

## **INDEPENDENT AUDITOR'S REPORT**

To the Chief Executive Officer  
Credit Suisse AG - Mumbai Branch

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Credit Suisse AG - Mumbai Branch ("the Bank"), which comprise the Balance Sheet as at March 31, 2020, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, as amended ("the Act") in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2020, its loss and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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 audit opinion on the financial statements.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether such 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 on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**Responsibilities of Management and those Charged with Governance for the Financial Statements**

The Bank's Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 in so far as they apply to the Bank and the guidelines and directions issued by the Reserve Bank of India from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

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

Those Charged with Governance are also responsible for overseeing the Bank's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

#### **Report on Other Legal and Regulatory Requirements**

1. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement for the year ended March 31, 2020 have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014.
2. As required 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; and

- (c) The financial accounting systems of the Bank are centralised and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by the branches; the Bank has only one branch which we have visited for the purpose of our audit.
3. As required by Section 143(3) of the Act, and as per the requirement of RBI circular no DOS.ARG.No6269/08.91.002/2019-20 dated March 17, 2020 for appointment of Statutory Central Auditors in Foreign Banks operating in India, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the provisions of Section 29 of Banking Regulation Act, 1949 read with Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
- (e) Reporting requirement pursuant to Section 164 (2) of the Companies Act 2013, are not applicable considering the Bank is a branch of Credit Suisse AG incorporated in Switzerland with limited liability;
- (f) In our opinion, there are no material financial transactions or matters that have an adverse effect on the functioning of the Bank;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
- (h) In our opinion, the entity being a banking company, the provisions of section 197 read with Schedule V of the Act are not applicable to the Bank for the year ended March 31, 2020.
- (i) 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 does not have any pending litigations which would impact its financial position;
  - ii. The Bank has made provision, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

# ***S.R. BATLIBOI & ASSOCIATES LLP***

Chartered Accountants

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.

For **S.R. Batliboi & Associates, LLP**

Chartered Accountants

Firm's Registration No.: 101049W/E300004

*Sarvesh Warty.*

per **Sarvesh Warty**

Partner

Membership Number: 121411

UDIN: 20121411AAAADR6070

Place of Signature: Mumbai

Date: June 29, 2020

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CREDIT SUISSE AG - MUMBAI BRANCH**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

To the Chief Executive Officer  
Credit Suisse AG, Mumbai Branch

We have audited the internal financial controls over financial reporting of Credit Suisse AG, Mumbai Branch ("the Bank") as of March 31, 2020 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates, LLP**

Chartered Accountants

Firm's Registration No.: 101049W/E300004

*Sarvesh Warty*

per **Sarvesh Warty**

Partner

Membership Number: 121411

Place of Signature: Mumbai

Date: June 29, 2020

Balance Sheet as at 31 March, 2020  
(Currency: Indian rupees in thousands)

	Schedule	2020	2019
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	17,750,000	17,750,000
Reserves & surplus	2	8,786,300	9,925,395
Deposits	3	28,317,446	34,457,850
Borrowings	4	40,294,864	19,529,293
Other liabilities and provisions	5	4,366,670	2,436,279
<b>Total</b>		<b>99,515,280</b>	<b>84,098,817</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	2,949,616	2,338,084
Balances with banks and Money at call and short notice	7	531,900	16,343,593
Investments	8	75,346,622	48,659,535
Advances	9	12,269,950	12,781,430
Fixed assets	10	86,286	36,181
Other assets	11	8,330,906	3,939,994
<b>Total</b>		<b>99,515,280</b>	<b>84,098,817</b>
Contingent liabilities	12	712,628,943	500,508,650
Bills for collection			
Significant accounting policies & notes to accounts	17, 18		

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

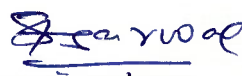
As per our report of even date attached

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
Firm Registration No.: 101049W/E300004



**Sarvesh Warty**  
Partner  
Membership No. : 121411

For **Credit Suisse AG - Mumbai branch**



**Sandeep Agarwal**  
Chief Executive Officer

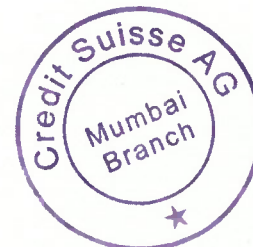


**Niraj Khandelwal**  
Vice President - Finance

Place : Mumbai  
Date : 29 June 2020



Place : Mumbai  
Date : 29 June 2020





**Profit and Loss Account for the year ended 31 March, 2020**

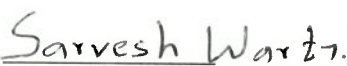
(Currency: Indian rupees in thousands)

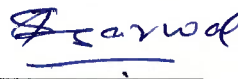
	Schedule	2020	2019
<b>I. INCOME</b>			
Interest earned	13	4,593,006	4,887,772
Other income	14	(696,557)	(248,022)
<b>TOTAL</b>		<b>3,896,449</b>	<b>4,639,750</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	1,743,403	1,806,369
Operating expenses	16	590,466	672,774
Provisions and contingencies	18.23	2,701,675	1,999,784
<b>TOTAL</b>		<b>5,035,544</b>	<b>4,478,927</b>
<b>III. PROFIT</b>			
Net profit for the period		(1,139,095)	160,823
Profit brought forward		-	-
<b>TOTAL</b>		<b>(1,139,095)</b>	<b>160,823</b>
<b>IV. APPROPRIATIONS</b>			
<b>Transfers to / (from)</b>			
Statutory Reserves		-	40,206
Investment Reserve		(9,293)	3,452
Remittable surplus retained in India for CRAR purposes		-	117,165
Profit Remitted to Head Office		-	-
Balance carried over to the balance sheet		(1,129,802)	-
<b>TOTAL</b>		<b>(1,139,095)</b>	<b>160,823</b>
Significant accounting policies & notes to accounts	17, 18		

Schedules referred to above form an integral part of the profit and loss account.

**As per our report of even date attached**

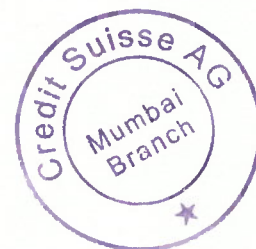
 For **S.R. Batliboi & Associates LLP**  
 Chartered Accountants  
 Firm Registration No.: 101049W/E300004

 For **Credit Suisse AG - Mumbai branch**

**Sarvesh Warty**  
 Partner  
 Membership No. : 121411


**Sandeep Agarwal**  
 Chief Executive Officer


**Niraj Khandelwal**  
 Vice President - Finance

 Place : Mumbai  
 Date : 29 June 2020

 Place : Mumbai  
 Date : 29 June 2020


**Credit Suisse AG, Mumbai branch**

**Cash flow statement for the year ended 31 March , 2020**  
(Currency: Indian rupees in thousands)

		2020	2019
<b>Cash flows from operating activities</b>			
Net profit before tax		(1,989,034)	306,394
<b>Adjustments for -</b>			
Depreciation/ write-off on fixed assets		5,172	3,527
Provision for standard asset (including provision toward unhedged foreign currency exposure)		16,735	(64,942)
Provision for / (Write Back of) Non Performing Advances		(1,523,066)	1,523,066
Write-off of Bad Debts		2,600,000	-
Provision for country risk		(40,274)	29,264
Provision for depreciation on investments		2,431,251	(8,174)
Other Provision		66,968	375,000
		1,567,752	2,164,135
<b>Adjustments for -</b>			
(Increase)/Decrease in investments		(29,118,338)	12,562,781
(Increase)/Decrease in advances		(565,454)	(1,070,263)
Increase/(Decrease) in deposits		(6,140,405)	(1,004,913)
(Increase)/Decrease in other assets		(3,446,618)	2,154,766
Increase/(Decrease) in other liabilities and provisions		1,886,964	537,641
		(37,383,851)	13,180,012
Taxes paid		94,355	834,682
<b>Net cash from operating activities</b>	<b>(A)</b>	<b>(35,910,454)</b>	<b>14,509,465</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets (including capital work-in-progress)		(55,278)	(31,845)
<b>Net cash used in investing activities</b>	<b>(B)</b>	<b>(55,278)</b>	<b>(31,845)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of Capital		-	-
Increase/(Decrease) in borrowings		20,765,572	(3,937,999)
<b>Net cash generated from financing activities</b>	<b>(C)</b>	<b>20,765,572</b>	<b>(3,937,999)</b>
	<b>A+B+C</b>	<b>(15,200,160)</b>	<b>10,539,621</b>
Cash and cash equivalents as at 1st April		18,681,676	8,142,055
Cash and cash equivalents as at 31 March		3,481,516	18,681,676
Notes to cash flow statement:			
1 Cash and cash equivalents includes the following:			
Cash and Balances with Reserve Bank of India		2,949,616	2,338,084
Balances with Banks and Money at Call and Short Notice		531,900	16,343,592
		3,481,516	18,681,676
2 Figures in brackets indicate cash outflow.			

As per our report of even date attached

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
Firm Registration No.: 101049W/E300004

*Sarvesh Warty*

**Sarvesh Warty**  
Partner  
Membership No. : 121411

Place : Mumbai  
Date : 29 June 2020



For **Credit Suisse AG - Mumbai branch**

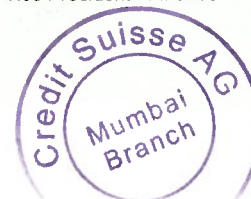
*Sandeep Agarwal*

**Sandeep Agarwal**  
Chief Executive Officer

Place : Mumbai  
Date : 29 June 2020

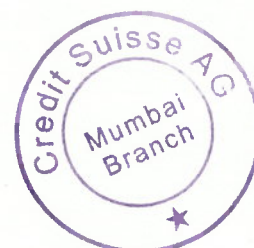
*Niraj Khandelwal*

**Niraj Khandelwal**  
Vice President - Finance



Schedules annexed to and forming part of the Balance Sheet as at 31 March, 2020  
(Currency: Indian rupees in thousands)

	2020	2019
<b>Schedule 1 : Capital</b>		
Head Office Account		
At the beginning of the period	17,750,000	17,750,000
Additions during the period	-	-
<b>Total</b>	<b>17,750,000</b>	<b>17,750,000</b>
Deposit kept with the Reserve Bank of India under Section 11 (2) (b) of the Banking Regulation Act, 1949.	<b>2,850,000</b>	<b>2,700,000</b>
<b>Schedule 2 : Reserves and Surplus</b>		
I. <u>Statutory Reserves</u>		
Opening balance	2,501,296	2,461,090
Additions during the period	-	40,206
Deductions during the period	-	-
	2,501,296	2,501,296
II. <u>Capital Reserves</u>		
Opening balance	-	-
Additions during the period	-	-
Deductions during the period	-	-
	-	-
III. <u>Share Premium</u>		
Opening balance	-	-
Additions during the period	-	-
Deductions during the period	-	-
	-	-
IV. <u>Investment Reserve</u>		
Opening balance	9,293	5,841
Additions during the period	-	3,452
Deductions during the period	9,293	-
	-	9,293
V. <u>Remittable surplus retained in India for CRAR purposes</u>		
Opening balance	7,414,806	7,297,641
Additions during the period	-	117,165
Deductions during the period	-	-
	7,414,806	7,414,806
VI. <u>Balance in Profit and Loss Account</u>		
Opening balance	-	-
Additions during the period	(1,129,802)	117,165
Deductions during the period (transferred to remittable surplus retained in India for CRAR purposes)	-	117,165
	(1,129,802)	-
<b>Total (I + II + III + IV + V + VI)</b>	<b>8,786,300</b>	<b>9,925,395</b>



**Credit Suisse AG, Mumbai branch**
**Schedules annexed to and forming part of the Balance Sheet as at 31 March, 2020**  
**(Currency: Indian rupees in thousands)**

