

**BASEL III DISCLOSURES as at March 31, 2017 (Indian Branches)**

**1. SCOPE OF APPLICATION**

The Basel III disclosures contained herein relate to the Indian Branches of Credit Agricole Corporate & Investment Bank ('the Bank') for the year ended March 31, 2017. These are primarily in the context of the disclosures required under Annex 18 - Pillar 3 disclosure requirements of the Reserve Bank of India ('the RBI') Master Circular - Basel III Capital Regulations dated 1<sup>st</sup> July 2015. The Bank has implemented the requirements laid down by RBI for Pillar 3 disclosure, covering both the qualitative and quantitative items. The information provided has been reviewed by senior management and is in accordance with the guidelines prescribed by the RBI. All table DF references relate to those mentioned in Annex 18 - Pillar 3 of the above mentioned circular.

Qualitative & Quantitative disclosures as per table DF 1

The Bank does not have any interest in subsidiaries/associates/Joint Ventures or Insurance entities. As such this disclosure is not applicable to the bank.

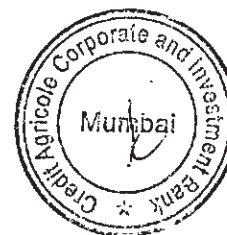
**2. CAPITAL ADEQUACY**

Qualitative Disclosures as per table DF 2

The Capital to Risk Weighted Assets Ratio (CRAR) of the bank is 16.83% as of March 31, 2017 computed under Basel III norms, higher than the minimum regulatory CRAR requirement of 10.25% including Capital Conservation Buffer (CCB) of 1.25%.

The bank's capital management approach is driven by its desire to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times. It is overseen by the Bank's Asset and Liability Committee (ALCO) and Local Credit Committee (LCC). It has a process for assessing its overall capital adequacy in relation to the risk profile. The Bank has a comprehensive Internal Capital Adequacy Assessment Process ('ICAAP'). The Bank's ICAAP document covers the capital management framework of the Bank, sets the process for assessment of the adequacy of capital to support current and future activities / risks and a report on the capital projections for a period of 3 years. The framework has been created by way of an approved ICAAP Manual which ensures existence of a good governance model to identify, assess, monitor and manage all material risks. This framework is supplemented by the existence of an approved stress testing framework which is an integral part of the ICAAP.

In the normal course of events, management reviews the adequacy of capital quarterly or with increased frequency, if circumstances demand. The capital requirement of the Bank is assessed after considering the Bank's strategy, its business model as well as opportunities for growth. The capital assessment by the Bank factors in the credit, operational and market risks associated with its current and future activities as well as the effective management of these risks to optimize the utilization of capital.



Quantitative Disclosures as per table DF 2

A summary of the bank's capital requirement for credit, market and operational risk and the capital adequacy ratio is presented below:

(Amount in ₹crore)

	Particulars	Mar 31, 2017	Mar 31, 2016
A	Capital Requirement for Credit Risk (Standardized Approach)	1,182.86	1,434.15
	• On B/s excl securitization exposures	361.77	483.69
	• Off B/s excl securitization exposures	821.10	950.46
	1. Non - Market Related	297.70	330.26
	2. Market Related	523.39	620.20
	• Securitization Exposures	-	-
B	Capital Requirement for Market Risk (Standardized Duration Approach)	95.89	96.79
	• Interest Rate Risk	77.89	78.79
	• Foreign Exchange Risk	18.00	18.00
	• Equity Risk	-	-
C	Capital Requirement for Operational Risk (Basic Indicator Approach)	47.57	45.14
D	Total Capital Requirement	1,326.32	1,576.08
E	Total Risk Weighted Assets of the Bank	13,688.88	17,069.14
	• Credit Risk	11,895.66	15,295.02
	• Market Risk	1,198.57	1,209.82
	• Operational Risk	594.65	564.30
F	Total Capital Ratio	16.83%	12.85%
	• Common Equity Tier I	13.00%	11.41%
	• Tier I	13.00%	11.41%
	• Tier II	3.83%	1.44%

### 3. RISK EXPOSURE AND ASSESSMENT

#### Risk Management

The management of risk lies at the heart of the Bank's business. The businesses undertaken by the Bank requires it to identify, measure, control, monitor and report risks effectively and to allocate capital among businesses appropriately.

The key components of the Bank's risk management are the risk policies, comprehensive processes, integrated risk management systems and internal control mechanism. The Bank's risk policies focus attention on key areas of risks such as counterparty, market, country, portfolio and operational risk and identification, analysis, measurement and control of these risks for effective and continuous monitoring.

