

BANK OF INDIA

Resolution Plan

Section 1: Public Section

December 31, 2016

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Section 1: Public Section

I. Introduction

Bank of India (the “Bank”) is a foreign banking organization duly organized and existing under the laws of India. In the United States, the Bank maintains a New York state-licensed branch (the “New York Branch”) located at 277 Park Avenue, New York, NY 10172 and a California state-licensed agency (the “San Francisco Agency”) located at 555 California Street, Suite 4646, San Francisco, CA 94104.

The Bank has developed a U.S. resolution plan (“U.S. Resolution Plan”) as required by Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and its implementing regulations (the “Regulation”).¹ Section 165(d) and the Regulation specify that any foreign bank or company that is, or is treated as, a bank holding company under section 8(a) of the International Banking Act of 1978 (the “IBA”) and that has \$50 billion or more in total, global consolidated assets must submit annually to the Board of Governors of the Federal Reserve System (“FRB”) and the Federal Deposit Insurance Corporation (the “FDIC”) a plan for the rapid and orderly resolution of the Bank’s U.S. operations in the event of material financial distress or failure. The resolution plan must provide a strategic analysis of how the Bank’s U.S. operations can be resolved under the U.S. Bankruptcy Code² or other applicable insolvency regime within a reasonable period of time and in a manner that would mitigate the risk of serious adverse effects to U.S. financial stability.

The Bank is a foreign-based “covered company” subject to the Regulation. In lieu of a standard resolution plan, the Bank is submitting a “tailored” resolution plan which is available for foreign-based covered companies that have less than \$100 billion in total U.S. nonbank assets and whose U.S. depository institution operations, branches, and agencies comprise 85% or more of the company’s U.S. total consolidated assets. The “tailored” plan allows the Bank to limit certain information to the Bank’s U.S. nonbanking material entities and operations.

The Bank provided written notice to the FRB and FDIC of its intent and eligibility to submit a tailored resolution plan on March 16, 2016. On June 10, 2016, in a letter (the “Letter”) received from the FRB and FDIC addressed to the Bank, the bank was informed that if it meets the conditions for Reduced Plans as outlined in the letter, it would no longer need to file a tailored resolution plan notice. The Letter also confirmed the eligibility of the Bank to file a “reduced content” tailored resolution plan (sometimes also referred to as a “Reduced Plan”) subject to the Conditions for Reduced Plans referenced in the Letter for the next three resolution plans (i.e. plans for 2016, 2017 and 2018). The Bank has determined that it meets the conditions for Reduced Plans and therefore understands that its resolution plans need to contain only information concerning changes resulting from material events as specified at 12 C.F.R. 243.3 (b) (2) or any actions taken since its prior resolution plan to improve the effectiveness of its resolution plan.

¹ 12 C.F.R. 243.

² 11 U.S.C. §101 *et seq.*

The U.S. Resolution Plan includes information on the Bank's U.S. operations that are domiciled in the U.S. or conducted in whole or in material part in the United States and on the interconnections and interdependencies among the Bank's U.S. and non-U.S. operations. This Public Section of the U.S. Resolution Plan provides an executive summary of the Bank's overall resolution strategy.

Overview of the Bank

The Bank is a government-owned commercial bank in India that offers a broad range of banking products and services to corporate and retail customers. The head office of the Bank is located in Mumbai, India. The Government of India is the Bank's largest shareholder with 73.72% ownership of the issued shares. The Bank was originally established as a private commercial bank in Mumbai in September 1906 and remained under private ownership and control until July 1969 when it was nationalized and became government-owned. Although the Bank began as a local Mumbai operation, it rapidly expanded to establish a presence both in India and abroad. Currently, the Bank is the third largest bank in India in terms of total assets among nationalized banks according to the Reserve Bank of India ("RBI") Annual Report.

The Bank has an extensive network of over 5028 branches across India, including specialized branches. These branches are controlled by 54 zonal offices. Presently, the Bank has an overseas presence in 22 foreign countries spanning 5 continents, with 61 outlets, including 4 representative offices, 5 subsidiaries, and 1 joint venture. The representative offices are located in Beijing, Dubai, Jakarta and Myanmar, the 5 subsidiaries are located in Indonesia, New Zealand, Tanzania, Uganda and Botswana, and the joint venture is located in Zambia.

The Bank's core business lines are divided into five separate, strategic business units (SBUs) each headed by a General Manager. The SBUs cover the following sectors: (i) Large corporates; (ii) Mid-sized corporate; (iii) SMEs; (iv) Retail and (v) Agriculture.

Large and mid-sized corporates. Presently, over 70 percent of the largest 500 corporations in India have banking relationships with the Bank. These corporate customers have particular financial needs and usually require a wide range of both plain vanilla and structured products in their investment portfolios. The Bank has therefore devised and implemented a large corporate relationship management model that provides niche products to large corporations on the most competitive pricing terms. The utilization of this model, along with the Bank's other business initiatives, are aimed at enhancing its market share in this business segment and increasing its fee-based income.