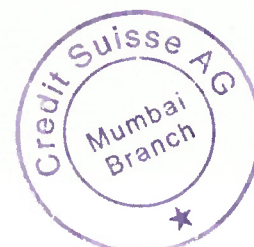
	2020	2019
<b>Schedule 3 : Deposits</b>		
A. I Demand deposits		
i) From banks	-	-
ii) From others	3,819,327	1,487,021
II Saving bank deposits	70,128	68,453
III Term deposits		
i) From banks	-	-
ii) From others	24,427,991	32,902,376
<b>Total (I + II + III)</b>	<b>28,317,446</b>	<b>34,457,850</b>
B. i) Deposits of branches in India	28,317,446	34,457,850
ii) Deposits of branches outside India	-	-
<b>Total</b>	<b>28,317,446</b>	<b>34,457,850</b>
<b>Schedule 4 : Borrowings</b>		
I. Borrowings in India		
i) Reserve Bank of India	10,720,000	1,000,000
ii) Other banks	-	-
iii) Other institutions and agencies	19,360,089	11,613,793
	<b>30,080,089</b>	<b>12,613,793</b>
II. Borrowings outside India (Head Office Borrowing)	10,214,775	6,915,500
<b>Total (I + II)</b>	<b>40,294,864</b>	<b>19,529,293</b>
Secured borrowings included in I and II above	30,080,089	12,613,793
<b>Schedule 5 : Other liabilities and provisions</b>		
I. Bills payable	-	-
II. Inter-office adjustments (net)	-	-
III. Interest accrued	297,790	529,834
IV. Provision for taxes (net)	-	-
V. Provision against standard assets - including UFCE provision of Rs 100,088 ('000) (Previous Year: Rs 94,137 ('000))	163,509	146,774
VI. Others (including provisions)	3,905,371	1,759,671
<b>Total (I + II + III + IV + V + VI)</b>	<b>4,366,670</b>	<b>2,436,279</b>



**Schedules annexed to and forming part of the Balance Sheet as at 31 March, 2020**

(Currency: Indian rupees in thousands)

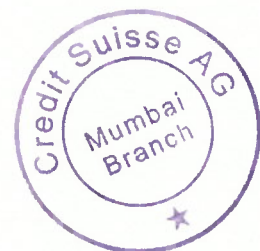
	2020	2019
<b>Schedule 6 : Cash and balances with Reserve Bank of India</b>		
I. Cash in hand	9,837	1,605
II. Balances with Reserve Bank of India		
i) In current account	1,109,779	1,666,479
ii) In other accounts	1,830,000	670,000
<b>Total (I + II)</b>	<b>2,949,616</b>	<b>2,338,084</b>
<b>Schedule 7 : Balances with banks and Money at call and short notice</b>		
I. <b>In India</b>		
i) Balance with banks		
(a) in current accounts	105,638	230,268
(b) in other deposit accounts	-	-
ii) Money at call and short notice		
(a) with banks	-	-
(b) with other institutions	210,999	-
<b>Total</b>	<b>316,637</b>	<b>230,268</b>
II. <b>Outside India</b>		
i) in current accounts	215,263	16,113,325
ii) in other deposit accounts	-	-
iii) Money at call and short notice	-	-
<b>Total</b>	<b>215,263</b>	<b>16,113,325</b>
<b>Total (I + II)</b>	<b>531,900</b>	<b>16,343,593</b>
<b>Schedule 8 : Investments</b>		
I. <b>Investments in India in</b>		
i) Government securities	63,671,305	31,986,300
ii) Other approved securities	-	-
iii) Shares	-	-
iv) Debentures and bonds	6,635,660	16,673,235
v) Subsidiaries and/or joint ventures	-	-
vi) Others (Pass Through Certificate)	7,470,908	-
<b>Total</b>	<b>77,777,873</b>	<b>48,659,535</b>
<b>Less: Provision for depreciation</b>	<b>2,431,251</b>	<b>-</b>
<b>Total (I)</b>	<b>75,346,622</b>	<b>48,659,535</b>
II. <b>Investments outside India in</b>		
i) Government securities (including local authorities)	-	-
ii) Subsidiaries and/or joint ventures abroad	-	-
iii) Other investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Provision for Depreciation</b>	<b>-</b>	<b>-</b>
<b>Total (II)</b>	<b>-</b>	<b>-</b>
<b>Total (I + II)</b>	<b>75,346,622</b>	<b>48,659,535</b>



**Credit Suisse AG, Mumbai branch**

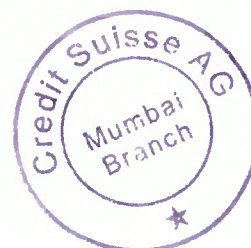
Schedules annexed to and forming part of the Balance Sheet as at 31 March, 2020  
(Currency: Indian rupees in thousands)

	2020	2019
<b>Schedule 9 : Advances</b>		
A.		
i) Bills purchased and discounted	-	-
ii) Cash credits, overdrafts and loans repayable on demand	7,269,950	7,475,348
iii) Term loans	5,000,000	5,306,082
<b>Total</b>	<b>12,269,950</b>	<b>12,781,430</b>
B.		
i) Secured by tangible assets*	7,500,000	8,167,171
ii) Covered by bank/Government guarantees	-	-
iii) Unsecured	4,769,950	4,614,259
<b>Total</b>	<b>12,269,950</b>	<b>12,781,430</b>
C.I.		
<b>Advances in India</b>		
i) Priority sectors - excluding Priority Sector Lending Certificates of INR 3,100,000 ('000) (Previous Year: 750,000 ('000)) and Eligible Priority Sector Lending Pass Through Certificates of INR 202,439 ('000) (Previous Year: Nil)	2,269,950	1,037,325
ii) Public sector	-	-
iii) Banks	-	-
iv) Others	10,000,000	11,744,105
<b>Total</b>	<b>12,269,950</b>	<b>12,781,430</b>
C.II.		
<b>Advances outside India</b>		
i) Due from banks	-	-
ii) Due from others		
(a) Bills purchased and discounted	-	-
(b) Syndicated loans	-	-
(c) Others	-	-
<b>Total</b>	-	-
<b>Total (C.I and C.II)</b>	<b>12,269,950</b>	<b>12,781,430</b>
*includes loans secured against equity shares and Mutual funds		



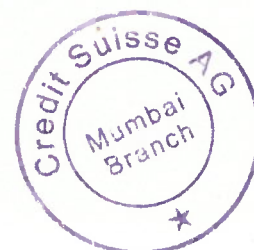
**Schedules annexed to and forming part of the Balance Sheet as at 31 March, 2020**  
**(Currency: Indian rupees in thousands)**

	2020	2019
<b>Schedule 10 : Fixed assets</b>		
<b>I. Premises</b>		
At cost at the beginning of the year	-	-
Additions during the year	-	-
Deductions during the year	-	-
Depreciation to date	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>II. Other Fixed Assets (including furniture and fixtures)</b>		
At cost at the beginning of the year	83,515	77,629
Additions during the year	5,346	5,886
Deductions during the year	88,861	83,515
	(798)	-
Depreciation to date	88,063	83,515
	(77,668)	(73,293)
<b>Total</b>	<b>10,395</b>	<b>10,222</b>
<b>III. Capital Work in Progress</b>	75,891	25,959
<b>Total (I + II+ III)</b>	<b>86,286</b>	<b>36,181</b>
<b>Schedule 11 : Other assets</b>		
I. Interest accrued	992,935	370,226
II. Tax paid in advance / tax deducted at source (Net of provisions)	508,413	414,058
III. Deferred tax assets (Net)	1,802,817	952,878
IV. Stationery and stamps	-	-
V. Non-banking assets acquired in satisfaction of claims	-	-
VI. Others	5,026,741	2,202,832
<b>Total</b>	<b>8,330,906</b>	<b>3,939,994</b>
<b>Schedule 12 : Contingent liabilities</b>		
I. Claims against the Bank not acknowledged as debts	-	-
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding Foreign exchange contracts	452,849,852	262,330,364
IV. Guarantees given on behalf of constituents		
(a) In India	-	481,841
(b) Outside India	-	-
V. Acceptances, endorsements and other obligations	-	-
VI. Other items for which the Bank is contingently liable		
(i) Capital commitment	15,147	34,711
(ii) Committed lines of credit	100,000	100,000
(iii) Purchase of investments	211,207	-
(iv) Liability on account of outstanding derivative contracts	259,452,737	237,561,734
<b>Total</b>	<b>712,628,943</b>	<b>500,508,650</b>



**Credit Suisse AG, Mumbai branch**
**Schedules Annexed To and Forming Part of the Profit and Loss Account for the year ended 31 March, 2020**  
**(Currency: Indian rupees in thousands)**

	2020	2019
<b>Schedule 13 : Interest earned</b>		
I. Interest / discount on advances / bills	889,651	765,221
II. Income on investments	3,254,981	3,804,924
III. Interest on balances with Reserve Bank of India and other inter-bank funds	52,538	24,934
IV. Others	395,836	292,693
<b>Total</b>	<b>4,593,006</b>	<b>4,887,772</b>
<b>Schedule 14 : Other income</b>		
I. Commission, exchange and brokerage	302,499	339,559
II. Profit / (loss) on sale of investments (net)	41,939	(377,240)
III. Profit / (loss) on revaluation of investments (net)	-	-
IV. Profit / (loss) on sale of land, buildings and other assets (net)	-	-
V. Profit / (Loss) on exchange transactions (net) (including profit / (loss) on derivative transactions)	(1,153,954)	(225,623)
VI. Income earned by way of dividends etc. from subsidiaries, companies and / or joint ventures abroad / in India	-	-
VII. Miscellaneous income	112,959	15,282
<b>Total</b>	<b>(696,557)</b>	<b>(248,022)</b>
<b>Schedule 15 : Interest Expended</b>		
I. Interest on deposits	1,269,767	1,418,603
II. Interest on Reserve Bank of India / inter-bank borrowings	313,561	264,607
III. Others	160,075	123,159
<b>Total</b>	<b>1,743,403</b>	<b>1,806,369</b>
<b>Schedule 16 : Operating Expenses</b>		
I. Payments to and provisions for employees	315,160	384,844
II. Rent, taxes and lighting	38,721	40,886
III. Printing and stationery	475	965
IV. Advertisement and publicity	-	-
V. Depreciation on Bank's property	4,971	3,527
VI. Directors' fees, allowances and expenses	-	-
VII. Auditors' fees and expenses	4,748	3,317
VIII. Law charges	-	-
IX. Postages, telegrams, telephones, etc.	30,850	47,660
X. Repairs and maintenance	20,578	15,099
XI. Insurance	36,527	35,568
XII. Other expenditure	138,436	140,908
- including group cost allocation expenses Rs 18,449 thousand (Previous Year: 23,763 thousand)		
- including Corporate Social Responsibility expenses Rs 43,404 thousand (Previous Year: Rs 57,971 thousand)		
<b>Total</b>	<b>590,466</b>	<b>672,774</b>





**Schedules forming part of the Financial Statements for the year ended March 31, 2020.  
Schedule 17 – Significant Accounting Policies**

**a) General**

**i) Background**

The accompanying financial statements for the year ended March 31, 2020 comprise the accounts of the Mumbai branch (referred to as 'the Bank') of Credit Suisse AG which is incorporated in Switzerland, with limited liability.

In August 2010, the Bank's head office at Zurich, Credit Suisse AG, received the approval of the Reserve Bank of India ('RBI') for setting up a Bank Branch. The Bank commenced its banking business with effect from February 15, 2011 after obtaining the necessary clearances and approvals from the RBI.

**ii) Basis of preparation**

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated and are in accordance with Generally Accepted Accounting Principles in India ('GAAP'), statutory requirements prescribed under the Banking Regulation Act 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time and the notified Accounting Standards ('AS') prescribed under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Account) Rules, 2014 and the other relevant provisions of the Companies Act, 2013 and the Companies (Accounting Standards) Amendment Rules 2016 to the extent applicable and the current practices prevailing within the Banking industry in India.

**iii) Use of Estimates:**

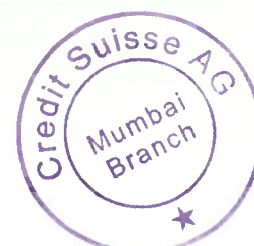
The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities on the date of financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision in the accounting estimates is recognised prospectively in the current and future periods.

**b) Investments**

Classification and valuation of investments is carried out in accordance with extent RBI guidelines on investment classification and valuation.

Classification:

Investments are accounted for on settlement date basis and are classified at the date of purchase, based on the intention at the time of acquisition, into Held for Trading ('HFT'), Available for Sale ('AFS') or Held to Maturity ('HTM'). Under each of these categories, investments are further classified under six groups viz. Government Securities, Other approved securities, Shares, Debentures and Bonds, Subsidiaries and / or joint ventures and Others.



**Acquisition cost:**

Cost of investment excludes broken period interest paid on acquisition of investments. Brokerage and commission on debt instruments paid at the time of acquisition are charged to Profit and Loss Account. Cost of investments is determined on the weighted average cost basis.

**Disposal of Investments:**

Profit / Loss on sale of investments under 'Available for Sale' and 'Held for Trading' categories are taken to the Profit and Loss Account.

