) on trading derivatives	(1.73)	7.09	(86.99)	(43.87)
5) Maximum and Minimum of 100*PV01 observed during the year (Note 2)				
a) on hedging				
- i) Maximum	0.24	0.13	-	-
- ii) Minimum	-	0.01	-	-
b) on trading				
- i) Maximum	12.93	16.03	96.09	83.18
- ii) Minimum	1.73	0.05	35.18	2.92

Notes: 1) Based on the PV01 of the outstanding derivatives as at year end.

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

(8) MOVEMENT IN NON – PERFORMING ASSETS

(Rs. in crores)

Particulars	As at March 31, 2011	As at March 31, 2010
(i) Net NPAs to Net Advances (%)	0%	0%
(ii) Movement of Gross NPAs		
(a) Opening balance	68.12	68.33
(b) Additions during the year	-	-
(c) Reductions during the year	(23.96)	-
(d) Amounts written off	(32.88)	(0.21)
(e) Closing balance	11.28	68.12
(iii) Movement of Net NPAs		
(a) Opening balance	-	31.93
(b) Additions during the year	-	-
(c) Reductions during the year	-	(31.93)
(d) Amounts written off	-	-
(e) Closing balance	-	-
(iv) Movement of provision for NPAs (excluding provisions on standard assets)		
(a) Opening balance	68.12	36.40
(b) Additions during the year	-	31.93
(c) Written back during the year	(23.96)	-
(d) Written off during the year	(32.88)	(0.21)
(e) Closing balance	11.28	68.12

(9) PARTICULARS OF ACCOUNTS RESTRUCTURED

No loan asset of the Bank was subjected to restructuring during the year (2010 - Rs. Nil).

(Rs. in crores)

Particulars		CDR Mechanism	SME Debt Restructuring	Others
Standard advances restructured	No. of Borrowers	-	-	-
	Amount outstanding	-	-	-
	Sacrifice (diminution in the fair value)	-	-	-
Sub-standard advances restructured	No. of Borrowers	-	-	-
	Amount outstanding	-	-	-
	Sacrifice (diminution in the fair value)	-	-	-
Doubtful advances restructured	No. of Borrowers	-	-	-
	Amount outstanding	-	-	-
	Sacrifice (diminution in the fair value)	-	-	-
TOTAL	No.of Borrowers	-	-	-
	Amount outstanding	-	-	-
	Sacrifice (diminution in the fair value)	-	-	-

(10) DETAILS OF FINANCIAL ASSETS SOLD TO SECURITISATION / RECONSTRUCTION COMPANY FOR ASSET RECONSTRUCTION

During the year there were no financial assets which were sold to a securitisation / asset reconstruction company (2010 - Rs. Nil).

(Rs. in crores)

Particulars	As at March 31, 2011	As at March 31, 2010
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier year	-	-
(v) Aggregate gain/loss over net book value	-	-

(11) DETAILS OF NON-PERFORMING FINANCIAL ASSETS PURCHASED / SOLD

During the year the Bank has not purchased / sold any non-performing financial assets (2010 - Rs. Nil).

A. Details of non-performing financial assets purchased:

(Rs. in crores)

Particulars	As at March 31, 2011	As at March 31, 2010
1. (a) No. of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2. (a) Of these, no. of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-

B. Details of non-performing financial assets sold:

(Rs. in crores)

Particulars	As at March 31, 2011	As at March 31, 2010
1. No. of accounts sold during the year	-	-
2. Aggregate outstanding	-	-
3. Aggregate consideration received	-	-

(12) PROVISIONS ON STANDARD ASSETS

(Rs. in crores)

Particulars	As at March 31, 2011	As at March 31, 2010
Provisions towards Standard Assets (closing balance)	78.04	78.04
Provisions towards Standard Assets (P&L charge)	-	-

(13) BUSINESS RATIOS

Particulars	As at March 31, 2011	As at March 31, 2010
(a) Interest Income as a percentage to working funds	6.88	6.64
(b) Non - Interest Income as a percentage to working funds	2.65	2.21
(c) Operating Profit as a percentage to working funds	4.02	4.52
(d) Return on assets (net profit as a percentage to working funds)	2.00	2.05
(e) Business (deposits plus advances) per employee (Rs. crores)	30.08	27.76
(f) Profit per employee (Rs. crore)	0.56	0.55

Note:

(a) Working funds is the monthly average of total assets as reported to the RBI under Section 27 of the Banking Regulation Act, 1949

(b) Operating Profit= (Interest income + Other income-Interest expense-Operating expense).