SMEs. SMEs are one of the Bank's core target customer segments. The SME Business Group focuses on servicing the specific credit needs of SMEs, defined by the Bank as entities with an annual turnover of up to Rs.1.00 billion. In recent years, the Bank has concentrated on building its SME customer base due to the favorable margins being generated in this sector relative to the large and mid-sized corporate segments. The Bank is focused on growing its loan book to SMEs, as well as expanding the services it provides to SMEs through the cross-selling of products and services such as trade finance, foreign exchange, credit cards and deposit products. The services provided to SMEs are similar to those provided to corporate customers, including

term lending, trade finance, working capital, letters of credit, cash management and treasury services.

Retail. The Bank focuses on securing low cost deposits and providing housing and other retail loans to its retail customers, and has formulated several tailored products including card products. The Bank utilizes its extensive branch network to continually expand its retail business.

Agriculture business. By leveraging the Bank's extensive branch network which includes 1,994 branches in rural areas and 1,369 branches in semi-urban areas as of September 30, 2016, the Bank markets various agricultural business products to these areas. Such products include credit cards to farmers for cultivation needs and non-farming activities, rural home loans and business loans. The agriculture business provides attractive opportunities, especially as the agricultural sector becomes more sophisticated due to improvements in technology. The Bank participates in projects that create awareness and bring urban amenities to rural areas, including technology.

In the last several years, the Bank has embarked upon the implementation of a bold vision referred to as “Sankalp-10,000.” To achieve the objectives of Sankalp-10,000 and to evolve as an organization that is more customer-focused, the organizational structure of the Bank was redesigned into two distinctly separate groups:

- **National Banking** - National Banking is comprised of SME, retail and rural businesses. The division between National Banking and Wholesale and International Banking has been designed to reduce turnaround time and to maximize the relationship for resource mobilization and augmenting fee based income. Retail banking is defined as accounts with maximum exposure of Rs.50 million and total annual turnover under Rs.500 million.
- **Wholesale and International Banking** - Wholesale and International Banking is comprised of large corporate, mid corporate, syndication groups, transaction banking, international and treasury. Wholesale banking is defined as accounts that are not retail banking accounts. Senior officials have been appointed as “relationship managers” in all large and mid-corporate branches to be a single point of contact for every account in order to meet all the banking requirements of the clientele.

II. Summary of the Resolution Plan

A. Overview of the Resolution Plan

The Bank conducts limited operations in the United States. The Bank’s U.S. Resolution Plan is intended to provide the FRB and FDIC with a plan for the rapid and orderly resolution of Bank of India’s U.S. operations in the event of the material financial distress or failure of the Bank’s operations in the United States. The U.S. Resolution Plan includes the information required for a tailored plan, including a description of the Bank’s banking operations and its critical operations and core business lines, if any, that are conducted in whole or in part in the United States.

The U.S. Resolution Plan is also intended to serve as the U.S. portion of any resolution plan or recovery plan that the Bank might be required to submit to the Reserve Bank of India. To date, the Reserve Bank of India has not required any of the major state-owned banks in India to prepare Indian resolution plans, although it may impose such a requirement in the future. The U.S. Resolution Plan has also been prepared in view of possible requirements for resolution and/or recovery planning in other jurisdictions in which the Bank has offices. In particular, however, the U.S. Resolution Plan is focused on planning for the resolution of the Bank's U.S. operations.

B. Names of Material Entities

Under the Regulation, a "material entity" is a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line. "Critical operations" are those operations, including associated services, functions and support the failure or discontinuance of which, in the view of the covered company or as jointly directed by the FRB and the FDIC, would pose a threat to the financial stability of the United States. "Core business lines" are those business lines, including associated operations, services, functions and support that, in the covered company's view, upon failure would result in a material loss of revenue, profit, or franchise value. The core business lines of the Bank are described below.

The Bank has determined that it does not have any critical U.S. operations that, upon their failure or discontinuance, would pose a threat to the stability of the U.S. financial system. In addition, the FRB and FDIC have not designated any operations of the Bank's New York Branch or the San Francisco Agency as a critical operation for purposes of the U.S. Resolution Plan. The Bank does not operate or own or control any nonbank entities in the United States.

The Bank has also carefully considered whether its New York Branch or San Francisco Agency, more fully described below, should be viewed as a "material entity" that is significant to the activities of a critical operation or core business line of the Bank. As explained below, the Bank has determined that the New York Branch and the San Francisco Agency are not material entities. The Bank has identified accepting deposits, making retail and commercial loans, and supporting rural, economic, industrial and infrastructural development in India as its core business lines. Based on the criteria of the Regulation and as described more fully below, none of the activities of the New York Branch or the San Francisco Agency is a core business line and the activities of the New York Branch and the San Francisco Agency are also not material to any of the core business lines of the Bank.