#### Categories of Risk

The key risks the Bank assumes are:

- Credit risk is the risk of financial loss if a borrower or counterparty fails to honor commitments under an agreement and any such failure has an adverse



impact on the financial performance of the Bank. Credit risk arises mainly from direct lending and certain off-balance sheet products such as Guarantees, Letters of Credits, Foreign Exchange Forward Contracts & Derivatives and also from the Bank's holding of assets in the form of debt securities.

- Market Risk arising from the uncertainty concerning changes in market prices and rates (including interest rates, equity prices, foreign exchange rates and commodity prices), the correlations among them and their levels of volatility.

- Interest rate risk in the banking book is primarily the change in the net interest income and the value of the bank's assets and liabilities due to changes in interest rates. Interest rate risk arises on account of banking products (non-trading nature) offered to retail and corporate customers.

- Liquidity risk arising from the potential inability to meet all payment obligations when they become due.

- Operational risk is the potential for incurring losses in relation to employees, process failures, project management, contractual specifications and documentations, technology, infrastructure failure and disasters, external influences and customer relationships. This definition includes legal and regulatory risk.

#### **Risk management components and policies**

The key components of the Bank's risk management are the risk policies, comprehensive processes, integrated risk management systems and internal control mechanism. The Bank's risk policies focus attention on key areas of risk such as counterparty, market, country, portfolio and operational risks and identification, analysis, measurement and control of these risks for effective and continuous monitoring.

The Bank's risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring. Head Office of the Bank approves the overall risk appetite and strategy for the Bank's operations. Locally, various senior management committees viz Asset-Liability Committee (ALCO), Internal Control Committee (ICC), and Local Credit Committee (LCC) operate within the broad policy set up by Head Office.

The Bank has formulated a local credit policy consistent with the Head Office policy and Reserve Bank of India regulations and guidelines on risk management. The Bank has also formulated a comprehensive Stress Testing policy to measure impact of adverse stress scenarios on the adequacy of capital.

#### **Risk management organization**

Risk Management function is organized functionally on a global basis as the Risk & Permanent Control (RPC) Division. The Local Head of Risk Management Functions reports functionally to the Regional Chief Risk Officer, Asia Pacific Office in Hong Kong. The Local Head of Risk Management is responsible for credit, market and operational risk management activities for the Bank. The Bank has a Local Credit Committee comprising of the Senior Country Officer and other senior personnel representing Global Markets, Corporate Banking and Credit Risk Analysis. As per the scheme of delegations for credit approvals laid down by the Head Office, all credit applications



from India of corporate clients are discussed in the local credit committee and approved by the Front Office delegate / Senior Country Officer (SCO) subject to a favorable opinion from local RPC if the size of credit limits are within his delegation and in other cases by the Risk Committee at Regional Office or Head Office, based on the recommendation from FO Delegate/SCO and analysis/conclusion provided by local RPC.

In case of Banks & Financial Institutions, the credit analysis of the counterparties is done by RPC in Regional Office, Hong Kong, based on the request from the Branch. The credit limits are assessed by the Branch and recommended to RPC Regional Office, and it requires a favorable recommendation from the Senior Country Officer of India. The final decision on the request for credit limits for Banks & Financial Institutions is made by Head Office.

The Risk Management function is responsible for the quality and performance of the credit portfolios and for monitoring and controlling all credit risks in the portfolio, including those subject to approval by the Regional Office and Head Office.

Treasury is responsible for the management of liquidity risk. The liquidity risk policies relating to the identification, measurement and management of liquidity risk as well as the actual status are reviewed on a regular basis by the ALCO.

The Bank's Finance, Audit and Legal departments support the risk management function. The role of Finance department is to quantify the risk assumed and ensure the quality and integrity of the risk related data. The Bank's Audit department reviews the compliance of the internal control procedures with internal and regulatory standards. The Legal department provides legal advice and support on topics including collateral arrangements and netting.

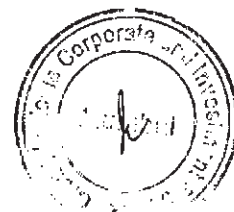
#### **Scope and Nature of Risk Reporting and Measurement Systems**

The Bank has globally adopted an internal rating system to rate the borrowers / counterparties. The internal rating model is a combination of quantitative and qualitative factors. It is comprehensive in terms of identification and assessment of all risks faced by a counter party. The rating model enables assessment of the possibility of delinquency over a one-year time horizon. Each internal rating grade corresponds to a distinct probability of default. Validation of Internal Rating Model is carried out at Head Office level periodically by objectively assessing its calibration accuracy and stability of ratings.

The local Credit Risk Management team manages the regular reporting to senior management on credit risk portfolio, including information on large credit exposures, concentrations, industry exposures, levels of impairment, provisioning and country exposures. The portfolio is also reviewed annually by the Country & Portfolio Review team of the Head Office Risk Department.

