FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

In the Matter of	)	CONSENT ORDER
BANK OF INDIA, NEW YORK BRANCH NEW YORK, NEW YORK	)	FDIC-15-0249b
(INSURED BRANCH OF A FOREIGN BANK)	)	

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for the New York, New York branch of Bank of India ("Branch"), a state licensed, insured branch of Bank of India, Mumbai, India, under section 3(q) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1813(q).

The Branch, by and through its Chief Executive – U.S. Operations ("Chief Executive"), duly authorized by Bank of India, has executed a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER ("CONSENT AGREEMENT"), dated November 30, 2015, that is accepted by the FDIC. With the CONSENT AGREEMENT, the Branch has consented, without admitting or denying any charges of unsafe or unsound banking practices or violations of law or regulation relating to weaknesses in the Branch's Bank Secrecy Act ("BSA") Compliance Program, to the issuance of this Consent Order ("ORDER") by the FDIC.

Having determined that the requirements for issuance of an order under section 8(b) of the Act, 12 U.S.C. § 1818(b), have been satisfied, the FDIC hereby orders that:

MANAGEMENT

1. The Branch shall have and retain management qualified to oversee all aspects of the Branch's BSA Compliance Program, including a BSA Officer, as described in paragraph 4 of

this ORDER. Management shall ensure compliance with all applicable laws and regulations that govern BSA compliance. Each member of management shall have the qualifications and experience commensurate with his or her duties and responsibilities related to applicable BSA laws and regulations.

BSA RISK ASSESSMENT

2. Within 90 days from the effective date of this ORDER, the Chief Executive shall ensure that the Branch reviews and enhances the risk assessment of the Branch's operations ("Risk Assessment"). Thereafter, the Branch shall conduct periodic Risk Assessments consistent with the guidance for risk assessments set forth in the *Federal Financial Institutions Examination Council Bank Secrecy Act/Anti-Money Laundering Examination Manual* (the "BSA Manual"), and shall establish appropriate written policies, procedures, and processes regarding Risk Assessments. The Risk Assessment shall address all pertinent risk factors that affect the overall BSA/Anti-Money Laundering ("AML") risk profile of the Branch and ensure that risk ratings are accurate and well supported through qualitative and quantitative data.

BSA INTERNAL CONTROLS

3. (a) Within 120 days from the effective date of this ORDER, the Chief Executive shall ensure that the Branch develops and adopts a revised system of internal controls designed to ensure full compliance with the BSA ("BSA Internal Controls") taking into consideration the Branch's size and risk profile, as determined by the Branch's Risk Assessment.

(b) At a minimum, the BSA Internal Controls shall include policies, procedures and processes addressing the following areas:

(i) Suspicious Activity Monitoring and Reporting: The Branch's policies, procedures, processes, and systems for monitoring, detecting, and reporting suspicious activity shall be revised and enhanced to ensure:

a. the timely and accurate filing of Suspicious Activity Reports ("SARs"), with an appropriate level of documentation and support for management's decisions to file or not to file a SAR, as required by law or regulation;

b. that all relevant areas of the Branch are monitored for suspicious activity, including but not limited to, foreign correspondent accounts, consistent with the foreign correspondent banking recordkeeping, reporting and due diligence guidance set forth in the BSA Manual, including obtaining and maintaining appropriate information about the respondent, its business operations, markets served, customer base, anticipated volume and/or expected kinds and levels of transaction activities and its AML procedures, particularly with regard to its customer relationships and wire transfer activities associated with those relationships that may present a heightened risk of money laundering or other concerns;

c. that reviews of all alerts shall be documented in writing and further due diligence shall be requested from other branches and/or correspondent banks, as necessary;

(ii) Due Diligence: The Branch's customer due diligence ("CDD") policies, procedures and processes for new and existing customers shall be revised and enhanced to:

a. be consistent with the guidance for CDD set forth in the BSA Manual;

b. operate in conjunction with its Customer Identification Program ("CIP"); and

c. enable the Bank to reasonably predict the types of transactions in which a customer is likely to engage and maintain relevant supporting documentation.