The New York Branch commenced operations in 1978 and is licensed by the New York State Department of Financial Services (the "NYDFS"). Its deposits are insured by the FDIC and it primarily engages in the following activities:

- a. Accepting deposits, including issuance of interest-bearing certificates of deposit to individual and corporate customers; offering checking accounts to corporate customers with funded and non-funded credit limits or bills collections business with the New York Branch, and accepting brokered deposits;
- b. Borrowing funds from other banks in support of its lending and other activities;

- c. Offering remittance services to accountholders that wish to send funds to their family or accounts in India; and
- d. Providing loans or financing to corporate customers based primarily in the U.S.A. for general business or trade finance activities including corporations with existing or potential India-related business, and Indian corporates with U.S.-related business.

The New York Branch does not offer savings or any other types of deposit accounts, or retail loans.

The San Francisco Agency commenced operations in 1977 and is licensed by the California Department of Business Oversight (“CDBO”). The San Francisco Agency primarily engages in export and import trade services (e.g., inward and outward bill collection and trade finance services), commercial lending to various businesses, Rupee/U.S. Dollar remittances to India and deposit-taking from non-resident, non-U.S. citizens. No local deposits are accepted and no retail loans are extended by the agency.

The New York Branch has an active dealing room which manages the liquidity and treasury operations on daily basis as per Branch and Bank policies under the guidance of Branch management and supervision of the Asset Liability Committee (comprised of the Chief Executive, all Vice Presidents, dealers and those in charge of the back office). All maturing liabilities are tracked on daily basis and the fund requirements are met through available cash/bank balances, maturing assets, deposits including brokered deposits, and borrowings from the Bank’s branches and Treasury and the inter-bank money market. The liquidity requirements of the San Francisco Agency are mostly arranged through the New York Branch and also through inter-bank borrowings.

C. Description of Core Business Lines

Core business lines means those business lines of the Bank, including associated operations, services, functions and support, that, in the view of the Bank, upon failure would result in a material loss of revenue, profit or franchise value. After careful consideration, the Bank, the New York Branch and the San Francisco Agency have concluded that none of the services and activities of the New York Branch or the San Francisco Agency constitutes a core business line or is material to a core business line of the Bank. There is no activity of the New York Branch or the San Francisco Agency that, upon its failure, would result in a material loss of revenue, profit or franchise value for the Bank. For this purpose, the Bank, New York Branch and the San Francisco Agency have decided to view as “material” any activity or service of the New York Branch or the San Francisco Agency that contributes five percent or more of the income attributed to a core business line of the Bank. As noted above, such core business lines include accepting retail deposits, making retail and commercial loans and supporting rural, economic, industrial and infrastructural development in India.

If all of the activities of the New York Branch and the San Francisco Agency were terminated suddenly and immediately (because of severely adverse economic conditions affecting the Bank and its U.S. operations), the effect of such a sudden loss of revenues on the

Bank would be de minimis. With the exception of U.S. dollar remittances, the Bank could readily replace services or activities now provided by or through the New York Branch and the San Francisco Agency through its other international branches and/or subsidiaries. U.S. dollar remittances and funding could be provided by other banks located in the United States. While the cost of such alternative services would be somewhat higher than is the case for services provided through the New York Branch or the San Francisco Agency, such higher costs would be inconsequential when considered in the context of the overall income and balance sheet of the Bank. Further, under a scenario where the Bank, the New York Branch and the San Francisco Agency became insolvent due to severely adverse economic conditions, the loss of Bank services to U.S. customers could readily be replaced by other banks and the effects on U.S. customers would be de minimis. For these reasons, a determination has been made that the New York Branch and the San Francisco Agency are not “material entities.” In effect, the Bank does not have any material entities located in the United States.

D. Summary of Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

1. Financial Information

The following table sets forth the consolidated balance sheet of the Bank as of the end of the Bank’s most recent fiscal year (in Indian rupees).