#### **Policies for Credit Risk Mitigants**

Credit Risk Mitigants (CRM) like financial collateral, non-financial collateral including guarantees are used to mitigate credit risk exposure. Availability of CRM either reduces effective exposure on the borrower (in case of collaterals) or transfers the risk to the more creditworthy party (in case of guarantees).



#### 4. CREDIT RISK : GENERAL DISCLOSURES

##### Qualitative Disclosures as per table DF 3

##### **Credit Risk Management Policy**

The Bank's credit risk management process integrates risk management into the business management processes, while preserving the independence and integrity of risk assessment. There is a clear segregation of duties between transaction originators in the businesses and the approvers in the Risk functions. All credit exposure limits are approved within a defined credit approval authority framework.

The Head Office of the Bank establishes the parameters for risk appetite, which is defined quantitatively and qualitatively in accordance with the laid-down strategic business plan for the country. Group policies/procedures are customized locally to incorporate any local regulatory and governance needs. This is laid down through a combination of organizational structures and credit risk policies, control processes and credit systems embedded into an integrated risk management framework.

The Bank regularly monitors credit exposures, portfolio performance and external trends which may impact risk management outcomes. Internal risk management reports are presented to risk committees, containing information on key environmental, political and economic trends across major portfolios, portfolio delinquency and loan impairment performance.

##### **Problem Credit Management and Provisioning**

The Bank has laid down a global policy for identification and management of Doubtful Assets and provisioning. In addition, the Bank's non-performing advances are identified by regular review of the portfolio by senior management in accordance with RBI guidelines on asset classification and provisioning. Specific provision is made on a case by case basis based on the management's assessment of impairment of the advance with approval from the Head Office, subject to the minimum provisioning levels prescribed by the RBI. All non performing advances are monitored by a specialized department called Distressed Assets Services at Regional Office, Hong Kong. The Bank engages with customers closely to work out of distress situations.

##### **Concentration Risk**

The Bank controls and limits concentration risk by means of appropriate borrower limits based on creditworthiness. These include:

##### Large exposures to individual clients or group

Large exposures are managed through -

- Individual borrower-wise exposure ceilings based on single borrower / group exposure ceilings prescribed under the RBI guidelines i.e. cap on exposure to single borrower / group of borrowers as a percentage of Bank's capital funds
- Exception approvals for single borrower exposures exceeding 15% of Bank's capital funds
- Ceiling on unsecured loans and guarantees to total loan and advances



### Industries

Industry analysis plays an important part in assessing the concentration risk within the loan portfolio. Particular attention is given to industry sectors where the Bank believes there is a high degree of risk or potential for volatility in the future. The Bank has fixed internal limits for aggregate commitments to different sectors so that the exposures are evenly spread over various sectors.

### Quantitative Disclosures as per table DF 3

#### CREDIT RISK EXPOSURES

##### Total Net Credit Risk Exposure

(Amount in ₹crore)

Particulars	As at Mar 31, 2017	As at Mar 31, 2016
Fund Based	4,409.81	5,622.95
Non Fund Based	6,716.36	8,413.65
<b>Total</b>	<b>11,126.17</b>	<b>14,036.60</b>

Note 1: Fund-based exposure represents funded loans & advances including overdrafts, cash credits and bill discounting.

Note 2: Non-fund based exposures are guarantees given on behalf of constituents, Letters of Credit, acceptances and endorsements.

Note 3: The exposure amount is the net outstanding (i.e. net of provisions and credit risk mitigants, if any).

Note 4: The increase in exposures by 25% due to unhedged foreign currency exposure is not considered in the above figures.

The Bank does not have overseas operations and hence exposures are restricted to the domestic segment.

##### Distribution of credit risk exposure by industry sector as at Mar 31, 2017

Industry code	Industry Name	Funded	Non Funded	Total
1	A. Mining and Quarrying (A. 1 & A.2)	-	-	-
1.1	A.1 Coal	-	-	-
1.2	A.2 Others-	-	-	-
2	B. Food Processing (Sum of B.1 to B.5)	-	-	-
2.1	B.1 Sugar	-	-	-
2.2	B.2 Edible Oils and Vanaspati	-	-	-
2.3	B.3 Tea	-	-	-
2.4	B.4 Coffee	-	-	-
2.5	B.5 Others	-	-	-
3	C. Beverages (excluding Tea & Coffee) and Tobacco (sum of C.1 & C.2)	-	9.71	9.71
3.1	C.1 Tobacco and Tobacco products	-	-	-
3.2	C.2 Others	-	9.71	9.71
4	D. Textiles (Sum of D.1 to D.6)	48.05	10.51	58.56