(iii) At a minimum, the CDD program shall provide for:

a. a risk assessment of the customer base through an appropriate risk rating system to ensure that the risk level of the Branch's customers is accurately identified based on the potential for money laundering or other illicit activity posed by the customer's activities, with consideration given to the purpose of the account, the anticipated type and volume of account activity, types of products and services offered, and locations and markets served by the customer;

b. an appropriate level of ongoing monitoring commensurate with the risk level to ensure that the Branch can reasonably detect suspicious activity and accurately determine which customers require enhanced due diligence ("EDD");

c. a process to obtain and analyze a sufficient level of customer information at account opening to assist and support the risk ratings assigned;

d. a process to document and support the CDD analysis, including a method to validate risk ratings assigned at account opening, and resolve issues when insufficient or inaccurate information is obtained; and

e. processes to reasonably ensure the timely identification and accurate reporting of known or suspected criminal activity, as required by the suspicious activity reporting provisions of Part 353 of the FDIC's Rules and Regulations, 12 C.F.R. Part 353.

(iv) Enhanced Customer Due Diligence: The Branch's EDD policies, procedures and processes shall be revised and enhanced to conduct EDD necessary for those categories of products, services (including intermediary wire transfers) and customers the Bank has reason to believe pose a heightened risk of suspicious activity, including, but not limited to, customers, entities, and geographic locations, as described in the April 27, 2015 Report of Examination issued by the FDIC ("2015 ROE"). The EDD policies, procedures and processes adopted should:

a. be consistent with the guidance for EDD set forth in the BSA Manual; and

b. operate in conjunction with its CIP and CDD policies, procedures and processes.

(v) At a minimum, the EDD program shall require EDD procedures to:

a. determine the appropriate frequency for conducting ongoing reviews, based on customer risk level;

b. determine the appropriate documentation necessary to conduct and support ongoing reviews and analyses in order to reasonably understand the normal and expected transactions of the customer;

c. appropriately incorporate and summarize global customer relationships, customer profiles, nature of business activities, related alerts, information supporting the risk-rating, and any other relevant customer information.

(vi) The BSA Internal Controls shall operate in conjunction with each other, and be consistent with the guidance for account/transaction monitoring and reporting set forth in the BSA Manual.

(c) The Chief Executive shall approve the BSA Internal Controls, and, thereafter, the Branch shall implement and fully comply with the BSA Internal Controls.

BSA OFFICER

4. Within 90 days from the effective date of this ORDER, the Chief Executive shall designate a qualified individual or individuals ("BSA Officer") acceptable to the Regional Director and the Superintendent of the New York State Department of Financial Services ("Superintendent") with delegated authority and an adequate level of appropriate resources to implement and ensure BSA compliance, including training, in all material respects with all BSA laws and regulations. The BSA Officer's qualifications and experience with BSA/AML laws and regulations should be commensurate with the complexity of the Branch's activities and operations and the appointment of the BSA Officer shall conform with guidance for the BSA officer position, as set forth in the BSA Manual. The BSA Officer shall:

(a) have sufficient decision-making authority to monitor and ensure compliance with the BSA;

(b) report monthly directly to the committee established pursuant to paragraph 9 of this ORDER; and

(c) be responsible for assuring the proper completion and timely filing of SARs, Currency Transaction Reports ("CTRs"), Reports of Foreign Bank and Financial Accounts ("FBARs") and any other BSA required reports.

(d) Within 60 days from the effective date of this ORDER, and periodically thereafter, no less than annually, the Chief Executive shall ensure that the Branch performs a review of the Branch's BSA staffing needs to ensure adequate and appropriate resources are in place at all times. The review should include, at a minimum, consideration of the Branch's size and growth plans, geographical areas served, products and services offered, and changes in the BSA/AML practices, rules and regulations.