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

	(000’s Omitted)	
	<i>As at 31-03-2016</i>	<i>As at 31-03-2015</i>
	<i>Rs.</i>	<i>Rs.</i>
CAPITAL & LIABILITIES		
Capital	8,172,916	6,656,476
Reserves & Surplus	312,247,233	318,571,975
Share Application Money	13,036,480	0
Minorities Interest	979,962	1,679,342
Deposits	5,157,224,800	5,344,822,977
Borrowings	511,032,719	400,986,867
Other Liabilities and Provisions	163,598,237	180,129,778
TOTAL	6,166,292,347	6,252,847,415
ASSETS		
Cash and balances with Reserve Bank of India	342,137,217	274,983,812
Balances with Banks and money at call and short notice	652,909,965	494,405,354
Investments	1,226,209,086	1,231,955,291
Advances	3,613,018,908	4,043,893,521
Fixed Assets	85,728,505	59,144,856
Other Assets	246,288,666	148,464,581
TOTAL	6,166,292,347	6,252,847,415
Contingent Liabilities	3,541,198,515	1,748,919,890
Bills for Collection	269,021,044	264,201,779

The Bank's capital adequacy ratios as on March 31, 2016 were a Tier 1 capital ratio of 7.57% and a total capital adequacy ratio of 12.05% as per the Basel II framework. The Bank's capital adequacy ratio as per Basel III was 12.01% (as against 9.625% prescribed by RBI) as on March 31, 2016. The Bank's total capital adequacy ratios as on September 30, 2016 were 12.34% under Basel II (with Tier I capital ratio of 7.33%) and 12.50% under Basel III (with Tier I capital ratio of 9.37%). The Reserve Bank of India ("RBI") requires banks to maintain a minimum total capital adequacy ratio of 9% under Basel II and 11.5% (including the capital conservation buffer of 2.5% of risk-weighted assets) under Basel III by 2018.

From March 31, 2016, maintenance of CCB (Capital Conservation Buffer of 0.625% has been made effective by RBI as a part of implementation of Basel III accord. From March 31, 2017, CCB requirement will be 1.25%. Our Bank's CET 1 plus CCB was at 7.97% (against minimum requirement of 6.125%).

Please refer to the Bank's annual report for the year ending March 31, 2016 for financial information regarding the consolidated organization.³

a. New York Branch

As set out in the New York Branch's Sept. 30, 2016 Call Report filed on Form FFIEC 002 (*Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks*), the New York Branch's total assets as of Sept. 30, 2016 were US\$7,229,045,000, the majority of which was comprised of (i) loans (US\$5,566,491,000) and (ii) cash and balance due from depository institutions (US\$ 1,597,646,000). The New York Branch's total liabilities as of Sept. 30, 2016 were US\$7,229,045,000, the majority of which was comprised of deposits (US\$4,845,050,000) and net due amounts to Head Office and other related depository institutions (US\$2,244,513,000).

The New York Branch does not hold standalone capital and is not subject to minimum regulatory capital requirements. However, the NYDFS requires the Bank to maintain an asset pledge deposit⁴, typically equal to a percentage of the third party liabilities of the New York Branch (at present 3% of average of the New York Branch's third party liabilities for the last 30 days of the most recent calendar quarter), with another depository institution in New York to ensure that the New York Branch maintains a minimum amount of unencumbered assets in the United States that is available in the event of liquidation.

Because its deposits are insured by the FDIC, the New York Branch is also subject to FDIC regulation set forth at 12 C.F.R. 347.210, which requires the New York Branch to maintain on a daily basis eligible assets in an amount not less than 106 percent (at present, 108 percent) of the last 30 days of the preceding quarter's average book value of the branch's liabilities, exclusive of liabilities due to the Bank's head office, other branches, offices, or wholly owned subsidiaries. To remain "Well Capitalized" for purposes of FDIC regulations, the New York Branch maintains the eligible assets prescribed under 12 C.F.R. 346.20 at 108 percent or

³ The Bank's Annual Report for the fiscal year ended March 31, 2016 is available at: <http://www.bankofindia.co.in/>

⁴ N.Y. Banking Law §202-b.

more of the last 30 days of the preceding quarter's average book value of the New York Branch's liabilities, exclusive of liabilities due to the Bank's head office, other branches, offices, or wholly owned subsidiaries.

The Federal Reserve Act and the International Banking Act of 1978 impose reserve requirements on all depository institutions and Edge and agreement corporations that have transaction accounts, nonpersonal time deposits, or Eurocurrency liabilities. U.S. branches and agencies of foreign banks that have such deposits or liabilities are also subject to reserve requirements if they are part of or affiliated with a foreign bank with total, worldwide consolidated assets in excess of \$1 billion. The New York Branch maintains balances in an account with Federal Reserve Bank of New York that is monitored on a daily basis in accordance with Regulation D.

b. San Francisco Agency

As set out in the San Francisco Agency's Sept. 30, 2016 Call Report filed on Form FFIEC 002 (*Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks*), the San Francisco Agency's total assets as of Sept. 30, 2016 were US\$156,676,000, the majority of which was comprised of loans in the amount of US\$ 151,614,000. The San Francisco Agency's total liabilities as of Sept. 30, 2016 were US\$156,676,000, the majority of which comprised of deposits (USD 3,907,000) and net due amounts to Head Office and other related depository institutions (US\$ 152,685,000).