4.1	D.1 Cotton	-	-	-
4.2	D.2 Jute	-	-	-
4.3	D.3 Handicraft / Khadi (Non priority)	-	-	-
4.4	D.4 Silk	-	-	-
4.5	D.5 Woolen	-	-	-
4.6	D.6 Others	48.05	10.51	58.56
4.7	Out of D (i.e Total Textiles) to Spinning Mills	-	-	-
5	E. Leather and Leather products	-	-	-
6	F. Wood and Wood products	-	-	-
7	G. Paper and paper products	204.55	-	204.55
8	H. Petroleum (non-infra), Coal products (non-mining) and Nuclear Fuels	871.05	-	871.05
9	I Chemicals & Chemical products (Dyes, Paints, etc.) (Sum of 1.1 to 1.4)	532.59	166.31	698.90
9.1	I.1 Fertilisers	-	-	-
9.2	I.2 Drugs and Pharmaceuticals	444.43	-	444.43
9.3	I.3 Petro-chemicals (Excluding under Infrastructure)	-	-	-
9.4	I.4 Others	88.16	166.31	254.47
10	J Rubber, Plastic and their Products	29.18	-	29.18
11	K Glass & Glassware	-	60.06	60.06
12	L Cement and Cement products	-	-	-
13	M Basic Metal and Metal products (M.1 + M.2)	124.04	363.77	487.81
13.1	M.1 Iron and Steel	-	95.95	95.95
13.2	M.2 Other Metal and Metal Products.	124.04	267.82	391.86
14	N All Engineering (N.1+ N.2)	954.86	809.19	1,764.05
14.1	N.1 Electronics	51.38	29.00	80.38
14.2	N.2 Others	903.48	780.19	1,683.67
15	O Vehicles, Vehicles Parts and Transport Equipments	103.55	203.51	307.06
16	P Gems and Jewellery	-	-	-
17	Q Construction	583.22	250.49	833.71
18	R Infrastructure (Sum of R1 to R4)	321.87	161.78	483.65
18.1	R.1 Transport ((Sum of R.1.1 to R.1.5)	-	-	-
18.1.1	R.1.1 Railways	-	-	-
18.1.2	R.1.2 Roadways	-	-	-
18.1.3	R.1.3 Airport	-	-	-
18.1.4	R.1.4 Waterways	-	-	-
18.1.5	R.1.5 Others	-	-	-
18.2	R.2 Energy (Sum of R.2.1 to R.2.4)	49.28	30.24	79.52
18.2.1	R.2.1 Electricity (generation-transportation and distribution)	49.28	30.24	79.52
18.2.1.1	R.2.1.1 State Electricity Boards	-	-	-
18.2.1.2	R.2.1.2 Others	49.28	-	49.28

18.2.2	R.2.2 Oil (Storage and Pipeline)	-	-	-
18.2.3	R.2.3 Gas/LNG (Storage and Pipeline)	-	-	-
18.2.4	R.2.4 Others	-	-	-
18.3	R.3 Telecommunication	195.61	-	195.61
18.4	R.4 Others (Sum of R.4.1 to R.4.3)	76.98	131.54	208.52
18.4.1	R.4.1 Water Sanitation	35.35	40.46	75.81
18.4.2	R.4.2 Social & Commercial Infrastructure	-	-	-
18.4.3	R.4.3 Others	41.63	91.08	132.71
19	S Others Industries	126.62	59.88	186.50
20	All Industries (Sum of A to S)	3,899.58	2,095.21	5,994.79
21	Residuary other Advances (to tally with gross advances) [a+b+c]	510.23	4,621.15	5,131.38
21.1	a Education Loan	-	-	-
21.2	b Aviation Sector	-	-	-
21.3	c Other Residuary Advances	510.23	4,621.15	5,131.38
22	Total Loans and Advances	4,409.81	6,716.36	11,126.17

**Residual contractual maturity breakdown of total assets**

(Amount in ₹crore)

Maturity bucket	Mar 31, 2017	Mar 31, 2016
1 day	587.36	671.71
2 to 7 days	803.26	548.20
8 to 14 days	272.18	1,000.44
15 to 28 days	1,327.88	900.46
29 days to 3 months	655.10	1,615.82
3 to 6 months	861.89	920.62
6 to 12 months	846.82	1,217.03
1 to 3 years	799.16	297.99
3 to 5 years	205.18	317.57
Over 5 years	6,389.04	5,911.82
<b>Total</b>	<b>12,747.87</b>	<b>13,401.66</b>

**Movement of NPAs and Provision for NPAs (excludes NPAs on derivatives)**

(Amount in ₹crore)

		Mar 31, 2017	March 31, 2016
A	Amount of NPAs (Gross)	276.25	237.62
	- Substandard	272.73	234.10
	- Doubtful 1	-	-
	- Doubtful 2	-	-
	- Doubtful 3	-	-
	- Loss	3.52	3.52