The profit from sale of investment under HTM category, net of taxes and transfer to statutory reserves is appropriated from Profit and Loss Account to Capital Reserve Account. Loss on sale, if any, is recognized fully in the Profit and Loss Account.

**Valuation:**

Investments classified under the 'Available for Sale' and 'Held for Trading' categories are valued periodically as per RBI guidelines. The market/fair value for the purpose of periodical valuation of quoted investments included in the 'Available for Sale' and 'Held for Trading' categories is the market price of the security available from trades/quotes on the recognized stock exchanges, subsidiary general ledger account transactions, price list of RBI or prices declared by Financial Benchmarks India Pvt. Ltd. (FBIL), periodically. Other unquoted fixed income securities, wherever linked to the Yield-to-Maturity (YTM) rates, are valued by applying the mark up over the YTM rates for GOI securities of similar maturities published by FIMMDA/FBIL as directed by RBI. The net depreciation, if any, in each classification as mentioned in Schedule – 8 – 'Investments' is recognized in the Profit and Loss Account. The net appreciation, if any, is ignored.

Pass Through Certificates (PTC) are valued by using FIMMDA credit spread as applicable for the NBFC category, based on the credit rating and weighted average maturity of the respective PTC over the YTM rates for government securities published by FIMMDA / FBIL.

Discounted instruments like treasury bills, certificate of deposits, commercial papers are valued at carrying cost.

Securities categorised under HTM are carried at acquisition cost, or at amortised cost if acquired at a premium over the face value. Such premium is amortised over the remaining period to maturity of the relevant security on a straight line basis. Where in the opinion of management, a diminution, other than temporary in the value of investments classified under HTM has taken place, suitable provisions are made.

**Investment Reserve Account:**

Provision for depreciation on investments in the AFS and HFT categories, if excessive of required amount in any year, is credited to Profit and Loss account and equivalent amount (net of taxes and net of transfer to Statutory Reserve as applicable) is appropriated to an Investment Reserve Account in Schedule 2 – Reserves and Surplus under the head Investment Reserve Account.

Utilisation: The provision required to be created on account of depreciation in the AFS & 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.

**Transfer between categories:**

Transfer of securities between categories of investments, if any, is carried out in accordance with the RBI guidelines. Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS / HFT



category, the investments held under HTM at a discount are transferred to AFS / HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS / HFT at the amortized cost.

Transfer of investments from AFS to HFT or vice-a-versa is done at the book value. Depreciation carried, if any, on such investments is also transferred from one category to another.

Repurchase (Repo) and reverse repurchase transactions:

Repo, Reverse repo transactions (including Tri-party Repo and Reverse Repo and Liquidity Adjustment Facility (LAF)) are considered as lending and borrowing transactions and reflected in assets and liabilities, as the case may be. The difference between the clean price of the first leg and the clean price of the second leg is recognised as interest expense/income over the period of the transaction.

Short Sales:

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 as stated above.

RBI through circular RBI/2017-18/147 DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018, advised all banks to create an Investment fluctuation reserve (IFR) with effect from the FY 2018-19. The amount transferred to IFR will be lower of the following (i) net profit on sale of investments during the year or (ii) net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

The bank has net losses on sale of investment during the year ended March 31, 2020 therefore the bank has not created IFR in the current year.

Non-performing investments are identified and depreciation / provision are made thereon based on RBI guidelines. The depreciation / provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognized in the Profit & Loss Account until received.

### c) **Advances**

Advances are classified into standard, sub-standard, doubtful and loss assets, as applicable, in accordance with the RBI guidelines and are stated net of provisions, if any, (except general provision) made towards non-performing advances (NPAs) in line with RBI guidelines.

Specific loan loss provisions in respect of NPAs are made based on the Management's assessment of the degree of impairment of the advances after considering the prudential norms on provisioning as prescribed by RBI. Fraud provisions on advances, if any, are made in line with the requirement of extant RBI directions.

The Bank also maintains a general provision on standard assets (including derivatives) to cover potential credit losses, in accordance with the RBI guidelines.

The Bank estimates the inherent risk of the unhedged foreign currency exposures (including derivatives) of its borrowers as per the regulatory guidelines stipulated by the RBI from time to time



and recognises incremental provisions on exposures to such entities as per methodology prescribed. These provisions are included in Provision for Standard Assets and reported under Other Liabilities.

The Bank in accordance with RBI circular FIDD.CO.Plan. BC.23/ 04.09.01/2015-16 dated April 7, 2016, trades in priority sector portfolio by buying PSLC. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an expense.

**d) Country risk exposure provision**

The Bank maintains provision for individual country exposures (other than for home country) in accordance with RBI guidelines.

**e) Derivatives**

The Bank enters into derivative contracts such as interest rate swaps, forward rate agreement, cross currency swaps, Currency options, foreign exchange contracts, currency futures contracts and interest rate futures contracts for trading purposes.

These trading derivatives are recognised at their fair values on inception and subsequently marked to market (MTM) on a daily basis. The resultant gain or loss is recognised in the Profit and Loss Account. Unrealised gain or loss on these products is reflected in the Balance Sheet under Other Assets or Other Liabilities respectively.

The Bank records MTM gain or loss at net level for the outstanding IRS and FX transactions respectively which are settled through CCIL based on the RBI Basel III Capital Regulations and the legal opinion obtained by the Bank.

Foreign currency options are marked to market and premium received / paid is recognized in the Profit and Loss Account upon expiry or exercise of the options whichever is earlier.

Currency futures contracts are marked to market using daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day.

The Bank also maintains a general provision on derivative exposures computed on the marked to market value of the contracts in accordance with the RBI guidelines.

The Bank estimates the inherent risk of the unhedged foreign currency exposures of its borrowers as per the regulatory guidelines stipulated by the RBI from time to time and recognises incremental provisions on exposures to such entities as per methodology prescribed. These provisions are included in Provision for Standard Assets and reported under Other Liabilities.

**f) Fixed Assets and Depreciation**

Fixed assets are stated at historical cost less accumulated depreciation. Cost includes all expenses incidental to acquisition of the assets.

Depreciation on fixed assets is provided on a straight-line method over the economic useful life of the asset as determined by the management. Depreciation on additions to fixed assets is provided from the month in which the asset is capitalised. In respect of sales/disposals no depreciation is provided in the month in which the asset is sold / disposed off. Depreciation on the following items



of Fixed Assets is charged over the estimated useful life of the assets on a straight line basis which is equal to the rates prescribed under Schedule II of the Companies Act, 2013:

<b>Asset</b>	<b>Depreciation</b>
Leasehold improvements	Lower of useful life or period of lease
Furniture and fixtures	10.00%
Office equipment	20.00%
<u>Computer Equipment</u>	
Distributed technology	16.67%
End user technologies	33.33%
Network	16.67%
Cabling	16.67%

The Bank assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

#### **g) Transactions involving Foreign Exchange**

Monetary assets and liabilities denominated in foreign currencies are translated at the Balance Sheet date at rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant exchange differences are recognised in the Profit and Loss Account.

Foreign currency transactions are recorded using the rate of exchange on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of Profit and Loss Account.

Outstanding foreign exchange contracts in the trading book are revalued at the rates prescribed by FEDAI as at the Balance Sheet date and for the foreign exchange contracts with longer maturities where exchange rates are not notified by FEDAI are revalued at the exchange rates implied by the swap curves in respective currencies. These values are discounted using appropriate curves and the resulting profit or loss is recognised in the Profit and Loss Account.

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

#### **h) Revenue Recognition**

- Interest income is recognised in the Profit and Loss Account on an accrual basis except in the case of NPAs where it is recognised on the receipt basis in accordance with the RBI guidelines and as per the Accounting Standards issued by The Institute of Chartered Accountant of India.
- Accretion of discounts is recognised as interest income over the life of the discounted instrument.
- Fee income on loan is recognized over the tenor of the underlying loans on a straight line basis.
- Commission on guarantees issued by the Bank is recognized as income over the tenor of the guarantee.
- Other fees and commission income are recognised on an accrual basis in accordance with the terms of agreement.



**i) Taxation**

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

The Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised when there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised to the extent there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

**j) Accounting for Provisions, Contingent Liabilities and Contingent Assets**

The Bank creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised or disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefit will arise, the assets and related income are recognised in the period in which the change occurs.

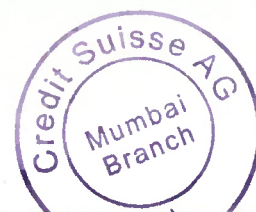
**k) Operating lease transactions**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, 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.

**l) Employee benefits**

**a) Provident Fund**

The Bank makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Bank's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.



b) **Gratuity**

The Bank's gratuity benefit scheme is a defined benefit plan.

The Bank's net obligation in respect of the defined benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of any plan assets are deducted. The calculation of the Bank's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The Bank recognises all actuarial gains and losses arising from defined benefit plans immediately in the statement of profit and loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the statement of profit and loss.

c) **Compensated absences**

The Bank has a leave encashment scheme for its award staff which is a defined benefit plan. The Bank provides for the leave encashment liability based on an actuarial valuation using the projected unit credit method at the balance sheet date carried out by an independent qualified actuary.

Actuarial gains/losses for the leave encashment liability are recognised in the profit and loss account.

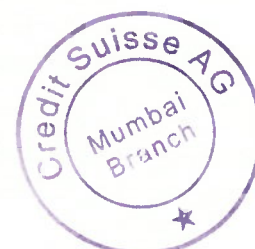
m) **Share based payments**

The Branch grants shares in its ultimate parent, Credit Suisse Group to certain employees. Upon settlement, the shares are transferred to its employees. The Branch has various schemes to grant share based awards to its employees.

These schemes are classified as cash settled schemes. The cost of these cash-settled transactions is measured initially at fair value at the grant date. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each balance sheet date up to and including the settlement date with changes in fair value recognised in the statement of profit and loss for the period. In case an employee is eligible for early retirement or retirement before the end of the vesting period, the recognition of the expense is accelerated over the shorter period up to retirement. Changes in foreign exchange and market value of the above liability between grant date and settlement date are expensed to the statement of profit and loss.

n) **Cash and cash equivalents**

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



**Schedule 18 – Notes forming part of the Financial Statements for the year ended 31, 2020**  
(Currency: Indian rupees in crores)

**1. Capital Adequacy**

The Bank's Capital to Risk-weighted Asset Ratio ('Capital Adequacy Ratio') is calculated in accordance with the RBI's 'Basel III Capital Regulations' ('Basel III'). Under the Basel III framework, for the year ended March 31, 2020, the Bank is required to maintain a minimum capital adequacy ratio of 11.875% (including Capital Conservation Buffer (CCB) of 1.875% and Global Systemically Important Bank (G-SIB) charge of 1%) on an ongoing basis for credit risk, market risk and operational risk.

The Bank's capital adequacy ratio, calculated in accordance with the RBI guidelines for Basel III framework, is as follows:

Sr. No.	Particulars	March 31, 2020	March 31, 2019
i)	Common Equity Tier 1 capital ratio (%)	33.56%	41.71%
ii)	Tier 1 capital ratio (%)	33.56%	41.71%
iii)	Tier 2 capital ratio (%)	0.22%	0.31%
iv)	Total Capital ratio (CRAR) (%)	33.78%	42.02%
v)	Percentage of the shareholding of the Government of India in public sector banks	-	-
vi)	Amount of equity capital raised (Capital received from HO) ( <i>Rs in crore</i> )	-	-
vii)	Amount of Additional Tier 1 capital raised; of which <i>Perpetual Non Cumulative Preference Shares (PNCPS):</i> <i>Perpetual Debt Instruments (PDI):</i>	-	-
viii)	Amount of Tier 2 capital raised; of which Debt capital instrument: Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	-	-





## 2. Investments

The following table sets forth, for the periods indicated, the details of investments and the movement of provision held towards depreciation on investments of the Bank.