(c) Business is the closing deposits excluding Inter-bank demand deposits + advances

(d) Productivity ratios are based on the number of employees as at the year end

(14) MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2011:

(Rs. in crores)

Particulars	1 day	2 to 7 days	8 to 14 days	15 to 28 days	29 days and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	55.03	622.18	408.26	578.09	1,031.05	193.25	750.58	1,007.04	1.00	-	4,646.48
Advances	30.96	836.68	467.37	486.48	873.17	287.40	209.42	1,456.30	614.00	188.94	5,450.72
Investments	312.63	190.80	304.16	257.66	753.20	256.56	984.38	656.28	11.21	79.62	3,806.50
Borrowings	204.11	1,626.70	150.00	159.00	-	-	41.85	68.34	77.79	459.81	2,787.60
Foreign currency assets	44.91	2.04	8.93	23.53	280.80	136.33	16.74	-	-	-	513.28
Foreign currency liabilities	237.35	769.22	28.32	0.06	100.32	16.43	189.07	313.15	77.79	459.81	2,191.52

As at March 31, 2010:

(Rs. in crores)

Particulars	1 day	2 to 7 days	8 to 14 days	15 to 28 days	29 days and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	226.94	394.73	548.41	447.18	1,373.58	343.83	620.63	1064.32	0.59	-	5,020.25
Advances	82.08	517.84	317.30	400.83	455.95	469.16	34.87	1,071.48	88.53	299.57	3,737.61
Investments	1,288.58	158.96	167.75	197.70	900.38	245.13	632.64	309.36	18.19	108.72	4,027.41
Borrowings	47.15	413.69	125.00	25.00	-	-	-	41.85	68.34	537.61	1,258.64
Foreign currency assets	203.20	112.27	116.74	0.61	31.23	100.84	-	-	-	-	565.09
Foreign currency liabilities	93.22	381.14	152.25	0.06	3.97	11.87	34.30	255.32	68.34	537.61	1,538.08

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

(15) LENDING TO SENSITIVE SECTORS

(i) Exposure to the Real Estate Sector:

(Rs. in crores)

Category	As at March 31, 2011	As at March 31, 2010
a) Direct Exposure		
i) Residential Mortgages – Lending fully secured by Mortgages on Residential property that is or will be occupied by the borrower or that is rented. (Individual housing loans eligible for inclusion in priority sector advances may be shown separately)	17.50	14.00
ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.*	115.54	161.53
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures – a. Residential. b. Commercial Real Estate.	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	470.01	400.01
Funded	70.00	-
Non - Funded	400.01	400.01
Total Exposure to Real Estate Sector	**603.05**	**575.54**

(ii) Exposure to the Capital Market:

(Rs. in crores)

Items	As at March 31, 2011	As at March 31, 2010
(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 (# Rs 50,000/-)	#	#
(ii) Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investments in equity shares (including IPOs, ESOPS), bonds and debentures, units of equity oriented mutual funds	19.73	21.04
(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	233.31	31.29

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(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	35.00	90.69
(vi) Loans sanctioned to corporates against the security of shares/ bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows/issues	-	-
(viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceilings (both direct and indirect)	-	-
Total Exposure to Capital market	**288.04**	**143.02**

* Included under commercial real estate is an exposure of Rs. 10 crores which is secured by bank guarantee (2010 - Rs. Nil) and Rs. 0.50 crore which is unsecured (2010 - Rs. Nil)

(16) RISK CATEGORY WISE COUNTRY EXPOSURE

There is a Nil provision for the financial year 2011 (2010 - Rs. Nil) as the Bank's net funded exposure as of March 31, 2011 in respect of country wise exposure was below 1% of the total assets of the Bank excluding exposure to its Head-Office in France as in the opinion of the Management, the same is considered as the home country.

(Rs. in crores)

Risk Category	Exposure (net) as at March 31, 2011	Provision held as at March 31, 2011	Exposure (net) as at March 31, 2010	Provision held as at March 31, 2010
Insignificant	27.24	-	407.46	-
Low	0.13	-	0.19	-
Moderate	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off – Credit	-	-	-	-
Total	27.37	-	407.65	-

(17) PRUDENTIAL LIMITS

The RBI has prescribed credit exposure limits for banks in respect of their lending to single / group borrowers. The exposure limits prescribed are 15% of the capital funds of banks in case of single borrowers and 40% of the capital funds of banks in case of group borrowers. In case of infrastructure projects, an additional exposure upto 5% of capital funds is allowed. The Bank's credit exposures to single / group borrowers are within the aforesaid limits.