The San Francisco Agency does not hold standalone capital and maintains a minimum assets pledge of \$1 million in accordance with the requirements of the CDBO.

2. Major Funding Sources

The Bank is a premier government-owned bank from India. With over 5000 branches in India apart from its presence in foreign countries, the Bank has access to numerous internal and external sources of liquidity. Internal sources of liquidity include high-quality assets that are readily convertible to cash at a reasonable cost. External sources of liquidity includes deposits from millions of customers maintaining accounts with the Bank, borrowings from other financial institutions and discount facilities available from the Reserve Bank of India. The Bank maintains a strong Treasury to oversee its liquidity management.

The New York Branch and the San Francisco Agency generally have access to internal and external sources of liquidity. Internal sources of liquidity include short-term, high-quality assets that are readily convertible to cash at a reasonable cost. External sources of liquidity include borrowings from the Bank's branches and related offices, other financial institutions and overnight or short-term deposits. In addition to maturing assets, the New York Branch obtains funding through interest-free funds from Head Office Treasury, certificates of deposit and brokered deposits, interbank and branch deposits and borrowings, and long term funds through Head Office by way of medium term notes. The San Francisco Agency obtains funding from the New York Branch, as well as interbank borrowings and retained earnings. If these sources are unavailable, the Bank's Head Office Treasury can provide the necessary funding.

Liquidity risk management is a top priority of the Bank, the New York Branch and the San Francisco Agency. The New York Branch and the San Francisco Agency carefully monitor and manage liquidity risk to ensure that changes in funding requirements can be met without a material adverse impact on the financial condition and operations of the New York Branch and the San Francisco Agency.

The New York Branch Asset/Liability Management (ALM) Policy provides the framework for effectively managing liquidity risk and ensuring that funding requirements are met without adverse impact on operations and financial condition. Liquidity risk is the potential inability to meet the bank's liabilities as they become due. It arises when the banks are unable to generate cash to cope with a decline in deposits or increase in assets and originates from the mismatches in the maturity pattern of assets and liabilities. It is the policy of the New York Branch and the San Francisco Agency to have adequate liquidity at all times to cover normal cyclical swings in deposit and loan demand and to allow the New York Branch and the San Francisco Agency to meet abnormal and unexpected funding requirements. Whenever possible, liquidity needs will be met through normal branch and agency operations, avoiding unplanned sales of assets or emergency borrowing of funds. In addition, the ALM Policy contains a specific contingency funding plan that lays down guidelines for meeting contingency funding requirements when liquidity problems arise. The Bank, the New York Branch and the San Francisco Agency regularly consider alternative sources of funding that could be used if normal sources are no longer available. For example, the U.S. operations may draw on its available unconfirmed and unutilized lines of credit from other banks, or borrow from Head Office or other overseas offices of the Bank. In addition to maintaining business relationships with a diverse group of well-capitalized bank and financial institution funding sources, additional credit financing could be requested from other banks or from the Reserve Bank of India, if necessary.

The Asset Liability Committee at the New York Branch is responsible for oversight of liquidity risk management at the New York Branch and regularly reports to the Head Office risk management committee. The committee meets on a weekly basis to deliberate on liquidity, cash flow mismatches, market conditions and funding requirements.

E. Description of Derivative and Hedging Activities

The Bank's Treasury engages in hedging activities for the Bank's portfolio. Interest rate swaps are undertaken to hedge risks on the Bank's investment portfolio, term deposit portfolio and Tier II bonds. The Bank's Treasury also engages in derivative transactions on behalf of the Bank's customers at domestic branches and books various types of derivative contracts as per the RBI's guidelines. The New York Branch engages in a limited amount of derivative and hedging activities, primarily in the form of interest rate swaps to cover branch funding requirements and to meet the needs of branch customers. The San Francisco Agency does not engage in derivative and hedging activities.

At present, the Bank is not required to register as a "Swap Dealer" or "Major Swap Participant" under the Dodd Frank Act because it does not meet the registration thresholds.

F. Memberships in Material Payment, Clearing, and Settlement systems

The New York Branch is a member of certain payment, clearing and settlement systems that enable it to access systems necessary to service its customers and clients. The following is the list of memberships in material payment, clearing and settlement systems:

Entity Holding Membership	System
Bank of India, New York Branch	FedACH Services (FedACH)
	Fedwire Funds Service (Fedwire)
	Society for Worldwide Interbank Financial Telecommunication (SWIFT)

G. Description of Non-U.S. Operations

The Bank is a global banking organization that provides services to individual and corporate clients through its domestic and overseas operations. Please see the section captioned “Overview of the Bank” above. Further information on the Bank’s business is set forth in the Bank’s Annual Report for the fiscal year ended March 31, 2016.

As demonstrated by the table below, most of the Bank’s revenues come from its operations in India.