(Rs in crore)

Particulars	March 31, 2020	March 31, 2019
1. Value of Investments		
(i) Gross value of investments		
a) In India	7,777.79	4,865.95
b) Outside India	-	-
(ii) Provision for depreciation		
a) In India	243.13	-
b) Outside India	-	-
(iii) Net value of investments		
a) In India	7,534.66	4,865.95
b) Outside India	-	-
2. Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	0.82
(ii) Add : Provisions made during the year	243.13	-
(iii) Less : Write-off/ write back of excess provisions during the year	-	0.82
(iv) Closing balance	243.13	-

## 3. Repo transactions

The following table sets forth, for the period indicated, the details of securities sold and purchased under repo and reverse repo in face value terms:

(Rs in crore)

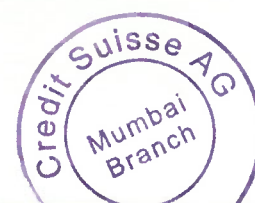
Year ended March 31, 2020	Minimum outstanding balance during the year <sup>1</sup>	Maximum outstanding balance during the year	Daily average outstanding balance during the year	Outstanding balance
Securities sold under repo				
i. Government securities	1.01	3,686.65	384.82	2,831.33
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	2.83	3,406.71	788.70	185.20
ii. Corporate debt securities	-	-	-	-

1. Minimum outstanding during the year excludes days with Nil outstanding.
2. Includes LAF done with RBI.

(Rs in crore)

Year ended March 31, 2019	Minimum outstanding balance during the year <sup>1</sup>	Maximum outstanding balance during the year	Daily average outstanding balance during the year	Outstanding balance
Securities sold under repo				
iii. Government securities	1.98	1,283.93	214.04	1283.93
iv. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
iii. Government securities	2.90	1,783.30	293.05	61.79
iv. Corporate debt securities	-	-	-	-

1. Minimum outstanding during the year excludes days with Nil outstanding.
2. Includes LAF done with RBI.



#### 4. Non-SLR investment portfolio

##### i) Issuer composition of Non SLR investments

The following table sets forth, the issuer composition of investments of the Bank in securities, other than government and other approved securities at March 31, 2020.

(Rs in crore)						
Sr. No.	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities*
(i)	PSUs	-	-	-	-	-
(ii)	FIs	1,279.18	972.09	249.50	-	747.09
(iii)	Banks	36.69	-	-	-	-
(iv)	Private corporates	94.79	-	94.79	-	-
(v)	Subsidiaries / Joint ventures	-	-	-	-	-
(vi)	Others	-	-	-	-	-
(vii)	Provision held towards depreciation	(242.43)				
	<b>Total</b>	<b>1,168.23</b>	<b>972.09</b>	<b>344.29</b>	<b>-</b>	<b>747.09</b>

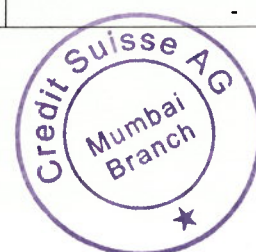
\* Investments amounting to Rs. 747.09 crores are exempted from applicability of RBI prudential limit for Unlisted Non-SLR securities.

The following table sets forth, the issuer composition of investments of the Bank in securities, other than government and other approved securities at March 31, 2019.

(Rs in crore)						
Sr. No.	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
(i)	PSUs	54.81	-	-	-	-
(ii)	FIs	981.45	341.01	-	-	-
(iii)	Banks	111.92	90.00	-	-	-
(iv)	Private corporates	519.14	424.36	-	-	-
(v)	Subsidiaries / Joint ventures	-	-	-	-	-
(vi)	Others	-	-	-	-	-
(vii)	Provision held towards depreciation	-				
	<b>Total</b>	<b>1667.32</b>	<b>855.37</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### ii) Non performing Non-SLR investments

(Rs in crore)		
Particulars	March 31, 2020	March 31, 2019
Opening balance	-	-
Additions during the year since 1st April	249.50	-
Reductions during the above period	-	-
Closing balance	249.50	-
Total provisions held	(237.00)	-



**5. Sale and transfer to/from HTM category**

There were no sales or transfer to/from HTM category during the current year and previous year.

**6. Forward rate agreement (FRA) / Interest Rate Swaps**

The Bank has traded in FRA during the year (Previous Year: Nil).

The following table sets forth, for the periods indicated, the details of the Forward rate agreement (FRA)/ Interest Rate Swaps.

(Rs in crore)		
Particulars	March 31, 2020	March 31, 2019
i) The notional principal of swap agreements <sup>1</sup>	24,333.05	23,417.69
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements <sup>2</sup>	113.06	84.20
iii) Collateral required by the Bank upon entering into swaps <sup>3</sup>	11.72	-
iv) Concentration of credit risk arising from the swaps (% exposure to banking sector)	43.56%	55.67%
v) The fair value of trading swap book	(23.53)	13.51

1. Excludes cross currency interest rate swaps.

2. Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements represent positive mark-to-market.

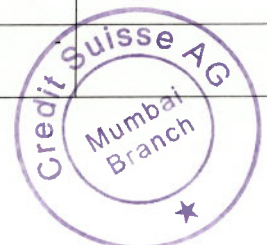
3. Represents cash collateral accepted from counterparty in respect of FRA contracts

**Nature and terms of Forward rate agreement (FRA) / Interest Rate Swaps**

(Rs in crore)				
Nature	Benchmark Index	Terms	March 31, 2020	March 31, 2019
Trading	MIBOR	Fixed Payable v/s Floating Receivable	9,595.67	9,727.02
Trading	MIBOR	Fixed Receivable v/s Floating Payable	4,598.29	6,125.67
Trading	MIFOR	Fixed Payable v/s Floating Receivable	3,935.00	3,725.00
Trading	MIFOR	Fixed Receivable v/s Floating Payable	3,835.00	3,840.00
Trading	GSEC	Fixed Receivable v/s Floating Payable	2,369.09	-
<b>Total</b>			<b>24,333.05</b>	<b>23,417.69</b>

**7. Exchange traded interest rate derivatives**

(Rs in crore)			
Sr. No.	Particulars	March 31, 2020	March 31, 2019
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	-	-
	a) JUN 19 NIRC795GS2032 (Sell)	200	200
	b) JUN 19 NIRC795GS2032 (Buy)	400	-
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on	-	200
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective'	-	-
(iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective'	-	-



## 8. Risk exposure in derivatives

### a) Structure and organization for management of risk exposure in derivatives

The Bank is supervised by the Chief Executive Officer ("CEO") and the Local Management Committee ("LMC") comprising of key senior management in the Bank and permanent invitees from various functions with Credit Suisse. The LMC is supported by other committees for specific areas like the Asset Liability Management Committee ("ALCO"), Credit committee, Audit committee, Compliance committee etc.

There are processes and policies in place to support activities planned in the Bank. Apart from local policies, the Bank also adheres to Global Credit Suisse policies and best practices.

### b) Scope and nature of risk measurement, risk reporting, risk monitoring systems and policies for mitigating risk

#### Credit risk management

Credit risk implies probable financial loss the Bank may ultimately incur, if the counter parties fail to meet their obligations. In CS AG Mumbai Branch, each facility (funded and non funded) and / or counterparty exposure (investments, derivatives etc.) is approved by the Credit Approval Committee (CAC) of the Branch. The committee jointly undertakes to approve new credit bearing transactions and annual review of existing credit lines in Mumbai Branch.

Within Credit Suisse globally, Credit Risk Management (CRM) establishes broad policies and guidelines governing Credit Suisse's credit risk appetite. CRM is part of the Groups Risk function and Credit authorisation is separated from line functions. Once the Mumbai Branch CAC approval is obtained, global CRM functional approval will be obtained as per the relevant credit approval authorities grid. Both approvals are required (Mumbai Branch CAC approval + global CRM functional approval) for the limits to be effective for Mumbai Branch. Credit authority for global CRM functional signoff is delegated by the CCO to specific senior CRM team personnel based on each person's knowledge, experience and capability. These delegations of credit authority are reviewed periodically. At Headquarters in Zurich, the Capital Allocation and Risk Management Committee ('CARMC') regularly reviews credit limits measuring country, geographic region and product concentrations, as well as impaired assets and recommended loan loss provisions.

Credit Suisse globally utilizes an internal counterparty rating scale to assess the probability of default, which approximates that used by the major international public rating agencies (ranging from AAA as the best to D as the worst; international scale) and applies this grading measure against all of its counterparties. Credit Suisse globally takes a proactive approach to rating each of its counterparties and obligors and, as a result, internal ratings may deviate from those assigned by public rating agencies. All counterparties are assigned a credit rating as noted above. The intensity and depth of analysis is related to the amount, duration and level of risk being proposed together with the perceived credit quality of the counterparty/issuer/obligor in question. Analysis consists of a quantitative and qualitative portion and strives to be forward looking, concentrating on economic trends and financial fundamentals. In addition, analysts make use of peer analysis, industry comparisons and other quantitative tools, including a quantitative model based rating system. All final ratings also require the consideration of qualitative factors relating to the company, its industry and management. In addition to the aforementioned analysis, all counterparty ratings are subject to the rating of the country in which they are domiciled. Analysis of key sovereign and economic



issues for all jurisdictions is undertaken and these are considered when assigning the rating and risk appetite for individual counterparties.

Exposure monitoring is performed by Credit Control (part of CRM function) on a daily basis for all outstanding exposures/trades against approved counterparty limits. Credit Control is an independent team within the CRM Department that is tasked with maintaining a robust, controlled environment supporting the credit risk approval and monitoring processes, in accordance with Credit Suisse credit policy.

On a daily basis the Credit Control team will identify all limit excesses which are first reviewed for accuracy and validity. All breaches/excesses that are found to be valid are raised.

Credit Control also reports on a regular basis to the senior management of CRM all upcoming credit reviews in the next 3 months and any overdue reviews for the current month. New facilities, limit changes, renewals, and excesses are also reported by Credit Control to the Credit Committee on quarterly basis.

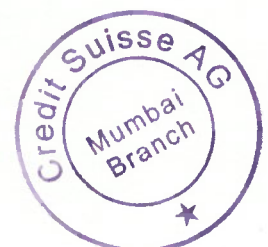
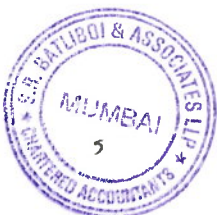
### **Market risk management**

Market risk deals with the probable losses the Bank may ultimately incur as a result of movement in exchange rates, benchmark interest rates, credit spreads etc.

Globally, Credit Suisse ensures that market risk is comprehensively captured, accurately modeled, reported and effectively managed. Trading and non-trading portfolios are managed at various organizational levels, from the overall risk positions at the Group level down to specific portfolios. Credit Suisse uses market risk measurement and management methods designed to meet or exceed industry standards. These include both general tools capable of calculating comparable exposures across our many activities as well as focused tools that can specifically model unique characteristics of certain instruments or portfolios. The tools are used for internal market risk management, internal market risk reporting and external disclosure purposes. The principal measurement methodologies are VaR, risk sensitivities and scenario analysis. Additionally, the market risk exposures are also reflected in our economic capital calculations. The risk management techniques and policies are regularly reviewed to ensure that they remain appropriate.

The Bank uses Value at Risk (VaR) and Interest Rate Sensitivity (Dv01) as some of the key measures of monitoring market risk arising from transactions. Market Risk Management (MRM) reviews the Bank's business requirements and approve suitable limits in consultation with the business.

The Bank's market risk exposure is an aggregate of banking book and trading book exposures. Treasury desk is responsible for banking book exposures within the Bank, unless another desk is specifically authorized to run such exposures. Trading desk (FX/Derivatives/Bonds etc.) would run positions within their mandated market risk exposure limits.



**c) Refer note e and g under 'Schedule 17 – Significant Accounting Policies' for accounting policy on derivatives**

The following table sets forth the details of derivative positions at March 31, 2020

(Rs in crore)

Sr. No.	Particulars	Currency derivatives <sup>1</sup>	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)		
	a) For hedging	-	-
	b) For trading	46,897.21	24,333.05
(ii)	Marked to Market Positions <sup>2</sup>		
	a) Asset (+)	245.47	113.06
	b) Liability (-)	173.55	136.58
(iii)	Credit Exposure	1,343.43	321.63
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	-	-
	b) on trading derivatives	1.62	370.19
(v)	Maximum and Minimum of 100*PV01 observed during the year		
	a) i) on hedging (Maximum)	-	-
	ii) on hedging (Minimum)	-	-
	b) i) on trading (Maximum)	1.75	377.88
	ii) on trading (Minimum)	(2.07)	(6.89)

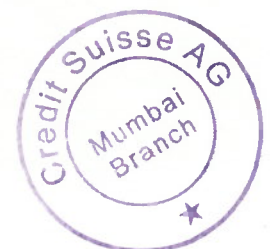
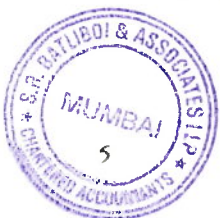
1. Includes forward exchange contracts.
2. Pertains to MTM on trading positions.