March 31, 2011

In line with the RBI guidelines and approval of the Bank's Management the following 8 customers were sanctioned additional 5% limit during the year. As at March 31, 2011, the additional 5% limit was exceeded for all of these customers, as disclosed in the table below:

Party Names	Maximum during the year (%)	As at March 31, 2011 (%)
Reliance Industries Limited	19.66	19.66
Wipro Limited	19.60	19.45
Housing Development Finance Corporation Limited	17.59	17.59
Maruti Suzuki India Limited	19.14	19.14
Bennett Coleman and Company Limited	17.64	17.64
Carlsberg India Private Limited	15.71	15.71
Larsen & Toubro Limited	19.63	19.63
Volkswagen India Private Limited	19.43	19.43

March 31, 2010

In line with the RBI guidelines and approval of the Bank's Management the following 7 customers were sanctioned additional 5% limit during the year. As at March 31, 2010, the additional 5% limit was exceeded for all of these customers, as disclosed in the table below:

Party Names	Maximum during the year (%)	As at March 31, 2010 (%)
Reliance Industries Limited	19.99	19.99
Wipro Limited	19.86	19.86
Housing Development Finance Corporation Limited	19.49	17.89
Maruti Suzuki India Limited	19.06	18.07
Bennett Coleman and Company Limited	17.96	17.90
HCL Technolgies India Limited	17.20	15.75
Larsen & Toubro Limited	16.79	16.79

(18) UNSECURED ADVANCES

The total amount of advances outstanding as at the year end for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral is Rs. Nil (2010 - Rs. Nil).

Total Unsecured advance as per Schedule 9 B (iii) is Rs.3,106.94 crore (2010 - Rs.1,507.72)

(19) PROVISION FOR TAXATION

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

(Rs. in crores)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Provision for Tax	164.98	161.22
Provision for Deferred Tax	13.78	(6.01)
Provision for Wealth Tax	0.06	0.05
Total	178.82	155.26

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(20) PENALTIES IMPOSED BY RESERVE BANK OF INDIA

Reserve Bank of India has imposed a penalty of Rs. 0.10 crore (2010 - Rs. Nil) on account of non-compliance of RBI directions and instructions issued vide Circular DBOD.No.BP.BC.86/21.04.157/2006-07 dated April 20, 2007 on Comprehensive Guidelines on Derivatives. The bank has accordingly made a provision of Rs. 0.10 crore in the books during the year.

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

Included in current year's Profit and Loss Account is reversal of Head Office expenses amounting to Rs.4.88 crores (2010 – charge of Rs. 11.58 crores) pertaining to prior periods.

(22) ACCOUNTING STANDARD 9 – REVENUE RECOGNITION

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

(23) ACCOUNTING STANDARD 10 – ACCOUNTING OF FIXED ASSETS

Revaluation of Premises

The Bank had revalued upward its entire premises as at March 31, 1993 by Rs. 37.34 crores and its premises at Mumbai as at March 31, 1995 by a further Rs. 33.77 crores based on their market values determined by a Government registered valuer. The surplus arising out of such revaluations had been credited to the Revaluation Reserve. During the year ended March 31, 2005, the Bank had sold part of its revalued premises. The Revaluation Reserve relating to these premises had been reversed for its depreciated value of Rs. 17.45 crores (original value Rs. 21.84 crores) as at April 1, 2004. The Bank had revalued downward its premises in Mumbai as at March 31, 2005 based on their market values determined by a global property consultant. The resulting impairment of Rs. 16.90 crores had been recognised directly against the revaluation surplus held for the same premises. During the previous year ended 31st March 2009, the Bank had revalued upwards its premises in Mumbai, Chennai and Ahmedabad by Rs. 73.87 crores based on the market value determined by a government registered valuer. The surplus arising out of such revaluations had been credited to the Revaluation Reserve.

During the year ended March 31, 2011, the Bank has sold part of its revalued premises. The Revaluation Reserve relating to that premise has been reversed for its depreciated value of Rs. 0.31 crore (original value Rs. 0.49 crore) upto the date of sale.