B	Net NPAs	204.55	175.58
C	NPA Ratios		
	- Gross NPAs to gross advances (%)	6.16%	4.18%
	- Net NPAs to net advances (%)	4.64%	3.12%
D	Movement of NPAs (Gross)		
	- Opening balance	237.62	0.59
	- Additions	360.11	237.03
	- Reductions	(321.48)	-
	- Exchange rate movement	-	-
	- Closing balance	276.25	237.62
E	Movement of Provision for NPAs		
	- Opening balance	62.04	0.59
	- Provision made	317.49	61.45
	- Write-off/write-back of excess provisions during the year (including recovery)	(307.83)	-
	- Exchange rate movement	-	-
	- Closing balance	71.70	62.04

**NPIs and movement of provision for depreciation on investments**

(Amount in ₹ crore)

		Mar 31, 2017	Mar 31, 2016
A	Amount of Non-Performing Investments	-	-
B	Amount of provision held for Non-Performing Investments	-	-
C	Movement of provision for depreciation on investments		
	- Opening balance	-	-
	- Provision made	-	-
	- Write - offs	-	-
	- Write - back of excess provision	-	-
	- Closing balance	-	-

**5. CREDIT RISK - Disclosures for portfolios under the standardized approach**
**Qualitative Disclosures as per table DF 4**
**Use of external ratings issued by Rating Agencies under the Standardized Approach**

The Bank uses the issuer-ratings and short-term and long-term instrument/bank facilities' ratings which are assigned by the accredited rating agencies viz. CRISIL, CARE, ICRA, India Ratings (FITCH group company), Brickwork and SMERA, and published in the public domain to assign risk-weights in terms of RBI guidelines. In respect of claims on non-resident corporates and foreign banks, ratings assigned by international rating agencies i.e. Standard & Poor's, Moody's and Fitch are used. For exposures with



contractual maturity of less than one year, a short-term rating is used. For cash credit facilities and exposures with contractual maturity of more than one year, long-term rating is used.

Issue ratings would be used if the Bank has an exposure in the rated issue and this would include fund-based and non-fund based working capital facilities as well as loans and investments. In case the Bank does not have exposure in a rated issue, the Bank would use the issue rating for its comparable unrated exposures to the same borrower, provided that the Bank's exposures are pari-passu or senior and of similar or lesser maturity as compared to the rated issue. If an issuer has a long-term or short-term exposure with an external rating that warrants a risk weight of 150%, all unrated claims on the same counterparty, whether short-term or long-term, also receive 150% risk weight, unless the Bank uses recognized credit risk mitigation techniques for such claims.

The unrated short term claim on counterparty is assigned risk weight of at least one level higher than the risk weight applicable to the rated short term claim on that counterparty. Thus, if a short term rated facility to a counter party attracts a 20% or a 50% risk weight, unrated short-term claims on the same counterparty is assigned a risk weight of 30% or 100% respectively.

Exposure on any counterparty having aggregate exposure from banking system of more than INR 100 crore which were externally rated earlier and subsequently not rated are assigned Risk Weight of 150%.

A risk weight of 2% is applied on exposure on Qualified Central Counterparties (QCCPs).

In accordance with the RBI guidelines, incremental risk weight of 25% is applied on exposure on borrowers/counterparties having unhedged foreign currency exposure above the prescribed threshold levels.

#### Risk Weight mapping of long term corporate ratings

Domestic rating agencies	AAA	AA	A	BBB	BB & below	Unrated
Risk weight (%)	20	30	50	100	150	100

#### Risk weight mapping of short term corporate ratings

Short term claim on Corporates						Risk Weight (%)
CARE	CRISIL	India Ratings	ICRA	Brickwork	SMERA	
CARE A1+	CRISIL A1+	IND A1+	ICRA A1+	Brickwork A1+	SMERA A1+	20
CARE A1	CRISIL A1	IND A1	ICRA A1	Brickwork A1	SMERA A1	30
CARE A2	CRISIL A2	IND A2	ICRA A2	Brickwork A2	SMERA A2	50
CARE A3	CRISIL A3	IND A3	ICRA A3	Brickwork A3	SMERA A3	100
CARE A4 & D	CRISIL A4 & D	IND A4 & D	ICRA A4 & D	Brickwork A4 & D	SMERA A4 & D	150
Unrated	Unrated	Unrated	Unrated	Unrated	Unrated	100

The claims on banks incorporated in India and foreign banks branches in India, excluding investment in equity shares and other instruments eligible for capital status

are risk weighted as under:

Level of Common Equity Tier 1 capital (CET1) including applicable capital conservation buffer (CCB) (%) of the counterparty bank (where applicable)	Scheduled Banks	Other Banks
Applicable Minimum CET1 + Applicable CCB and above	20%	100%
Applicable Minimum CET1 + CCB = 75% and <100% of applicable CCB	50%	150%
Applicable Minimum CET1 + CCB = 50% and <75% of applicable CCB	100%	250%
Applicable Minimum CET1 + CCB = 0% and <50% of applicable CCB	150%	350%
Minimum CET1 less than applicable minimum	625%	625%

Risk weight mapping of foreign banks:

S&P / FITCH ratings	AAA to AA	A	BBB	BB to B	Below B	Unrated
Moody's ratings	Aaa to Aa	A	Baa	Ba to B	Below B	Unrated
Risk Weight (%)	20	50	50	100	150	50

Risk weight mapping of foreign sovereigns:

S&P / FITCH ratings	AAA to AA	A	BBB	BB to B	Below B	Unrated
Moody's ratings	Aaa to Aa	A	Baa	Ba to B	Below B	Unrated
Risk Weight (%)	0	20	50	100	150	100

Risk weight mapping of foreign public sector entities and non-resident corporates:

S&P / FITCH ratings	AAA to AA	A	BBB	Below B	Unrated
Moody's ratings	Aaa to Aa	A	Baa	Below B	Unrated
Risk Weight (%)	20	50	100	150	100

Quantitative Disclosures as per table DF 4

Amount of credit RWA outstanding under various risk buckets:

(Amount in ₹ crore)

Particulars	Mar 31, 2017	Mar 31, 2016
Below 100% risk weight	4,015.74	4,742.94
100% risk weight	5,648.31	10,552.08
More than 100% risk weight	2,231.60	-
Deductions	-	-
Total risk weighted assets	11,895.65	15,295.02



Note: Credit Risk Exposure for foreign exchange contracts and derivatives has been calculated as per Current Exposure Method in accordance with RBI guidelines.

## 6. CREDIT RISK MITIGATION

### Qualitative Disclosures as per table DF 5

The Bank uses various collaterals both financial as well as non-financial as credit risk mitigants (CRM). The main recognized financial collaterals taken by the Bank comprises of bank deposits / cash margin, while main non-financial collaterals include guarantees given by corporates, parent companies, international Banks and Bank's overseas branches. In respect of corporate guarantees, in order for it to be recognized as a credit risk mitigants, it must have a credit rating of AA- or above by Standard & Poor's, Fitch and Moody's. The above collateral types are applicable to all customer segments including corporates and financial institutions, though exposures to banks are generally non-collateralized.

The Bank has in place a Credit Risk Mitigants management policy, which underlines the eligibility requirements for credit risk mitigants for capital computation as per Basel III guidelines. The Bank reduces its credit exposure to a counter party with the value of eligible financial collateral to take account of the risk mitigating effect of the collateral. To account for the volatility in the value of collateral, haircut is applied based on the type, issuer, maturity and rating of the collateral / collateral provider.

### Quantitative Disclosures as per table DF 5

The quantum of the credit portfolio which benefits from financial collaterals and/or guarantees as credit risk mitigants is an insignificant portion of our customer advances. Therefore the credit and/or market concentration risks are not material.

The total exposure that is covered by eligible financial collateral, after the application of haircuts is INR 5.28 crores (March 31, 2016:- INR 5.10 crores).

Break-down of exposure covered by eligible financial collateral:

Facility	(Amount in ₹ crore)	
	March 31, 2017	Mar 31, 2016
Funded	-	-
Non-Funded - Letters of Credit	-	-
Non-funded - Guarantees	5.28	5.10
Non-funded - FX/Derivative	-	-
<b>Total</b>	<b>5.28</b>	<b>5.10</b>

Details of exposure secured by Guarantees/ Credit derivatives:

	(Amount in ₹ crore)	
	March 31, 2017	Mar 31, 2016
Secured by Bank Guarantees	99.06	62.67
Secured by Credit Derivatives	-	-
<b>Total</b>	<b>99.06</b>	<b>62.67</b>

## 7. SECURITIZATION EXPOSURES

### Qualitative & Quantitative disclosures as per table DF 6



The Bank has not undertaken any securitization activity either as an originator or as credit enhancer. Details of exposure securitized by the Bank and subject to securitization framework is thus NIL.

## **8. MARKET RISK IN TRADING BOOK**

### Qualitative Disclosures as per table DF 7

Market risk is the risk to the Bank's earnings and capital due to changes in the market level of interest rates or prices of securities and foreign exchange as well as the volatilities of those changes.

Bank's market risk objectives are to understand and control market risk by robust measurement and the setting of position limits, facilitate business growth within a controlled and transparent risk management framework and minimize non-traded market risk.