The following table sets forth the details of derivative positions at March 31, 2019

(Rs in crore)

Sr. No.	Particulars	Currency derivatives <sup>1</sup>	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)		
	a) For hedging	-	-
	b) For trading	26,371.52	23,617.69
(ii)	Marked to Market Positions <sup>2</sup>		
	a) Asset (+)	61.28	84.20
	b) Liability (-)	25.72	70.68
(iii)	Credit Exposure	686.58	274.63
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	-	-
	b) on trading derivatives	(1.75)	4.37
(v)	Maximum and Minimum of 100*PV01 observed during the year		
	a) i) on hedging (Maximum)	-	-
	ii) on hedging (Minimum)	-	-
	b) i) on trading (Maximum)	(0.51)	58.92
	ii) on trading (Minimum)	(2.37)	(8.64)

1. Includes forward exchange contracts and cross currency interest rate swaps.
2. Pertains to MTM on trading positions.



## 9. Asset Quality

### I. Non-Performing Assets

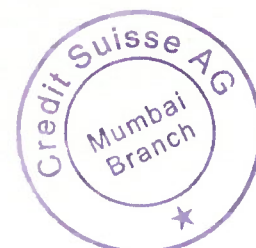
(Rs in crore)

Particulars	March 31, 2020	March 31, 2019
(i) Net NPAs to Net Advances (%)	0.00%	8.43%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	260.00	-
(b) Additions during the year	-	260.00
(c) Reductions during the year	260.00	-
(d) Closing balance	-	260.00
(iii) Movement of Net NPAs		
(a) Opening balance	107.69	-
(b) Additions during the year	-	107.69
(c) Reductions during the year	107.69	-
(d) Closing balance	-	107.69
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	152.31	-
(b) Provisions made during the year	107.69	152.31
(c) Write of / write back of excess provisions	(260.00)	-
(d) Closing balance	-	152.31

- II. The Bank has no accounts restructured, sale of financial assets to Securitisation / Reconstruction company or purchase / sale of non-performing financial assets during the year ended March 31, 2020 (Previous Year: Nil).
- III. The Bank has not invested in security receipts backed by NPAs, sold by the Bank as underlying or backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying during the year ended March 31, 2020 (Previous Year: Nil).
- IV. There was no divergence in asset classification and provisioning exceeding the specified thresholds and hence, detailed disclosures are not applicable pursuant to RBI circular no. DBR.BP.BC.No.63/21.04.018/2016-17 dated 18 April 2017 & DBR.BP.BC.No.32/21.04.018/2018-19 dated 01 April 2019 (Previous Year: Nil).

## 10. Provisions on Standard Assets

The Bank makes provision on standard assets as per applicable RBI guidelines. The provision on standard assets (including provision towards unhedged foreign currency exposure of Rs.10.01 crore (Previous year: Rs.9.41 crore) held by the Bank as at March 31, 2020 was Rs.16.35 crore (Previous Year: Rs.14.68 crore).



## 11. Business Ratios

Particulars	March 31, 2020	March 31, 2019
Interest income as a percentage to working funds <sup>1</sup>	6.32%	6.70%
Non-interest income as a percentage to working funds	-0.96%	-0.34%
Operating profit <sup>2</sup> as a percentage to working funds <sup>1</sup>	2.15%	2.96%
Return on assets <sup>3</sup>	-1.57%	0.22%
Business (Deposits plus advances) per employee <sup>4</sup> (Rs in crore)	101.47	131.22
Profit per employee <sup>4</sup> (Rs in crore)	(2.85)	0.45

### Definitions:

1. Working funds is taken as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949.
2. Profit before taxes and provision is considered as Operating profit.
3. Return on Assets is with reference to average working funds (i.e. total of assets excluding accumulated losses, if any).
4. Number of employees as at year end has been considered (40 employees (PY 36 employees)).





## 12. Maturity Pattern of Key Assets and Liabilities

(Rs in crore)

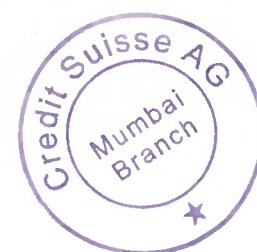
As at March 31, 2020	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 Days and up to 2 Months	More than 2 months and up to 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 Years	Total
Deposits <sup>1</sup>	23.06	488.59	224.02	264.27	578.44	54.56	599.34	496.31	103.15	-	-	2,831.74
Loans & advances <sup>1</sup>	-	-	-	250.00	-	-	500.00	477.00	-	-	-	1,227.00
Investments	5,805.11	1,188.04	15.85	71.13	60.45	111.40	19.35	173.15	76.91	12.50	0.77	7,534.66
Borrowings <sup>1</sup>	-	1,936.01	660.00	-	-	-	-	1,015.32	418.16	-	-	4,029.49
Foreign Currency Assets <sup>2</sup>	21.53	-	0.43	0.01	4.87	-	-	227.00	-	-	52.97	306.81
Foreign Currency Liabilities <sup>2</sup>	-	-	195.58	195.92	0.88	-	1.54	1,030.36	-	-	-	1,424.28

1. Includes foreign currency balances.
2. Foreign currency assets and liabilities denote all assets and liabilities excluding off-Balance Sheet items.
3. Classification of assets and liabilities under the different maturity buckets are compiled by the Management on same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI.

(Rs in crore)

As at March 31, 2019	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 Days and up to 2 Months	More than 2 months and up to 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 <sup>1</sup>	10.35	709.68	238.63	15.15	234.06	829.37	994.63	9.93	403.99	-	-	3,445.79
Loans & advances <sup>1</sup>	-	-	-	-	-	-	368.73	301.72	500.00	107.69	-	1,278.14
Investments	2,502.54	1,716.78	1.59	140.29	20.75	190.04	184.29	88.71	6.47	13.68	0.81	4,865.95
Borrowings <sup>1</sup>	-	1,161.38	100.00	-	-	-	-	-	691.55	-	-	1,952.93
Foreign Currency Assets <sup>2</sup>	1,611.33	0.56	-	-	-	-	103.76	1.05	-	-	48.41	1,765.11
Foreign Currency Liabilities <sup>2</sup>	-	716.20	-	0.82	179.66	533.80	-	14.51	1,038.48	-	-	2,483.47

1. Includes foreign currency balances.
2. Foreign currency assets and liabilities denote all assets and liabilities excluding off-Balance Sheet items.
3. Classification of assets and liabilities under the different maturity buckets are compiled by the Management on same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI.



### 13. Exposure

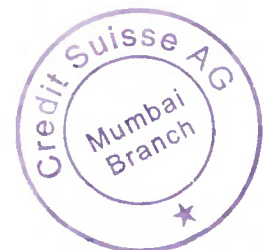
#### 13.1 Exposure to Real Estate Sector

The following table sets forth, for the periods indicated, the details of exposure to real estate sector.

(Rs in crore)

Category	March 31, 2020	March 31, 2019
<b>a) Direct exposure</b>		
(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)	-	-
(ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures – a. Residential, b. Commercial Real Estate.	-	-
<b>b) Indirect Exposure</b>		
(i) Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	254.50	430.14
(ii) Other Indirect Exposures*	-	48.18
<b>Total Exposure to Real Estate Sector</b>	<b>254.50</b>	<b>478.32</b>

\*Previous year comprise of a guarantee facility secured by pool of assets of which real estate collateral value accounts for <20% of total collateral pool value



### 13.2 Exposure to Capital Market

(Rs in crore)

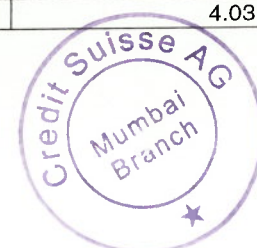
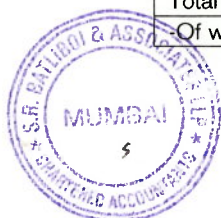
Particulars	March 31, 2020	March 31, 2019
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	500.00	505.00
(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;	-	61.72
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;		
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) financing to stockbrokers for margin trading;	-	-
(x) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total Exposure to Capital Market</b>	<b>500.00</b>	<b>566.72</b>

### 14. Risk Category wise Country Exposure

The following table sets forth, for the periods indicated, the details of exposure (net) and provision held by the Bank.

(Rs in crore)

Risk category	Exposure (net) at March 31, 2020	Provision held at March 31, 2020	Exposure (net) at March 31, 2019	Provision held at March 31, 2019
Insignificant	117.19	-	1,667.24	4.03
Low	-	-	-	-
Moderate	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	117.19	-	1,667.24	4.03
Of which: funded	34.89	-	1,626.79	4.03



## 15. Details of Single Borrower Limit and Borrower Group Limit exceeded by the Bank

RBI vide their master circulars nos. DBR.No.BP.BC.43/21.01.003/2016-17 dated December 01, 2016, DBR.No.BP.BC.31/21.01.003/2018-19 dated April 01, 2019 and DBR.No.BP.BC.31/21.01.003/2018-19 dated June 03, 2019 on "Large Exposures Framework (LEF)" has prescribed exposure limits for banks in respect of their lending to Single and Group Borrowers which has come into effect from April 1, 2019.

**Single Counterparty:** The sum of all the exposure values of a bank to a single counterparty must not be higher than 20 percent of the bank's available eligible capital base at all times. In exceptional cases, Board of banks may allow an additional 5 percent exposure of the bank's available eligible capital base. Banks shall lay down a Board approved policy in this regard.

**Groups of Connected Counterparties:** The sum of all the exposure values of a bank to a group of connected counterparties must not be higher than 25 percent of the bank's available eligible capital base at all times.

During the year ended March 31, 2020, the Bank has enhanced the credit exposure by an additional 5 per cent of bank's available eligible capital base in respect of the below mentioned client with approval of the Bank's Board.

### Single Counterparty Limit:-

- Piramal Enterprises Limited

During the year ended March 31, 2019, the Bank has enhanced the credit exposure by an additional 5 per cent of Capital funds in respect of the below mentioned clients with the approval of the Bank's Board. Up till previous year single borrower limit and borrower group limits were regulated by the erstwhile RBI master circular – Exposure Norms vide no. DBOD Dir. BC.12/13.03.00/2015-16 dated 01 July 2015

### SBL Client Name:-

- Claris Holding Private Limited
- Adani Rail Infra Private Limited

### GBL Client group:-

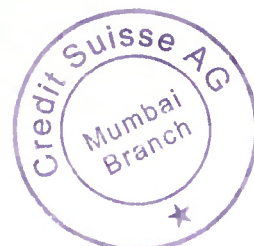
Claris group

## 16. Unsecured advances

The Bank has not made any unsecured advances against intangible securities such as charge over the rights, licenses or authorisations etc. for the year ended March 31, 2020 (Previous Year: Nil). This excludes advances backed by guarantees.

## 17. Penalties levied by the RBI

No penalties have been imposed on the Bank during the year by the RBI (Previous Year: Nil).