Software

Included in 'Other Fixed Assets' is capitalised software amounting to:

(Rs.in crores)

Particulars	As at March 31, 2011	As at March 31, 2010
At book value		
Beginning of the year	9.99	9.98
Additions during the year	-	0.01
Deductions during the year	(6.63)	-
	3.36	9.99
Depreciation		
Beginning of the year	9.15	8.79
Additions during the year	0.34	0.36
Deductions during the year	(6.63)	-
	2.86	9.15
Net book value	**0.50**	**0.84**

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(24) ACCOUNTING STANDARD 15 - EMPLOYEE BENEFITS

The Bank has recognised Rs. 2.00 crores (2010 - Rs.1.68 crores) in the Profit and Loss Account for the year towards contribution to Provident Fund.

The gratuity and pension benefits are provided to the employees through funds managed by the Bank. Details of the same are as follows:

(Rs. in crores)

S.N	Particulars	Pension (Funded)		Gratuity (Funded)	
		2010-11	2009-10	2010-11	2009-10
I	**Reconciliation of Defined Benefit Obligations**				
	Present Value of obligation as at the beginning of the year	21.60	19.79	9.85	9.58
	Interest Cost	1.61	1.53	0.74	0.73
	Current Service Cost	0.23	1.95	1.00	0.74
	Benefits Paid	(2.96)	(1.44)	(1.12)	(0.79)
	Actuarial (gain) / loss on obligations	(0.39)	(0.23)	0.62	(0.41)
	Present Value of obligation as at the year end	**20.09**	**21.60**	**11.09**	**9.85**
II	**Reconciliation of Fair Value of Plan Assets**				
	Fair Value of Plan Assets as at the beginning of the year	21.61	19.99	11.50	10.85
	Expected Return on Plan Assets	1.91	1.60	0.91	0.86
	Employer's Contribution	2.12	1.33	0.91	0.48
	Benefits Paid	(2.96)	(1.44)	(1.12)	(0.79)
	Actuarial gain / (loss)	(0.89)	0.12	(0.05)	0.10
	Fair Value of Plan Asset as at the year end	**21.79**	**21.60**	**12.15**	**11.50**
III	**Amounts recognised in the Balance Sheet**				
	Estimated present value of obligation as at the end of the year	20.09	21.60	11.09	9.85
	Fair Value of plan assets as at the end of the year	21.79	21.60	12.15	11.50
	Net Assets/(Liabilities) recognised in the Balance Sheet under 'Other Assets'/('Other Liabilities and Provisions')	**1.70**	**0.00**	**1.06**	**1.65**
IV	**Expenses recognised in Profit and Loss Account**				
	Current Service Cost	0.23	1.94	1.00	0.75
	Interest Cost	1.61	1.53	0.74	0.73
	Expected Return on Plan Assets	(1.91)	(1.60)	(0.91)	(0.86)
	Net actuarial (gain) / loss recognised	0.50	(0.35)	0.67	(0.51)
	Total expenses recognised in the Profit and Loss Account under Payments to and Provisions for employees	**0.43**	**1.52**	**1.50**	**0.11**
V	**Investment of Plan Assets**				
	Central Government Securities	29%	34%	0%	21%
	State Government Securities	13%	25%	2%	8%
	PSU/FI Bonds	26%	40%	0%	-
	Insurer Managed Funds *	31%	-	98%	71%
	Others	1%	1%	0%	-
	Total	**100%**	**100%**	**100%**	**100%**

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S.N	Particulars	Pension (Funded)		Gratuity (Funded)	
		2010-11	2009-10	2010-11	2009-10
	* Insurer Managed Funds are invested in different instruments as per the following categories:				
	Debt	83%	NA	83%	52%
	Equity	0%	NA	0%	5%
	FD & Other Assets	17%	NA	17%	43%
	Total	**100%**	**NA**	**100%**	**100%**
VI	**Principal Actuarial Assumptions**				
	Discount Rate	8%	8 %	8%	8 %
	Expected Rate of Return on Plan Asset	8%	8 %	8%	8 %
	Salary Escalation Rate	6%	6 %	6%	6 %
	Mortality Rate	IAL 94-96 (Modified Ultimate)			
VII	**Actual Return on Plan Assets:**				
	Expected Return on Plan Assets	1.91	1.60	0.91	0.86
	Actuarial gain / (loss) on plan asset	(0.89)	0.12	(0.05)	0.10
	Actual return on plan asset	**1.02**	**1.72**	**0.86**	**0.96**