The Bank is exposed to market risk through its trading activities, which are carried out both for customers and on a proprietary basis. The Bank adopts a comprehensive approach to market risk management for its trading, investment and asset / liability portfolios. The Bank uses various risk metrics, both statistical and non-statistical, including:

- Value at Risk (VaR)
- Non-statistical measures like position, gaps and sensitivities i.e. PV01, Duration and Option Greeks

The Bank uses Historical Simulation method for calculation of VaR at 99% confidence interval and holding period of 1 day. The 261 days historical market data (rate + volatility) are used. The shocks are applied to market data to calculate mark to market value of each scenario in a portfolio at each level of consolidation. The VaR models are back-tested at regular intervals and results are used to maintain and improve the efficacy of the model. VaR is calculated for trading and non-trading portfolio on daily basis and reported to senior management of the Bank. Stress test is also conducted on quarterly basis as per RBI methodology. Similarly stress test is also performed as per internal methodology on the total portfolio on weekly basis, which shows impact of extreme market movements on Bank's portfolio.

Different risk limits such as Overnight position, maximum maturity, Profit and Loss alert and Annual stop loss alerts are set up according to a number of criteria including relevant market analysis, business strategy, management experience and risk appetite for market risk exposures. These limits are monitored on daily basis and exceptions are reported to management and put up to ALCO. Market risk limits are reviewed at least once a year or more frequently if deemed necessary to maintain consistency with trading strategies and material developments in market conditions.

### Concentration Risk

The Bank has allocated internal risk limits in order to avoid concentrations, wherever relevant. The Bank has allocated PVO1 limits currency wise / bucket wise, which are monitored on daily basis for any possible concentration risk.



Quantitative Disclosures as per table DF 7

**Capital Requirement for Market Risk**

(Amount in ₹ crore)

Particulars	Mar 31, 2017	Mar 31, 2016
-Interest rate risk	77.89	78.79
-Equity position risk	-	-
-Foreign exchange risk (including gold)	18.00	18.00
Total	95.89	96.79

**9. OPERATIONAL RISK**

Qualitative Disclosures as per table DF 8

**Operational Risk - Definition**

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk is the risk of direct or indirect losses resulting from human factors, external events, inadequate or failed internal processes and systems. Major sources of operational risk include: operational process reliability, IT security, outsourcing of operations, dependence on key suppliers, implementation of strategic change, integration of acquisition, fraud, human error, customer service quality, regulatory compliance, recruitment, training and retention of staff and social and environmental impacts. This definition includes legal risk, but excludes business and reputation risk.

**Strategies and Processes**

The Bank has set up a Permanent Control Department within Risk to manage operational risk through identification, assessment and monitoring. Simultaneously, a framework has been laid to capture loss data which can be mapped to operational risk events to measure the impact quantitatively. The Bank has put in place a structure to effectively manage operational risk through the formation of several Internal Committees viz., Internal Control Committee (ICC), New Products and Activities Committee. The functioning of these committees is well defined. The Risk and Permanent Control Department acts as the convener of ICC.

**Structure and Organization**

The Bank has an Internal Control Committee (ICC) which is responsible for implementation of the Operational Risk policies of the Bank. This Internal Control Committee supervises effective monitoring of operational risk and the implementation of measures for enhanced capability to manage operational risk.

**Internal Vigilance System**

As mandated by Reserve Bank of India the Bank has setup an Internal Vigilance Committee chaired by the Senior Country Officer (the other members being Chief Operating Officer, Heads of Risk, HR, Audit and Compliance with the Permanent Control Officer as the Chief Vigilance Officer) that is responsible for implementing anti-corruption measures and looking into acts of misconduct, alleged or committed, by employees within its control and take appropriate punitive action. The Committee also takes appropriate measures to prevent commission of misconducts / malpractices by employees. The Committee meets on a quarterly basis.





### **Operational Risk Reporting and Measurement Systems**

A systematic centralized process for reporting losses, “near misses” issues relating to operational events is implemented. Based upon the information gathered, control measures would be introduced. All operational loss events and potential loss events are reported to HO and reviewed by the Local ICC.

An Operational Risk Mapping project has been undertaken within the Bank to identify and assess the operational risk inherent in all material products, activities, processes and systems. The objective of the Operational Risk Mapping is to map the various business lines, organizational functions or process flows by risk type to reveal areas of weakness so to prioritize subsequent management actions.

### **Policies for Managing Operational risk**

An Operational Risk Management Policy approved by the Internal Control Committee of the Bank details the framework for reducing/controlling operational risk in the Bank. As per the policy, all new products are being vetted by the New Products and Activities Committee to identify and assess potential operational risks involved and suggest control measures to mitigate the risks. A review of the approved products is being done by the Compliance Department on a regular basis.