REPORTS

5. The Branch shall review and enhance its policies, procedures and processes in order to appropriately detect reportable transactions and ensure that all required reports, including its CTRs, SARs, FBARs, and any other similar or related reports required by law or regulation are completed accurately and properly filed within required timeframes.

LOOK BACK REVIEW

6. (a) Within 60 days from the effective date of this ORDER, the Chief Executive shall engage a qualified firm acceptable to the Regional Director and the Superintendent to conduct a review of all accounts and transaction activity for the time period beginning January 1, 2014 through the effective date of this ORDER to determine whether suspicious activity involving any accounts or transactions within or through the Branch was properly identified and reported in

accordance with the applicable suspicious activity reporting requirements ("Look Back Review").

(b) Within 120 days of receipt of the Regional Director's and Superintendent's non-objection, the qualified firm shall commence the Look Back Review, and shall prepare any additional SARs necessary based upon the review. Upon completion of the Look Back Review, the Branch shall submit the findings of the review and copies of any additional SARs filed to the Regional Director and the Superintendent.

VALIDATION OF SUSPICIOUS ACTIVITY MONITORING SYSTEM

7. Within 75 days from the effective date of this ORDER, the Chief Executive shall engage a qualified firm acceptable to the Regional Director and the Superintendent to perform a validation of the Branch's suspicious activity monitoring system that tests the effectiveness of established filtering criteria and thresholds and ensures that the system is appropriately detecting potentially suspicious activity. Thereafter, testing of the system's effectiveness shall be performed as part of the Branch audit reviews, with results available for review at subsequent visitations and examinations.

CORRECTIVE ACTION

8. The Chief Executive shall ensure that the Branch shall take all steps necessary, consistent with other provisions of this ORDER and sound banking practices, to eliminate and correct any unsafe or unsound banking practices and prevent any violations of law or regulation cited in the 2015 ROE.

BSA COMMITTEE

9. Within 30 days from the effective date of this ORDER, the Chief Executive shall establish a BSA Committee (“Compliance Committee”), whose composition is acceptable to the Regional Director and the Superintendent, with the responsibility of overseeing the Branch’s compliance with this ORDER, the BSA laws and regulations, and the Bank’s BSA Compliance Program. The Compliance Committee shall receive comprehensive monthly reports from the BSA Officer regarding the Branch’s compliance with BSA regulations and the Branch’s BSA Compliance Program. The Compliance Committee shall present a report to the Chief Executive, at regularly scheduled meetings, regarding the Branch’s compliance with this ORDER, the BSA laws and regulations and the Branch’s BSA Compliance Program.

PROGRESS REPORTS

10. Within 45 days from the end of each calendar quarter following the effective date of this ORDER, the Chief Executive shall furnish to the Regional Director and the Superintendent written progress reports detailing the form, manner, and results of any actions taken to secure compliance with this ORDER.

SHAREHOLDER DISCLOSURE

11. Within 30 days from the effective date of this ORDER, the Branch shall send a copy of this ORDER, or otherwise furnish a description of this ORDER, to the Bank of India. The description shall fully describe the ORDER in all material aspects.

MISCELLANEOUS

It is expressly understood that if, at any time, the Regional Director and the Superintendent shall deem it appropriate in fulfilling the responsibilities placed upon them under applicable law to undertake any further action affecting the Branch, nothing in this ORDER shall bar, estop, or otherwise prevent them or any other federal or state agency or department from taking any other action against the Branch or any of the Branch's current or former institution-affiliated parties.

This ORDER shall be effective on the date of issuance.

The provisions of this ORDER shall be binding upon the Branch, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this ORDER shall remain effective and enforceable except to the extent that and until such time as any provision has been modified, terminated, suspended, or set aside by the FDIC.

Issued Pursuant to Delegated Authority.

Dated: November 30, 2015

By:

/s/______________________________
John F. Vogel
Regional Director
New York Region
Federal Deposit Insurance Corporation