Revenues by Geographic Area (for the year ended March 31, 2016)

India	USD 6092 Million
Outside India (including United States)	USD 814 Million
United States	USD 103 Million

H. Material Supervisory Authorities

The Bank, including its subsidiaries and overseas offices, is subject to supervision and regulation under various laws and regulations in the countries in which it operates.

In India, the Bank’s primary regulator is the Reserve Bank of India (“RBI”). The RBI is the central banking and monetary authority in India. RBI manages the country’s money supply and foreign exchange and also serves as a central bank for the Government of India and for the country’s commercial banks. The RBI performs traditional central banking responsibilities such as supervising the issuance of currency notes, and performing clearing and banking services for

India's commercial banks and the Government of India. It also supervises exchange rates and manages credit controls, as necessary.

In addition to these traditional central banking roles, the RBI undertakes certain supervisory activities to regulate the banking sector, as authorized under the RBI Act of 1934 and the Banking Regulation Act of 1949. The RBI issues guidelines, notices and circulars on various matters, including exposure standards, income recognition, asset classification, provisioning for non-performing assets, investment valuation and capital adequacy standards for commercial banks. As supervisor, the RBI has the authority to issue charters and licenses to new banking entities, to determine minimum reserves, to conduct periodic inspections and audits of banks in India and abroad, and to supervise all aspects of the banking business in India. The RBI exercises its authority for supervision of the financial sector primarily through examination and inspection. The onsite examination process focuses on safety and soundness, financial condition, and managerial and operational efficiency. Typical areas covered by RBI inspections and examinations are capital adequacy, asset quality, risk management and internal controls, credit management, liquidity, profitability, overseas branch operations, compliance with prudential regulations, prudent expansion of banking services, proper valuation of the bank's investment portfolio, AML compliance and the bank's role in social lending programs. The RBI conducts offsite monitoring by requiring commercial banks such as the Bank to furnish information relating to their business activities on a regular basis. All banks must have an independent Compliance Department to be responsible for compliance of statutory and regulatory guidelines.

Upon the insolvency of the Bank, the RBI would be responsible for its resolution. As a practical matter, because the government of India is the Bank's major shareholder, it is anticipated that support from the government of India would result in the Bank's continuing operation pursuant to a recovery plan.

In the United States, the Bank is deemed to be a bank holding company under section 8(a) of the International Banking Act of 1978 (the "IBA") as a result of maintaining the New York Branch and the San Francisco Agency. The Bank is subject to supervision by the FRB under various federal laws including, among others, the Bank Holding Company Act of 1956, as amended (the "BHC Act"), the IBA, the Foreign Bank Supervision Enhancement Act of 1991, the Dodd-Frank Act, the Bank Secrecy Act and the USA PATRIOT Act of 2001. The BHC Act generally limits the activities of bank holding companies to banking or managing or controlling banks, and activities that are closely related to banking.⁵

As noted above, the New York Branch is an FDIC-insured branch licensed by the NYDFS. It is subject to ongoing supervision, examination and regulation by the NYDFS and the FDIC. The regulation of the New York Branch includes restrictions on the activities that may be conducted by the New York Branch as well as prudential limits such as lending limits and limits on transactions with affiliates. In the event of its insolvency, the New York Branch would be resolved in accordance with applicable provisions of the New York Banking Law and the Federal Deposit Insurance Act. The San Francisco Agency is an uninsured agency licensed by the CDBO. It is subject to ongoing supervision, examination and regulation by the CDBO and

⁵ 12 U.S.C. §1843(a)(2).

the FRB. The regulation of the San Francisco Agency includes restrictions on the activities that may be conducted by the San Francisco Agency as well as prudential limits. In the event of its insolvency, the San Francisco Agency would be resolved in accordance with applicable provisions of California bank insolvency law.

I. Principal Officers

The table below lists the key officers and directors of the Bank: (as on 30.09.2016)

Name	Title
Mr. G. Padmanabhan	Non-Executive Chairman
Mr. Melwyn O. Rego	Managing Director & Chief Executive Officer
Mr. R.A. Sankara Narayanan	Executive Director
Mr. G. C. Murmu	Govt. Nominee Director
Mrs. R. Sebastian	RBI Nominee Director
Mr. Harvinder Singh	Officer Employee Director
Dr. R.L. Bishnoi	Part-time Non-Official Director
Mrs. Veni Thapar	Part-time Non-Official Director
Mr. Neeraj Bhatia	Shareholder Director
Mr. Sanjiv Kumar Arora	Shareholder Director
Mr. Prakash K Vartak	General Manager (International Operations)
Mr. Jain Bhushan	General Manager/ Chief Financial Officer
Mr. B.V. Upadhye	General Manager/Chief Risk Officer
Mr. Nikhlesh Bhargava	General Manager/Chief Compliance Officer

The table below lists the present principal officers for the New York Branch.