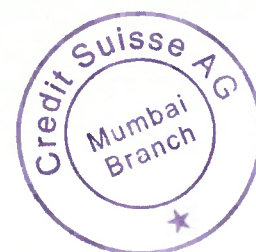
## 18. Employee Benefits

### 1. Provident Fund

Amount of Rs. 1.83 crore (Previous Year: Rs 1.92 crore) is recognized as expense and included in "Employee benefit expenses"

### 2. Gratuity

(Rs in crore)		
Particulars	March 31, 2020	March 31, 2019
<b>Reconciliation of opening and closing balance of the present value of the defined benefit obligation</b>		
Present value of obligation as at April 1	4.36	4.22
Interest cost	0.29	0.29
Current service cost	0.70	0.81
Benefits paid	(0.83)	(0.45)
Actuarial (gain)/loss on obligation	0.51	(0.51)
<b>Present value of obligation as at March 31</b>	<b>5.03</b>	<b>4.36</b>
<b>Reconciliation of opening and closing balance of the fair value of the plan assets</b>		
Fair value of plan assets as at April 1	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
<b>Fair value of plan assets as at March 31</b>	<b>-</b>	<b>-</b>
<b>Amount recognised in Balance Sheet</b>		
Fair value of plan assets as at March 31	-	-
Present value of obligation as at March 31	5.03	4.36
Asset/(Liability) as at March 31	(5.03)	(4.36)
<b>Expenses recognised in Profit and Loss Account</b>		
Interest Cost	0.29	0.29
Current Service cost	0.70	0.81
Expected return on plan assets	-	-
Net Actuarial (gain)/loss recognised in the year	0.51	(0.51)
<b>Net Cost</b>	<b>1.50</b>	<b>0.59</b>
<b>Assumptions</b>		
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Valuation Method	Projected Unit Credit	Projected Unit Credit
Discount rate	6.50% per annum	7.25% per annum
Expected return on plan assets	N.A.	N.A.
Mortality	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate
Salary escalation rate	8.00% per annum	8.00% per annum
Retirement	58 years	58 years



**Details of plan assets, defined benefit obligations and experience adjustments**

(Rs in crore)

Particulars	Gratuity					
	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15
Defined benefit obligations	5.03	4.36	4.22	3.54	4.48	3.65
Plan assets	-	-	-	-	-	-
(Surplus) / deficit	5.03	4.36	4.22	3.54	4.48	3.65
Experience adjustments on plan assets	-	-	-	-	-	-
(Gains) / losses due to change in Assumptions	0.28	0.08	(0.13)	(1.56)	(0.29)	0.52
Experience adjustments on plan liabilities	0.23	(0.58)	(0.19)	(0.18)	(0.31)	0.01
Total (Gain) / Loss	0.51	(0.51)	(0.32)	(1.74)	(0.60)	0.53

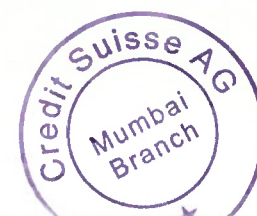
**3. Compensated Absence**

Assumptions	March 31, 2020
Valuation Method	Projected Unit Credit
Discount rate	6.50% per annum
Employee Turnover Rate	10.00%
Mortality	IALM (2012-14) Ultimate
Salary escalation rate	8.00% per annum
Retirement	58 years

(Rs. in Crore)

Present value of obligation	March 31, 2020
Current Liability	0.10
Non-Current Liability	1.03
<b>Present value of obligation as at March 31</b>	<b>1.13</b>

Actuarial valuation for leave encashment is being done for the first time in the current financial year.



## 19. Employees Share-based Payments

The Branch grants shares in its ultimate parent, Credit Suisse Group to certain employees. The Branch has various schemes to grant share based awards to its employees, details of the current schemes are set out below. In conformity with the Guidance note on "Accounting for Employee Share-based Payments" issued by The Institute of Chartered Accountants of India in respect of the grants made on or after 01 April 2005, the following disclosures are made:

- 1) **Phantom Share awards** granted in February 2020 are similar to those granted in February 2019. Each share award granted entitles the holder of the award to receive one Credit Suisse Group ("CSG") share, subject to service conditions. Share awards vest over three years with one third of the share awards vesting on each of the three anniversaries of the grant date (ratable vesting). Share awards are expensed over the service period of the awards. The value of the share awards is solely dependent on the CSG share price at the time of delivery. The majority of share awards granted include the right to receive dividend equivalents on vested shares.
- 2) **Performance share awards** - Certain employees received a portion of their deferred variable compensation in the form of performance share awards. Performance share awards are similar to share awards, except that the full balance of outstanding performance share awards, including those awarded in prior years, are subject to performance-based malus provisions. Performance share awards are subject to a negative adjustment in the event of a divisional loss by the division in which the employees worked as of December 31, 2019, or a negative CSG ROE, whichever results in a larger adjustment. For employees in Corporate Functions and the Asset Resolution Unit, the negative adjustment only applies in the event of a negative CSG ROE and is not linked to the performance of the divisions. The basis for the ROE calculation may vary from year to year, depending on the Compensation Committee's determination for the year in which the performance shares are granted.

The majority of performance share awards granted include the right to receive dividend equivalents on vested shares.

**a. Method adopted for valuation:**

Stock compensation expenses under the "Fair Value Method" are determined based on the "Fair Value of the Share Awards" and amortized over the vesting period.

**b. Nature and extent of Employee Share-based Payment Plans:**

Phantom Share Awards, Performance Share Awards.

**c. Number of stock awards granted during the current year ended 31 March 2020**

18,994 Phantom Share Award (previous year: 20,162) granted during the year;

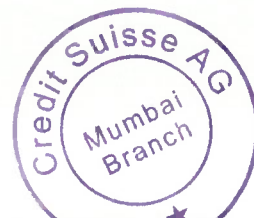
The average weighted fair value of awards granted was CHF 10.96 (previous year: CHF 11.89).

**d. Method and assumptions for Fair Value of Share Awards**

i) For other Employee Share based Payment Plans:

The fair value of share awards is equal to the fair value of the shares at the grant date, adjusted for changes in market price as at the balance sheet date.

- e. Expenses recognized on account of "Employees Share-based Payment" is Rs. 1.08 (previous year: Rs. 2.47) and carrying amount as at 31 March 2020 is Rs. 2.26 (previous year: Rs. 5.17).**



## 20. Segment Reporting

The segmental classification to the respective segments conforms to the guidelines issued by RBI vide DBOD.No.BP.BC.81/21.01.018/2006-07 dated April 18, 2007. As required under the above guidelines the following business segments have been reported

- **Treasury** primarily includes trading and money market operations, Investment Banking, derivatives and foreign exchange operations
- **Wholesale Banking** This segment comprises banking services / facilities to corporates and other business entities.
- **Retail Banking** constitutes banking services/ facilities to individuals.

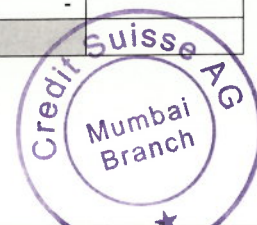
Revenues and expenses directly attributable to each segment are included in determining the segments result. Assets employed by a segment or assets that are directly attributable to that segment are included in segment assets. Liabilities that result from operations of a segment, Head office account and Reserves and surplus are included in segment liabilities. Segment revenue includes earnings from external customers. All liabilities are managed by central treasury unit, which pools all funds and lends to the business units at appropriate rates based on the relevant maturity of assets.

### Geographic Segments

The Bank renders its services within one geographical segment and has no offices or significant assets outside India.

Segment reporting for the year ended March 31, 2020 is given below

						(Rs in crore)
Sr. No.	Particulars	Treasury	Wholesale	Retail	Other banking business	Total
1	Segment revenue	356.91	201.99	16.54	-	575.44
2	Less: Inter segment revenue	62.87	106.39	16.54	-	185.80
3	Income from operations (1) – (2)	294.04	95.60	-	-	389.64
4	Segment results	(96.80)	(98.52)	(3.58)	-	-198.90
5	Unallocated expenses					-
6	Operating Profit / (loss) (4) – (5)					(198.90)
7	Income taxes (incl. deferred tax)					(84.99)
8	Extraordinary profit / (loss)					-
9	Net profit / (loss) (6) – (7) – (8)					(113.91)
10	Segment assets	8,484.83	1,235.08	0.49	-	9,720.41
11	Unallocated assets <sup>1</sup>					





						231.12
12	Total assets (10) + (11)					9,951.53
13	Segment liabilities <sup>2</sup>	7,071.85	2,442.41	437.27	-	9,951.53
14	Unallocated liabilities					0
15	Total liabilities (13) + (14)					9,951.53
16	Capital expenditure	3.41	1.96	0.16	-	5.53
17	Depreciation	0.31	0.18	0.01	-	0.50

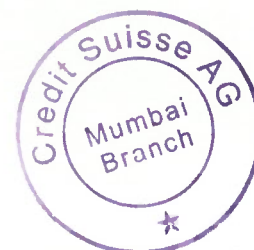
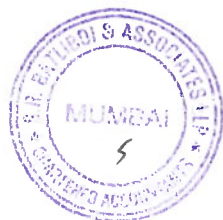
1. Represents advance tax (net) and deferred tax asset (net)
2. Includes share capital and reserves and surplus.

Segment reporting for the year ended March 31, 2019 is given below

(Rs in crore)

Sr. No.	Particulars	Treasury	Wholesale	Retail	Other banking business	Total
1	Segment revenue	423.44	181.54	45.59	-	650.57
2	Less: Inter segment revenue	52.94	88.06	45.59	-	186.59
3	Income from operations (1) – (2)	370.50	93.48	-	-	463.98
4	Segment results	172.28	(136.21)	(5.43)	-	30.64
5	Unallocated expenses					-
6	Operating Profit / (loss) (4) – (5)					30.64
7	Income taxes (incl. deferred tax)					14.56
8	Extraordinary profit / (loss)					-
9	Net profit / (loss) (6) – (7) – (8)					16.08
10	Segment assets	6,990.77	1,282.05	0.37	-	8,273.19
11	Unallocated assets <sup>1</sup>					136.69
12	Total assets (10) + (11)					8,409.88
13	Segment liabilities <sup>2</sup>	4,881.39	1,730.92	1,797.57	-	8,409.88
14	Unallocated liabilities					-
15	Total liabilities (13) + (14)					8,409.88
16	Capital expenditure	2.07	0.89	0.22	-	3.18
17	Depreciation	0.23	0.10	0.02	-	0.35

1. Represents advance tax (net) and deferred tax asset (net)
2. Includes share capital and reserves and surplus.



## 21. Related Party Disclosures

As per AS - 18, Related Party Disclosure, issued by the ICAI, the Bank's related parties are disclosed below:

### Parent of Head office

Credit Suisse Group AG

### Parent and its branches

Credit Suisse AG and its branches

### Enterprises under common control with whom the Bank has had transactions during the year

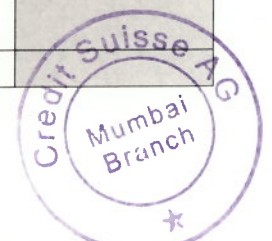
Credit Suisse Consulting (India) Private Limited  
Credit Suisse Securities (India) Private Limited  
Credit Suisse Finance (India) Private Limited  
Credit Suisse Business Analytics (India) Private Limited  
Credit Suisse Business Management (India) Private Limited  
Credit Suisse Services (India) Private Limited  
CJSC "Bank Credit Suisse (Moscow)"  
Credit Suisse Securities (Europe) Limited  
Credit Suisse (Singapore) Limited  
Credit Suisse (Hongkong) Limited  
Credit Suisse Securities (USA) LLC  
Credit Suisse Securities (Japan) Limited

### Key Management Personnel

In accordance with the RBI circular DBR.BP.BC No.23/21.04.018/2015-16 dated July 1, 2015, only the Chief Executive Officer of the Bank, falls under the category of key management personnel, hence, no disclosures pertaining to him are provided.

The Bank's related party balances and transactions as on / for the year ended March 31, 2020 are summarised as follows:

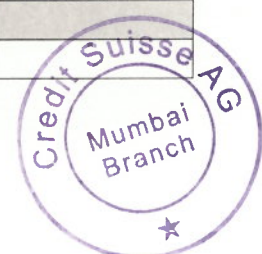
Items	(Rs in crore)			
	Parent and its branches	Maximum outstanding during the year	Enterprises under common control	Maximum outstanding during the year
<b>Transactions during the year</b>				
Rent and reimbursements	2.52		6.57	
Profit / (Loss) on derivative transaction	(8.99)		3.32	
Income for services rendered	9.21		1.46	
Interest on borrowings	28.06		-	
Interest on deposits	-		93.23	
Interest income on Advances	-		1.39	
Borrowings	2,432.87		-	
Term Deposits	-		8,093.30	
Current deposit received during the year	-		279.84	
Advances given during the year	-		250.00	



Purchase of Loan	-		-	
Purchase of Investment	-		-	
Sale of Investment	73.67		329.85	
Derivatives (Notional)	42,394.90		96.91	
Loan Commitment	-		260.00	
<b>Closing balances</b>				
Payable to related parties	0.05	8.71	1.73	3.79
Mark to Market on derivatives receivable'	9.11	33.56	5.46	6.44
Mark to Market on derivatives payable'	87.64	199.45	0.00	0.02
Receivable from related parties	4.24	6.30	1.22	1.57
Interest payable	2.74	18.53	8.19	31.55
Current deposits	0.00	0.00	373.05	855.02
Term deposits	0.00	0.00	1485.00	2328.30
Borrowings	1021.48	1518.87	0.00	0.00
Nostro Balance	0.10	2.89	0.00	0.00
Advances	0.00	0.00	250.00	250.00
Interest receivable on advances	0.00	0.00	0.05	1.11
Derivatives (Notional)	4,114.87	6218.33	270.00	295.35
Loan Commitment	-	-	10.00	260.00

The Bank's related party balances and transactions as on / for the year ended March 31, 2019 are summarised as follows:

Items	Parent and its branches	Maximum outstanding during the year	(Rs in crore)	
			Enterprises under common control	Maximum outstanding during the year
<b>Transactions during the year</b>				
Rent and reimbursements	3.89		7.26	
Profit / (Loss) on derivative transaction	71.43		10.37	
Income for services rendered	1.53		-	
Interest on borrowings	25.60		-	
Interest on deposits	-		74.39	
Interest income on Advances	-		3.38	
Borrowings	1,996.74		-	
Term Deposits	-		8,570.20	
Current deposit received during the year	-150.00		-593.69	
Advances given during the year	-		250.00	
Purchase of Loan	-		250.00	
Purchase of Investment	-		83.51	
Sale of Investment	-		248.02	
Derivatives (Notional)	20,247.68		2,371.86	
Loan Commitment	-		260.00	
<b>Closing balances</b>				



Payable to related parties	5.31	5.66	2.13	3.88
Mark to Market on derivatives receivable**	15.10	40.11	4.03	8.63
Mark to Market on derivatives payable*	2.50	144.04	-	8.69
Receivable from related parties	0.34	2.18	-	-
Interest payable	0.84	20.47	1.37	28.10
Current deposits	-	150.00	93.22	1971.15
Term deposits	-	-	1,438.30	2,407.00
Borrowings	691.55	1,846.37	-	-
Nostro Balance	0.15	0.75	-	154.83
Advances	-	-	250.00	250.00
Interest receivable on advances	-	-	0.20	1.30
Derivatives (Notional)	1,400.51	4,337.19	270.00	1,514.03
Loan Commitment	-	-	10.00	260.00

\* Mark to Market on derivatives represents net receivable/payable at counterparty level as the required information is not easily available.