Experience Adjustments - Gratuity

S.N	Particulars	2010-11	2009-10	2008-09	2007-08
	Actuarial (gain) / loss on obligations	0.62	(0.41)	(1.20)	0.77
	Actuarial gain / (loss) on Plan Asset	(0.05)	0.10	0.78	0.10
	Total (gain) / loss for the year	**0.67**	**(0.51)**	**(1.98)**	**0.67**

Experience Adjustments - Pension

S.N	Particulars	2010-11	2009-10	2008-09	2007-08
	Actuarial (gain) / loss on obligations	(0.39)	(0.23)	1.42	0.14
	Actuarial gain / (loss) on Plan Asset	(0.89)	0.12	0.68	0.21
	Total (gain) / loss for the year	**0.50**	**(0.35)**	**0.74**	**(0.07)**

The estimates of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors. The above information is as certified by the actuary and relied upon by the auditors.

(25) ACCOUNTING STANDARD 17 - SEGMENT REPORTING

i) In line with the RBI guidelines, the Bank has identified 'Treasury Operations', 'Corporate & Wholesale Banking' & 'Other Banking Operations' as the primary reporting segments.

ii) 'Treasury Operations' comprises of liquidity management, foreign exchange operations (merchant and inter-bank), money market and derivatives trading. 'Corporate & Wholesale Banking Operations' include commercial client relationships, cash management services and trade finance, while 'Other Banking Operations' include private banking & others.

iii) The Bank does not have overseas operations and is considered to operate only in the domestic segment.

iv) The methodology of funds transfer pricing between the segments is determined by the Bank's Assets and Liabilities Committee from time to time.

v) The Bank does not have any retail banking operations and hence the same has not been disclosed separately.

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Business Segments

(Rs. in crores)

Business Segments /	Treasury Operations		Corporate & Wholesale Banking		Other Banking Operations		Total	
Particulars	**2010-11**	**2009-10**	**2010-11**	**2009-10**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Revenue	381.44	382.95	471.81	357.43	41.89	39.29	895.14	779.67
Segment Result	204.93	249.15	210.85	108.12	(48.97)	(21.60)	366.81	335.67
Unallocated expenses							-	-
Operating Profit							366.81	335.67
Income taxes							(178.82)	(155.26)
Extraordinary profit/ loss							-	-
Net Profit							187.99	180.41
Other information								
Segment Assets	4,043.39	5,053.83	6,240.33	4,083.35	382.46	232.44	10,666.18	9,369.62
Unallocated Assets							29.06	40.24
Total Assets							**10,695.24**	**9,409.86**
Segment Liabilities	3,992.07	2,885.28	6,131.69	6,302.40	539.47	197.76	10,663.23	9,385.44
Unallocated Liabilities							32.01	24.42
Total Liabilities*							10,695.24	9,409.86

*Includes Capital and Reserves and Surplus.

Geographical Segment

	Domestic		International		Total	
	2010-11	**2009-10**	**2010-11**	**2009-10**	**2010-11**	**2009-10**
Revenue	895.14	779.67	-	-	895.14	779.67
Assets	10,695.24	9,409.86	-	-	10,695.24	9,409.86

In computing the above disclosure, certain estimates, assumptions and adjustments have been made by the Management which has been relied upon by the Auditors.

(26) ACCOUNTING STANDARD 18 - RELATED PARTY DISCLOSURES

In terms of Accounting Standard 18 ('AS-18') on 'Related Party Disclosures' notified under the Companies (Accounting Standards) Rules, 2006 and the related guidelines issued by RBI, the details pertaining to related parties are as under:

(i) Related party relationships:

Sr. No.	Relationship	Party name
1.	Parent (**)	BNP PARIBAS SA, France and its branches
2.	Subsidiaries (with whom the Bank has transactions during the year)	BNP Paribas India Solutions Private Limited
		BNP Paribas Investment Services India Private Limited
		GIE BNP Paribas Assurance
		Arval India Private Limited