Name	Title
Mr. Sunil Sharma	Chief Executive & Vice President (Credit)
Mr. Chiranjiva Singh	Vice President (Operations)
Ms. Jyothi Venkatachalam	Vice President (Risk Management & Compt.)
Mr. Edwin Rivas	Chief Compliance Officer

The table below lists the present principal officers for the San Francisco Agency.

Name	Title
Mr. Manas Jha	Vice President and Manager
Mr. Ashok Sakpal	Assistant Vice President

J. Resolution Planning Corporate Governance Structure and Processes

The Bank has integrated resolution planning into its corporate governance structure and processes to ensure that the U.S. Resolution Plan receives appropriate oversight from designated senior management officials, committees and the Board of Directors.

The Board of Directors is ultimately responsible for approving the U.S. Resolution Plan and the Bank's Resolution Committee, comprised of the General Manager and/or Deputy General Manager of the Compliance Department and senior officers from the International Department, Risk Management Department, Legal Department and Compliance Department at Head Office, has been designated to oversee the Bank's resolution planning process.

Ms. Jyothi Venkatachalam, Vice President (Risk Management & Comptroller) of the New York Branch, is responsible for preparing the U.S. Resolution Plan. The Risk Management Committee at the New York Branch is primarily responsible for overseeing the development, implementation and filing of the U.S. Resolution Plan and for ensuring that the plan complies with requirements of the Federal Reserve Board's Resolution Plan Regulation. Such personnel have consulted with the officers in charge of the various business lines of the New York Branch and the San Francisco Agency, and the Bank's Head Office as appropriate.

In preparing the U.S. Resolution Plan, Ms. Jyothi V, Vice President (RM & Compt.) of the New York Branch and the Risk Management Committee of the New York Branch were assigned primary responsibility for reviewing the Federal Reserve Board's Resolution Plan Regulation, understanding the requirements set forth therein for a tailored resolution plan,

preparing the notice of intent to file a tailored plan and identifying the business information needed to prepare the plan.

Once the basic plan was prepared by Ms. Jyothi Venkatachalam, Vice President (Risk Management & Comptroller), it was reviewed and approved by the Risk Management Committee at the New York Branch headed by the Chief Executive and forwarded to the Resolution Plan Committee at the Bank's Head Office in India. The Risk Management Committee at the New York Branch reviewed the plan to determine whether it is consistent with the Bank's corporate governance and risk management guidelines and, after careful consideration, decided to recommend that the Resolution Plan Committee and the Bank's Board of Directors approve the U.S. Resolution Plan.

The Board approved the U.S. Resolution Plan on 13th December, 2016. A resolution approving the Plan was adopted and a certified copy of such resolution was provided for attachment as an exhibit to the Confidential Section of the U.S. Resolution Plan submitted to the FRB and FDIC.

K. Material Management Information Systems

The Bank utilizes management information systems ("MIS") and applications to ensure timely access to accurate and comprehensive data, including those for risk management, accounting, and financial and regulatory reporting in connection with the conduct of its business. In preparing the U.S. Resolution Plan, the Bank has identified the key MIS and applications that are relied on by its New York Branch and San Francisco Agency. The New York Branch and the San Francisco Agency use the Finacle Core Banking Solution as their primary banking application system.

The MIS are primarily used to collect, retain and report information internally, as well as to perform functions necessary to support the business lines. Multiple reports are generated on a periodic basis for use by senior management to assess the financial health, risks and operations of such businesses. Procedures are also in place to allow appropriate regulators access to the systems and applications.

The principal interconnections and interdependencies between the Head Office MIS and the New York Branch and San Francisco Agency applications are described in the Confidential Section on Interconnections and Interdependencies.

Each of the New York Branch and the San Francisco Agency maintain business continuity plans ("BCPs") for their operations, systems and applications to provide continuity of critical processes and services in the event of an emergency or disruption with minimum impact. The BCPs covers all critical business services and processes, key support services and internal management functions. Disruption scenarios include natural disasters, external threats, technical failures and other events that could interrupt business operations. The BCP procedures provide for program management, threat and risk assessment, business impact analysis, backup disaster recovery sites and alternate processing facilities, protection of IT assets, arrangements for personnel, training, disaster notification and response, communication, post-disaster recovery operations, and plans for specific failures. Periodic testing of the BCPs is conducted to ensure

that the plans applicable to business units are viable, effective and meet recovery objectives. Periodic audits are conducted to ensure compliance with established program policy and processes.