## 22. Provision for income tax made during the year

(Rs in crore)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Provision for income tax (including deferred tax)	(84.99)	14.56

## 23. Provisions and Contingencies

The break-up of 'Provisions and contingencies' included in the Profit and Loss Account is given below:

(Rs in crore)

Particulars	March 31, 2020	March 31, 2019
Provision for Income Tax – Current	-	88.75
Provision for Income Tax – Deferred	(84.99)	(74.20)
Standard asset provisioning(including UFCE provision of Rs 0.60 cr [Previous Year Rs (1.22) cr])	1.67	(6.49)
Country Risk provision	(4.03)	2.93
Provision for depreciation on investment (represents markdown on trading securities as per RBI guidelines)	243.13	(0.82)
Provision/ (Write back) for Non-Performing Advances	(152.31)	152.31
Write Off on Loan Losses	260.00	-
Other General Provisions	6.70	37.50
<b>Total</b>	<b>270.17</b>	<b>199.98</b>

## 24. Floating provisions

The Bank has no floating provisions for the year ended March 31, 2020 (Previous Year: Nil).

## 25. Drawdown from reserves

During the current year and previous year there were no draw down from any of the reserves other than those disclosed in financial statements.



## 26. Disclosure of complaints

The following table sets forth status of customer complaints

	Particulars	March 31, 2020	March 31, 2019
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	-	-
c)	No. of complaints redressed during the year	-	-
d)	No. of complaints pending at the end of the year	-	-

The following table sets forth status of awards

	Particulars	March 31, 2020	March 31, 2019
a)	No. of unimplemented awards at the beginning of the year	-	-
b)	No. of awards passed by the Banking Ombudsmen during the year	-	-
c)	No. of awards implemented during the year	-	-
d)	No. of unimplemented awards at the end of the year	-	-

## 27. Disclosure on letters of comfort (LoCs) issued by the Bank

The Bank has not issued any letters of comfort for the year ended March 31, 2020 (Previous Year: Nil).

## 28. Provisioning coverage ratio

The Bank has no non performing advances as on March 31, 2020 (Previous Year: 58.58%).

## 29. Insurance business

The Bank has not earned fees/brokerage in respect of insurance broking, agency and bancassurance business for the year ended March 31, 2020 (Previous Year: Nil).

## 30. Concentration of deposits, advances, exposures and NPAs

### i) Concentration of deposits

(Rs in crore)

	March 31, 2020	March 31, 2019
Total deposits of twenty largest depositors	2,826.99	3,440.61
Percentage of deposits of twenty largest depositors to total deposits of the bank	99.83%	99.85%

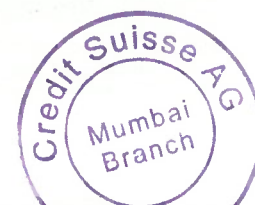
### ii) Concentration of advances\*

(Rs in crore)

	March 31, 2020	March 31, 2019
Total advances to twenty largest borrowers (including banks)	2,894.14	2,448.90
Percentage of advances to twenty largest borrowers to total advances of the bank	100%	99.96%

\*Advances are computed as per definition of Credit Exposure including derivatives furnished in RBI's Master Circular on Exposure Norms.

\*\*Includes Exposure to CCIL



iii) Concentration of exposures\*\*

(Rs in crore)

	March 31, 2020	March 31, 2019
Total exposure to twenty largest borrowers / customers	4,190.33	3,926.17
Percentage of exposures to twenty largest borrowers / customers to total exposure of the bank on borrowers / customers	97.34%	95.36%

\*\*Exposures are computed based on credit and investment exposure as prescribed in RBI's Master Circular on Exposure Norms

iv) Concentration of NPAs

(Rs in crore)

	March 31, 2020	March 31, 2019
Total Exposure to top four NPA accounts	0.00	260.00

Note – Represent exposure to Gross NPA

31. Sector wise NPAs

(Rs in crore)

Sl. No.	Sector	March 31, 2020			March 31, 2019		
		Outstanding Total Advances (Gross)	Gross NPAs	Percentage of Gross NPAs to Total Advances (Gross) in that sector	Outstanding Total Advances (Gross)	Gross NPAs	Percentage of Gross NPAs to Total Advances (Gross) in that sector
A	Priority Sector						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Advances to industries sector eligible as priority sector lending	227.00	-	-	103.73	-	-
3	Services	-	-	-	-	-	-
4	Personal loans	-	-	-	-	-	-
	<b>Sub-total (A)</b>	<b>227.00</b>	<b>-</b>	<b>-</b>	<b>103.73</b>	<b>-</b>	<b>-</b>
B	Non Priority Sector						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry	500.00	-	-	500.00	-	-
3	Services	500.00	-	-	826.72	260.00	31.45
4	Personal loans	-	-	-	-	-	-
	<b>Sub-total (B)</b>	<b>1000.00</b>	<b>-</b>	<b>-</b>	<b>1326.72</b>	<b>260.00</b>	<b>19.60</b>
	<b>Total (A+B)</b>	<b>1227.00</b>	<b>-</b>	<b>-</b>	<b>1430.45</b>	<b>260.00</b>	<b>18.18</b>



**32. Movement of Gross NPAs**

(Rs in crore)

Particulars	March 31, 2020	March 31, 2019
Gross NPAs as om 1st April of particular year (Opening Balance)	260.00	-
Additions (Fresh NPAs) during the year	-	260.00
<b>Sub total (A)</b>	<b>260.00</b>	<b>260.00</b>
Less :-		
(i) Upgradations	-	-
(ii) Recoveries (excluding recoveries made from upgraded accounts)	-	-
(iii) Technical / Prudential Write offs	-	-
(iv) Write offs other than those under (iii) above	260.00	-
<b>Sub-total (B)</b>	<b>260.00</b>	<b>-</b>
<b>Gross NPAs as on 31st March (closing balance) (A-B)</b>	<b>-</b>	<b>260.00</b>

**33. Overseas assets, NPAs and Revenue**

The Bank has no overseas operations and hence this disclosure in not applicable (Previous Year: NA).

**34. Off-Balance Sheet SPVs sponsored**

There are no off-Balance Sheet SPVs sponsored by the Bank for the year ended March 31, 2020 (Previous Year: Nil)

**35. Disclosures on Remuneration**

The Bank's compensation policies including that of CEO's, is in conformity with the Financial Stability Board principles and standards. In accordance with the requirements of the RBI Circular No. DBOD No.BC.72/29.67/001/2011-12 dated 13 January 2012, the Regional Office of the Bank has submitted a declaration to RBI confirming the aforesaid matter. Accordingly, no disclosure is required to be made in this regard.

**36. Disclosures relating to securitisation**

The Bank has not sponsored any SPVs for securitization transactions during the year and there is no securitization transaction outstanding as at March 31, 2020 (Previous Year: Nil).

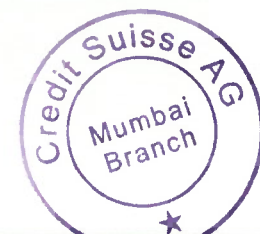
**37. Credit Default Swaps**

During the year, the bank has not entered into credit default swap transactions (Previous Year: Nil).

**38. Intra-Group Exposures**

(Rs in crore)

	March 31, 2020	March 31, 2019
Total amount of intra-group exposures	256.86	266.93
Total amount of top-20 intra-group exposures	256.86	266.93
Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	5.97%	6.50%
Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	No Breach	No Breach



**39. Transfers to Depositor Education and Awareness Fund (DEAF)**

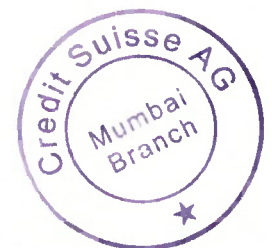
The Bank has no Unclaimed liabilities as at March 31, 2020 (Previous Year: Nil), hence this disclosure is not applicable.

**40. Unhedged Foreign Currency Exposure**

Unhedged foreign currency exposure of corporates poses risk to them and also to the entire financial system. If the unhedged position is large, it can have serious consequences for the solvency of corporates in the event of large depreciation of the home currency and can result in large credit losses to the financing banks.

The bank has a policy of managing credit risk arising out of unhedged foreign currency exposure of its borrowers. The Bank reviews un-hedged foreign currency exposures as part of its credit analysis of all borrowers at the time of initial sanction as well as part of the annual renewal of exposures. The Bank also review the hedging policy of the counterparty as part its credit analysis to assess the risks related to its foreign currency exposures. The risks related to unhedged foreign currency exposures is captured in the overall counterparty's credit rating (for e.g., if the corporate is running large unhedged foreign currency risk, its overall rating will be lower) which in turn will drive the credit risk premium to be charged to meet the minimum target return on the Risk Weighted Asset (RWA). In addition, the Board of the Bank has also approved specific criteria (based on amount of exposure, relative size of unhedged foreign currency exposure with respect to net-worth, etc.) which if met would result in the Bank stipulating a limit on unhedged foreign currency positions of borrowers. Accordingly, this limit becomes part of the approval conditions stipulated to the borrower and will be monitored accordingly.

The Bank reviews the unhedged foreign currency exposure on periodic basis and maintains incremental provision towards unhedged foreign currency of its borrowers in line with RBI guidelines DBOD.No. BP.BC. 85/21.06.200/2013-14 issued on 15<sup>th</sup> January 2014 and clarifications DBOD.No.BP.BC.116/21.06.200/2013-14 issued on 3<sup>rd</sup> June 2014. The Bank has maintained provision of Rs 10.01 crores (Previous Year: Rs. 9.41 crores) and additional capital Rs 26.65 crores (Previous Year: Rs. 37.33 crores) on account of unhedged foreign currency exposure of its borrowers as on March 31, 2020.





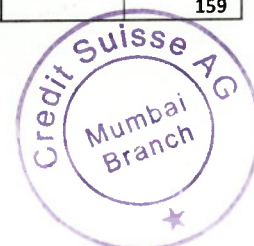
#### 41. Liquidity Coverage Ratio ('LCR')

##### (i) Quantitative disclosures

The Bank's LCR related information is disclosed for all four quarters for the year ending March 31, 2020. The quarterly averages are calculated based on simple averages of daily data.