Sr. No.	Relationship	Party name
		Cortal Consors, France BNP Paribas Securities India Private Limited Segece India Private Limited BNP Paribas Sundaram Global Securities Operations Private Limited BNP Paribas Asset Management India Private Limited BNP Paribas Suisse SA BNP Paribas, Canada BNP Paribas S.A.E BNP Paribas, Guadeloupe Fortis Banque Bank of the West BNP Paribas Guyane, France Banca Nazionale Del Lavoro S.P.A Banque Marocaine Pour Le Commerce Et L'Industrie BGL BNP Paribas BNP Paribas Nouvelle Caledonie BNP Paribas Real Estate & Infrastructure Advisory Services Private Limited BNP Paribas Arbitrage Turk Ekonomi Bankasi A.S. BNP Paribas Securities Services S.A
3	Associates/ Joint Ventures of Parent (with whom the Bank has transactions during the year)	BNP Paribas Equities India Private Limited BNP Paribas International Services Private Limited (Under Liquidation) SBI Life Insurance Company Limited Sundaram BNP Paribas Asset Management Company Limited (related party for 2010) Geojit BNP Paribas Financial Services Limited BNP Intercontinentale, France SREI Equipment Finance Private Limited
4	Key Management Personnel (**)	Frederic Amoudru - Chief Executive and Country Manager (Upto October 31, 2009) Harshal Vora - Acting Chief Executive and Country Manager (From November 01, 2009 to November 30, 2009) Jacques Michel - Chief Executive and Country Manager (From December 01, 2009)

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

(Rs. in crores)

Nature of transactions	Subsidiaries		Associates / Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Borrowings*	-	-		-					-	-
	-	-		-					-	-
Deposits*	23.13	21.57	2.13	3.60					25.26	25.17
	(120.60)	(71.50)	(27.72)	(58.58)					(148.32)	(130.08)

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	Subsidiaries		Associates / Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Placement of Deposits*	5.51	5.07	-	-	-	-	-	-	5.51	5.07
	(77.74)	(27.08)	-	-	-	-	-	-	(77.74)	(27.08)
Advances*	81.93	124.81	150.00	150.00	-	-	-	-	231.93	274.81
	(185.49)	(135.91)	(150.00)	(153.62)	-	-	-	-	(335.49)	(289.53)
Investments	-	-	-	-	-	-	-	-	-	-
Non-funded commitments	333.92	348.39	-	-	-	-	-	-	333.92	348.39
	(519.35)	(318.14)	-	-	-	-	-	-	(519.35)	(318.14)
Leasing/HP arrangements availed	-	-	-	-	-	-	-	-	-	-
Leasing/HP arrangements provided	-	-	-	-	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-
Other Assets*	0.63	-	-	-	-	-	-	-	0.63	-
	(3.36)	(1.32)			-	-	-	-	(3.36)	(1.32)
Other Liabilities*	521.22	428.19	0.14	-	-	-	-	-	521.36	428.19
	(841.94)	(690.13)	(1.19)	(0.26)	-	-	-	-	(843.13)	(690.39)
Interest paid	0.47	0.14	-	0.20	-	-	-	-	0.47	0.34
Interest received	10.49	3.67	11.40	-	-	-	-	-	21.89	3.67
Rendering of services	14.90	1.21	-	0.09	-	-	-	-	14.90	1.30
Receiving of services	28.47	0.07	-	-	-	-	-	-	28.47	0.07
Salaries to Key Management Personnel **	-	-	-	-	-	2.63	-	-	-	2.63

(*) The outstanding amounts at the year-end have been disclosed. The amounts in brackets represent the maximum outstanding during the year.

(**) In line with the RBI guidelines, related party disclosures exclude transactions in a category where there is only one related party (i.e. Key Management Personnel (current year) and Head Office and its branches), thus where there is only one entity in any category, particulars of transactions have not been provided.

(27) ACCOUNTING STANDARD 19 - LEASES

Operating Lease:

Operating Leases comprises of leasing of office premises. Lease rentals on account of Non Cancellable leasing arrangements of Rs. 35.96 crores (2010 - Rs. 12.62 crores) has been included under 'Operating expenses – Rent, taxes and lighting'.