The Bank's BCP ensures that the Bank can continue to offer its products and services to customers on a global basis despite potential disruptions to its business. The focus of the Bank's BCP is to mitigate the impact of business interruptions and to facilitate a rapid operational recovery and return to full, normal operations. The Bank maintains a Global Processing Center that is responsible for designing, developing, processing and monitoring the Bank's MIS on a daily basis, including the MIS of its U.S. operations. The Bank's MIS are designed by internal Bank staff and to the extent outside vendors are used to design MIS, the Bank's internal staff supervises their work and carefully evaluates the results. The Bank, the New York Branch and the San Francisco Agency carefully co-ordinate their MIS so that, in the event of any kind of disaster, if the main IT system for the functioning of New York Branch or the San Francisco operations cannot be accessed, there is an alternate disaster recovery site set up such that all key applications are accessible on a real time basis. Disaster recovery site testing is conducted periodically.

L. High-Level Description of Resolution Strategy

As more fully discussed in the Confidential Section, the U.S. Resolution Plan takes into consideration possible strategies for the orderly resolution of the Bank's U.S. operations under applicable resolution regimes in the event of material financial distress or failure. The strategies are designed to be executed within a reasonable period of time and in a manner that avoids or substantially mitigates systemic impact on U.S. financial stability. As noted in the June 10, 2016 letter addressed to the Bank, the FRB and the FDIC have determined that the resolution plan submitted by the Bank in 2016 should assume that the material financial distress or failure of the bank occurs under severely adverse economic conditions provided to the Bank by the FRB pursuant to 12 U.S.C. 5365(i)(1)(B). Accordingly, Bank has made this assumption in developing its 2016 resolution plan.

The U.S. Resolution Plan has been developed under the assumption that U.S. operations of the New York Branch and the San Francisco Agency would experience a 30-day period of financial distress prior to resolution and focuses on an orderly wind-up that minimizes market disruptions. This strategy also addresses how the U.S. operations of the Bank may undergo an orderly resolution without recourse to any assistance from U.S. taxpayers. The U.S. Resolution Plan assumes that the New York Branch would be seized by the Superintendent of Financial Services at the NYDFS (the "Superintendent") who would then directly commence or appoint the FDIC as receiver to commence the resolution process. The U.S. Resolution Plan assumes that the San Francisco Agency would be seized by the Commissioner of the CDBO (the "Commissioner") who would then directly commence the resolution process.

Because the Bank maintains a New York state-licensed branch, the U.S. Resolution Plan contemplates that the New York Branch would be subject to New York bank insolvency law rather than the U.S. Bankruptcy Code, in the event of the insolvency. The law generally includes a ring-fencing insolvency regime that effectively draws a fence around the New York Branch and treats it as a separate entity from the Bank. Assets of the New York Branch that constitute

part of the business of the branch and assets of the Bank located within the State of New York may be seized and liquidated by the receiver to pay off the claims of creditors of the New York Branch. The Bank contemplates the orderly winding down of branch operations in the event of insolvency. Options would be evaluated with a view to maintaining core business operations of the Bank and important New York Branch activities during the resolution process while various strategies are being assessed and implemented.

The U.S. Resolution Plan further contemplates that the San Francisco Agency would be subject to California bank insolvency law as prescribed by the CDBO. The law generally includes a ring-fencing insolvency regime that effectively draws a fence around the San Francisco Agency and treats it as a separate entity from the Bank. Assets of the San Francisco Agency that constitute part of the business of the agency and assets of the Bank located within the State of California may be seized and liquidated by the receiver to pay off the claims of creditors of the San Francisco Agency. The Bank contemplates the orderly winding down of agency operations in the event of insolvency.

In the event that the Bank is in distress because of severely adverse economic conditions affecting the Bank generally, including but not limited to its U.S. operations, the U.S. Resolution Plan would be coordinated with the Bank's resolution plan in India under the laws of India. In India, because of the government ownership interest in the Bank, it is likely that the RBI would supervise the operations of the Bank in accordance with Indian laws and the Government of India would inject capital and provide liquidity support to prevent the Bank from becoming insolvent.

Based on the Bank's capital adequacy ratio at the time, the RBI might order the Bank to withdraw from its overseas activities. This should limit the damage that the Bank's U.S. activities might cause to U.S. counterparties, creditors and markets generally and also reinforce the need for the U.S. operations to be resolved as quickly as possible in accordance with applicable U.S. laws.

In the United States, the Bank would expect each of the NYDFS and the CDBO to follow its relevant procedures with respect to the liquidation of a New York state-licensed, insured branch and a California state-licensed, uninsured agency, respectively. Such provisions would permit each of the New York Superintendent and the California Commissioner to take possession of the business and property of the Bank within their respective states, if it appears that the Bank is in an unsafe or unsound condition to transact business. The Bank would seek permission to voluntarily liquidate the assets and wind down the operations of the New York Branch and the San Francisco Agency, but it is possible the New York Branch and San Francisco Agency may be required to follow the rules for involuntary termination.