(Rs in crore)

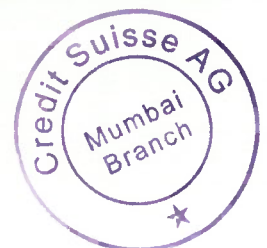
		Quarter Ended							
		Mar 31, 2020		Dec 31, 2019		Sep 30, 2019		Jun 30, 2019	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
<b>High Quality Liquid Assets</b>									
1	Total High Quality Liquid Assets (HQLA)	2,936	2,928	3,797	3,791	3,764	3,674	3,632	3,522
<b>Cash Outflows</b>									
2	Retail deposits and deposits from small business customers, of which:	404	40	401	40	382	38	884	88
i)	Stable deposits	-	-	-	-	-	-	-	-
(ii)	Less stable deposits	404	40	401	40	382	38	884	88
3	Unsecured wholesale funding, of which:	1,562	1,505	1,879	1,778	1,863	1,763	1,861	1,797
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non operational deposits (all counterparties)	1,562	1,505	1,879	1,778	1,863	1,763	1,861	1,797
4	Secured wholesale Funding	1,178	-	5	-	8	-	246	-
5	Additional requirements, of which	500	358	521	364	534	378	535	398
(i)	Outflows related to derivative exposures and other collateral requirements	264	264	224	224	229	229	262	262
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	236	94	297	141	305	149	273	136
6	Other contractual funding obligations	31	31	141	141	129	129	84	84
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	<b>TOTAL CASH OUTFLOWS</b>	<b>3,675</b>	<b>1,934</b>	<b>2,947</b>	<b>2,324</b>	<b>2,916</b>	<b>2,308</b>	<b>3,610</b>	<b>2,367</b>
<b>Cash Inflows</b>									
9	Secured lending (e.g. reverse repos)	213	-	1,552	-	1,181	-	402	-
10	Inflows from fully performing exposures	1,045	170	706	169	204	108	485	155
11	Other cash inflows	-	-	-	-	-	-	-	-
12	<b>TOTAL CASH INFLOWS</b>	<b>1,258</b>	<b>170</b>	<b>2,258</b>	<b>169</b>	<b>1,385</b>	<b>108</b>	<b>887</b>	<b>155</b>
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
21	<b>Total HQLA</b>		<b>2,928</b>		<b>3,791</b>		<b>3,674</b>		<b>3,522</b>
22	<b>Total Net Cash Outflows</b>		<b>1,764</b>		<b>2,155</b>		<b>2,200</b>		<b>2,212</b>
23	<b>Liquidity Coverage Ratio (%)</b>		<b>166</b>		<b>176</b>		<b>167</b>		<b>159</b>



The Bank's LCR related information is disclosed for all four quarters for the year ending March 31, 2019. The quarterly averages are calculated based on simple averages of daily data.

**(Rs in crore)**

		Quarter Ended							
		Mar 31, 2019		Dec 31, 2018		Sep 30, 2018		Jun 30, 2018	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
<b>High Quality Liquid Assets</b>									
1	Total High Quality Liquid Assets (HQLA)	3,680	3,577	4,425	4,293	3,777	3,404	3,548	3,175
<b>Cash Outflows</b>									
2	Retail deposits and deposits from small business customers, of which:	1,467	147	1,456	146	1,410	141	868	87
i)	Stable deposits	-	-	-	-	-	-	-	-
(ii)	Less stable deposits	1,467	147	1,456	146	1,410	141	868	87
3	Unsecured wholesale funding, of which:	1,475	1,404	1,917	1,806	1,289	1,218	1,495	1,141
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non operational deposits (all counterparties)	1,475	1,404	1,917	1,806	1,289	1,218	1,495	1,141
4	Secured wholesale Funding	156	-	3	-	456	-	259	-
5	Additional requirements, of which	396	323	821	536	972	563	709	434
(i)	Outflows related to derivative exposures and other collateral requirements	218	218	243	243	220	220	223	223
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	178	104	578	293	752	343	486	211
6	Other contractual funding obligations	96	96	46	46	26	26	228	228
7	Other contingent funding obligations	-	-	-	-	-	-	49	2
8	<b>TOTAL CASH OUTFLOWS</b>	<b>3,590</b>	<b>1,970</b>	<b>4,243</b>	<b>2,534</b>	<b>4,153</b>	<b>1,948</b>	<b>3,608</b>	<b>1,892</b>
<b>Cash Inflows</b>									
9	Secured lending (e.g. reverse repos)	508	-	974	-	231	-	124	-
10	Inflows from fully performing exposures	1,490	212	1,024	151	300	250	235	189
11	Other cash inflows	-	-	-	-	-	-	-	-
12	<b>TOTAL CASH INFLOWS</b>	<b>1,998</b>	<b>212</b>	<b>1,998</b>	<b>151</b>	<b>531</b>	<b>250</b>	<b>359</b>	<b>189</b>
			<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>
21	<b>Total HQLA</b>		<b>3,577</b>		<b>4,293</b>		<b>3,404</b>		<b>3,175</b>
22	<b>Total Net Cash Outflows</b>		<b>1,758</b>		<b>2,383</b>		<b>1,698</b>		<b>1,703</b>
23	<b>Liquidity Coverage Ratio (%)</b>		<b>203</b>		<b>180</b>		<b>200</b>		<b>186</b>



(ii) **Qualitative disclosure around LCR –**

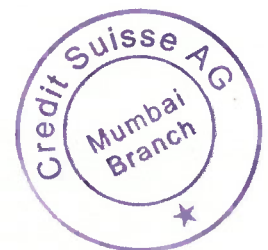
The Bank measures and monitors the LCR in line with the Reserve Bank of India's circulars on "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards".

Banks are required to maintain High Quality Liquid Assets (HQLA) of a minimum of 100% of its Net Cash Outflows by January 1, 2019. This is achieved through maintaining HQLA above net cash outflows.

The Bank has been maintaining HQLA primarily in the form of SLR investments over and above mandatory requirement and corporate bonds issued by non-financial entities with rating BBB- and above. SLR investments as well as the corporate bond portfolio of the Bank considered for HQLA is well diversified and would provide the Bank with adequate and timely liquidity, where required.

The Bank's funding sources are driven from a diversified mix comprising of capital injection; unsecured deposits; issuances of certificate of deposits; intercompany money market borrowings and repo borrowings.

The Local Management Committee of the Bank has empowered ALCO to monitor the liquidity profile of the Bank. Funding strategies are managed by Treasury to ensure compliance with both regulatory and internal liquidity metric and also in line with business requirements and growth strategy. This process is overseen by ALCO and India Risk Management Committee ("RMC"). The objective of the funding strategy is to achieve an optimal funding mix which is consistent with prudent liquidity, diversification of sources and servicing costs. Diversification of the funding mix in terms of investor types, products and instruments is an important part of liquidity risk and funding management within the Bank. The Bank estimates daily liquidity requirement of the various business segments and manages the same on consolidated basis.



#### 42. Corporate Social Responsibility

- a) Gross amount required to be spent by the Bank during the year Rs 4.31 crore (Previous Year: 5.80 crore)

(Rs in crore)

Sr No	Particulars	March 31, 2020			March 31, 2019		
		Paid during the year	Yet to be paid	Total	Paid during the year	Yet to be paid	Total
i)	Construction / acquisition of any asset	-	-	-	-	-	-
ii)	On purposes other than (i) above	4.34	-	4.34	5.80	-	5.80
	<b>Total</b>	<b>4.34</b>	<b>-</b>	<b>4.34</b>	<b>5.80</b>	<b>-</b>	<b>5.80</b>

#### 43. Deferred tax asset / liability

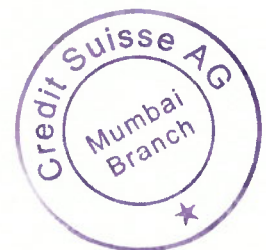
Other Assets include deferred tax asset (net) of Rs 180.28 crore (Previous Year: Rs 95.29 crore). The break-up of the same is as follows:

(Rs in crore)

Particulars	March 31, 2020	March 31, 2019
<b>Deferred tax asset arising out of:</b>		
Employee benefits	4.59	5.09
Standard asset provisioning	7.14	6.41
Depreciation	0.65	0.67
Country risk provisioning	-	1.76
Provision for doubtful debts	-	61.86
Tax Losses	148.02	-
General provision on investment	19.31	16.38
Others	0.57	3.12
<b>Total</b>	<b>180.28</b>	<b>95.29</b>
<b>Deferred tax liability:</b>	-	-
<b>Total</b>	-	-
	-	-
<b>Deferred tax asset (net)</b>	<b>180.28</b>	<b>95.29</b>

#### 44. Other expenses

Other expenses include cost allocation expenses of Rs 1.84 crore (Previous Year: Rs 2.38 crore) and Corporate Social Responsibility expense of Rs 4.34 crore (Previous Year: Rs. 5.80).



**45. Small and Micro Industries**

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises.

(Rs in crore)

Particulars	31 March 2020	31 March 2019
(i) Principal amount remaining unpaid to MSME suppliers as on year end	-	-
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on year end	0.00*	0.00*

\*Denotes value below rounding off rules applicable

**46. Provision for long term contracts**

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

**47. Indian Accounting Standard (Ind-AS)**

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Further, a press release was issued by the MCA on January 18, 2016 outlining the road map for implementation of Indian Accounting Standards (Ind-AS) converged with International Financial Reporting Standards (IFRS) for banks. Banks in India had to comply with the Ind-AS for financial statements for the accounting period beginning from April 01, 2018 onwards, with comparatives for the period ending March 31, 2018 or thereafter. However, necessary legislative amendments to make the format of financial statements, prescribed in the Third Schedule to Banking Regulation Act 1949, compatible with accounts under Ind AS are under consideration of the Government of India. In view of this implementation of Ind AS has been deferred till further notice. During the year ending March 31, 2020 the Bank had prepared proforma Ind AS financial statements as on June 30, 2019, September 30, 2019, December 31, 2019 and March 31, 2020 and submitted the same to the RBI. The Bank will continue its preparation towards migration to adopting Ind-AS as per regulatory requirement.



**48. Disclosure on provisioning pertaining to fraud accounts**

As per RBI Circular No.DBR. No. BP.BC.92/21.04.048/2015-16 dated April 18, 2016 required details are furnished:

Particulars	(Rs in crore)	
	March 31, 2020	March 31, 2019
Number of frauds reported during the year	-	-
Amounts involved	-	-
Quantum of provision made during the year	-	-
Quantum of unamortized provision debited from 'Other Reserves'	-	-

**49. Priority Sector Lending Certificates (PSLCs) purchased / sold during the year ending March 31, 2020**

Type of PSLC	(Rs in crore)	
	PSLC purchased	PSLC sold
PSLC - Agriculture	-	-
PSLC - SF/MF	-	-
PSLC - Micro Enterprises	105.00	-
PSLC - General	205.00	-
<b>Total</b>	<b>310.00</b>	-

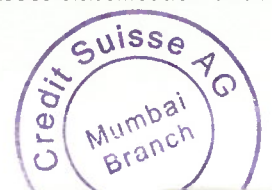
**Priority Sector Lending Certificates (PSLCs) purchased / sold during the year ending March 31, 2019**

Type of PSLC	(Rs in crore)	
	PSLC purchased	PSLC sold
PSLC - Agriculture	-	-
PSLC - SF/MF	-	-
PSLC - Micro Enterprises	65.00	-
PSLC - General	10.00	-
<b>Total</b>	<b>75.00</b>	-

**50. Interest Moratorium**

No client has availed interest moratorium in terms of RBI circular RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20 and RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 for the year ending March 31, 2020.

- 51.** The Covid-19 pandemic continues to spread across the world and India is no exception. Covid-19 has contributed to a significant decline and volatility in global and India financial markets and a significant decrease in global and local economic activities. On 11 March 2020, the Covid-19 outbreak was declared a global pandemic by the World Health Organization. Numerous governments and central Banks have introduced a variety of measures to contain the spread of the virus and moderate the economic impact due to disruptions. On 24 March 2020, the Indian government announced a strict 21 days lockdown across the country to contain the spread of virus. The lockdown of nearly 136 crore people and many businesses is leading to disruptions and dislocations on a scale never imagined. The extent to which Covid-19 pandemic will impact the Bank's operations and financial markets will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Bank. In accordance with the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Bank would be granting a moratorium of three months on the payment of all instalments and/or interest, as applicable, falling due between March 1, 2020 and May 1, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the prudential assets classification shall remain stand still during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification under Income Recognition, Asset Classification and Provisioning Norms).

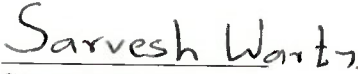



**52. Comparative figures**

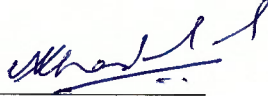
Figures of the previous period have been re-grouped to conform to the current year presentation.

For **S.R. Batliboi & Associates LLP**  
*Chartered Accountants*  
Firm Registration No.:  
101049W/E300004

For **Credit Suisse AG - Mumbai branch**

  
**Sarvesh Warty**  
*Partner*  
Membership No. : 121411

  
**Sandeep Agarwal**  
Chief Executive Officer

  
**Niraj Khandelwal**  
Vice President - Finance

Place: Mumbai  
Date : 29 June 2020

Place: Mumbai  
Date : 29 June 2020