(Rs. in crores)

Future lease rentals payable as at the end of the year:	As at March 31, 2011	As at March 31, 2010
-Not later than one year	47.10	9.22
-Later than one year and not later than five years	212.89	37.07
-Later than five years	22.48	14.84

(28) ACCOUNTING STANDARD 22 – ACCOUNTING FOR TAXES ON INCOME

Major components of Deferred Tax Assets and Liabilities are as under:

(Rs. in crores)

Particulars	As at March 31, 2011	As at March 31, 2010
Deferred tax assets		
Depreciation on fixed assets	1.08	-
Provision for non-performing assets	4.73	16.83
Provision for non-performing investments	-	5.28
Provision for employee benefits	15.39	13.44
Other provisions	5.26	5.16
Total	**26.46**	**40.71**
Less:		
Deferred tax liabilities		
Depreciation on fixed assets	-	0.47
Total	-	**0.47**
Net Deferred Tax Assets	**26.46**	**40.24**

(29) PROVISIONS AND CONTINGENCIES

(Rs. in crores)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Provision for depreciation on investments, net of recoveries*	34.82	30.93
Provision for Non-performing advances, net of recoveries	(23.96)	31.92
Provision for Standard Assets	-	-
Provision for tax (Refer Schedule 17 B (19))	178.82	155.26
Other Provision and Contingencies**	0.07	-
Total	**189.75**	**218.11**

* Net of recoveries of Rs. 3.25 crores (2010 - Rs. Nil)

**Other provisions include provisions made towards miscellaneous items outstanding for more than 90 days.

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(30) FLOATING PROVISIONS

The Bank does not have outstanding floating provisions as at 31st March 2011 (2010 - Rs. Nil).

(Rs. in crores)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Opening balance	-	-
Provision made during the year	-	-
Amount of draw down made during the year	-	-
Closing balance	-	-

(31) DRAW DOWN FROM RESERVES

There is no draw down from reserves as at the current and previous year ends.

(32) COMPLAINTS/UNIMPLEMENTED AWARDS OF BANKING OMBUDSMEN

For the Financial Year	2010-11	2009-10
A. Customer Complaints		
(a) No. of complaints pending at the beginning of the year	2	-
(b) No. of complaints received during the year	-	7
(c) No. of complaints redressed during the year	1	5
(d) No. of complaints pending at the end of the year	1	2
B. Awards passed by the Banking Ombudsman		
(a) No. of unimplemented Awards at the beginning of the year	Nil	Nil
(b) No. of Awards passed by the Banking Ombudsmen during the year	Nil	Nil
(c) No. of Awards implemented during the year	Nil	Nil
(d) No. of unimplemented Awards at the end of the year	Nil	Nil

The above information is certified by the Management and relied upon by the auditors.

(33) LETTER OF COMFORTS

The Bank has not issued any Letter of Comforts (LOC) during the year and there are no LOCs outstanding as at the year-end (2010 - Rs. Nil).

(34) PROVISION COVERAGE RATIO

The provision coverage ratio as at March 31, 2011 is 100% (2010 - 100%).

(35) BANCASSURANCE BUSINESS

During the year the Bank had earned Rs. 19.06 crores on account of retrocession fees on marketing for Mutual funds (2010 – Rs. 16.63 crores).

(36) CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs

(Rs. in crores)

Particulars	As at March 31, 2011	As at March 31, 2010
(A) Concentration of Deposits		
Total Deposits of twenty largest depositors	2,542.01	2,979.23
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	54.71%	59.34%
(B) Concentration of Advances		
Total Advances to twenty largest borrowers * (single borrowers)	6,829.65	6,346.14
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	26.45%	26.39%
(C) Concentration of Exposures		
Total Exposure to twenty largest borrowers/customers **	6829.65	6,346.14
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	26.33%	26.38%
(D) Concentration of NPAs #		
Total Exposure to top four NPA accounts	11.28	68.12

 # The above represents *Gross NPA*

* Advances represent credit exposure (Funded and Non-funded) including derivative exposure as defined by the RBI.

** Exposure includes credit exposure (Funded and Non-funded), derivative exposure and Investment exposure (including Under-writing and similar commitments).

(37) SECTOR-WISE NPAs

Sr. No.	Sector	Percentage of Gross NPAs to Total Advances in that sector	
		As at March 31, 2011	As at March 31, 2010
1	Agriculture & allied activities	Nil	Nil
2	Industry (Micro & small, Medium and Large)	0.30%	2.91%
3	Services	Nil	Nil
4	Personal Loans	Nil	Nil

(38) MOVEMENT OF NPAs

(Rs. in crores)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Opening Gross NPAs	68.12	68.33
Additions (Fresh NPAs) during the year	-	-
Sub-total (A)	**68.12**	**68.33**
Less:-		
(i) Upgradations	-	-
(ii) Recoveries (excluding recoveries made from upgraded accounts)	(23.96)	#
(iii) Write-offs	(32.88)	(0.21)
Sub-total (B)	**(56.84)**	**(0.21)**
Closing Gross NPAs (A-B)	**11.28**	**68.12**

Rs 44,995 recovered during the year ended 31st March 2010.

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(39) OVERSEAS ASSETS, NPAs AND REVENUE

(Rs. in crores)

Particulars	As at March 31, 2011	As at March 31, 2010
Total Assets	17.78	178.60
Total NPAs	-	-
Total Revenue	0.05	0.13

(40) OFF-BALANCE SHEET SPVs SPONSORED BY THE BANK

Name of the SPV sponsored	
Domestic	Overseas
Nil	Nil

(41) DESCRIPTION OF CONTINGENT LIABILITIES.

Contingent Liability	Brief Description
(1) Claims against the Bank not acknowledged as debts.	Includes legal proceedings and outstanding tax matters in the normal course of business, which are disputed by the Bank.
(2) Liability on account of outstanding forward exchange contracts.	The Bank enters into foreign exchange contracts with inter-bank participants on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate.
(3) Guarantees given on behalf of constituents, Acceptances, Endorsements and other obligations.	As a part of its commercial banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations
(4) Other items for which Bank is contingently liable.	These include: (Rs. in crores) a) Currency Swaps 20,204.37 b) Interest Rate Swaps 392,842.12 c) Currency Options 27,976.79 d) Forward Rate Agreement 1,211.01 e) Capital Commitments 21.94 f) Cash Management cheques under clearing 10.62 The Bank enters into currency swaps, interest rate swaps and currency options with inter-bank participants on its own account and for customers. Currency swaps are commitments to exchange cash flows by way of interest / principal in one currency against another, based on pre-determined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as contingent liabilities are amounts used as a benchmark for the calculation of the interest component of the contracts.

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(42) SUBORDINATED DEBT

(Rs. in crores)

Particulars	Coupon Rate	As at March 31, 2011	As at March 31, 2010
USD 6 million for a period of 10 years (since December 2001)	LIBOR + 30 bps	28.98	28.98
USD 2.642 million for a period of 10 years (since March 2002)	LIBOR + 30 bps	12.87	12.87
USD 15 million for a period of 10 years (since December 2003)	LIBOR + 55 bps	68.34	68.34
EUR 8.35 million for a period of 10 years (since September 2005)	EURIBOR + 45 bps	43.90	43.90
EUR 6.32 million for a period of 10 years (since March 2006)	EURIBOR + 40 bps	33.90	33.90
EUR 17.5 million for a period of 10 years (since October 2006)	EURIBOR + 40 bps	99.94	99.94
EUR 20 million for a period of 10 years (since September 2007)	EURIBOR + 50 bps	112.17	112.17
EUR 20 million for a period of 10 years (since December 2007)	EURIBOR + 60 bps	113.48	113.48
EUR 20 million for a period of 10 years (since June 2008)	EURIBOR + 110 bps	134.22	134.22
Total		647.80	647.80

Subordinated debt is reported in the financial statements at the exchange rate on the date the foreign currency was swapped into Indian Rupees. The subordinated debt is thereafter revalued, at the year end and the resulting profit or loss on revaluation is recognised in the Profit and Loss Account with the corresponding effect under 'Others' in Other Assets or under 'Others' in Other Liabilities and Provisions.

(43) OLD NOSTRO BALANCES WRITTEN OFF

In terms of the RBI guidelines, the Bank has adjusted its old Nostro items prior to 2002 which are individually less than USD 2,500 in the Profit and Loss Account in the following manner:-

(i) Nostro and Mirror Credits amounting to Rs. Nil (2010 – Rs. 0.53 crore) written back and transferred to General Reserve net of tax and Statutory Reserve

(ii) Nostro debits written off amounting to Rs. Nil (2010 – Rs. 0.16 crore)

(44) To the extent of the information received by the Bank from its vendors, there are no transactions with "suppliers" as defined under the Micro, Small and Medium Enterprises Development Act, 2006 during the financial year, hence the disclosures as required under the said Act are not applicable. This has been relied upon by the Auditors.

(45) INVESTMENTS UNDER HTM CATEGORY

During the year, the Bank has not held, acquired or sold any investments in HTM category (2010 - Rs. Nil). There has been no transfer of investments to / from HTM category during the year.

(46) PRIOR YEAR COMPARITIVES

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

For BNP Paribas – Indian Branches
Jacques Michel

Chief Executive Officer and Country Manager
Mumbai, June 28, 2011