### **Operational Risk Capital Assessment**

As per the RBI guidelines, the Bank has followed the Basic Indicator Approach for the year ending 31<sup>st</sup> March 2017.

## **10. INTEREST RATE RISK IN THE BANKING BOOK**

### Qualitative Disclosures as per table DF 9

Interest rate risk in the banking book is primarily the change in the net interest income and the value of the bank's assets and liabilities due to changes in interest rates. Treasury desk under the supervision of the Asset/Liability Committee (ALCO) manages interest rate risk within the ALM guidelines set up at Bank level and within the limits set up by the Department of Risk Management. The bank has ALCO approved funds transfer pricing policy between various product lines in the bank and also details about the interest rate risk management framework. As part of the policy interest rate risk originated due to commercial banking activities are transferred to Treasury - Fund Management desk, which is in charge of managing the interest rate risk within the banking book. The Treasury desk manages interest rate risk on ongoing basis by dealing in various approved financial products and is subject to same VaR & stress tests as that for the trading book.

### Quantitative Disclosures as per table DF 9

The bank has started to use the modified duration approach to measure potential impact on the capital fund (MVE) for upward and downward interest rate shocks of 200 bps on quarterly basis effective 31<sup>st</sup> March 2013. The bank also has prescribed shocks to calculate impact arising out of the basis risk in the banking book.

The impact on the capital funds for upward/downward interest rate shock of 200 bps as at Mar 31, 2017 is as below:-



(Amount in ₹crore)

Currency	Upward Interest rate shock	Downward Interest rate shock
INR	42.72	-42.72
USD	-4.01	4.01
Others	-0.34	0.34
Total	38.37	-38.37

Earnings at risk (EaR) measure the interest rate risk from earnings perspective. This is computed based on the net gaps for each bucket up to 1 year with a 1% parallel shift in the yield curve on the bank's earning. The impact from earnings perspective as at Mar 31, 2017 is INR 8.76 crores.

## 11. GENERAL DISCLOSURE FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK

### Qualitative Disclosures as per table DF 10

The Bank stipulates limits as per the norms on exposure stipulated by RBI for both fund and non-fund based products including derivatives. Limits are set as a percentage of the capital funds and are monitored. The utilization against specified limits is reported to the Credit Committee on a periodic basis. The analysis of the composition of the portfolio is presented to the Local Management Committee on a half yearly basis.

Credit Control Department monitors the credit excess (including FX/ Derivatives exceeding approved limit) on a daily basis. The 'credit exposure' arising on account of interest rate and foreign exchange derivative transactions is computed using the "Current Exposure Method" as laid down by RBI.

The Bank has entered into Credit Support Annex (CSA) agreement with one of the local bank. CSA defines the terms or rules under which collateral is posted or transferred between derivative counterparties to mitigate the credit risk arising from "in the money" derivative positions on OTC Derivative contracts.

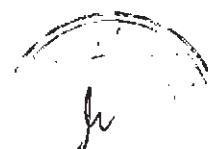
Exposure to Central counterparties arising from over-the-counter derivative trades, exchange traded derivatives transactions and security financing transactions (SFTs), attracts capital charges applicable to Central Counterparty.

Applicable risk weights for trades, guaranteed by central counterparties, which are recognized as qualifying central counterparty (QCCP) by Reserve Bank of India or SEBI, are comparatively lower than OTC deals.

In India, presently there are four QCCPs viz. Clearing Corporation of India (CCIL), National Securities Clearing Corporation Ltd (NSCCL), Indian Clearing Corporation Ltd (ICCL) and MCX-SX Clearing Corporation Ltd (MCX-SXCCL). These CCPs are subjected, on an ongoing basis, to rules and regulations that are consistent with CPSS-IOSCO Principles for Financial Market Infrastructures.

The bank has also computed the incurred Credit Valuation Adjustment (CVA) loss as per Basel III master circular and the same has been considered for reduction in derivative exposure computation. The provision amount outstanding as on Mar 31, 2017 is INR 15.60 crores.

### Quantitative Disclosures as per table DF 10



The derivative exposure outstanding as of Mar 31, 2017 is given below:

(Amount in ₹crore)

Particulars	Notional Amount	Positive MTM	Add-On	Current Exposure
Interest Rate Swaps	120,251.24	888.78	1,101.63	1,990.42
Currency Swaps (CIRS)	17,729.93	473.07	1,377.73	1,850.79
Caps/Floors	1,312.17	20.10	6.56	26.66
Currency Options	455.79	11.63	9.12	20.75
Currency Future	233.46	0.00	4.67	4.67
Foreign Exchange Contract	250,665.98	4,605.74	5,639.37	10,245.11
<b>Total</b>	<b>390,648.57</b>	<b>5,999.32</b>	<b>8,139.08</b>	<b>14,138.40</b>

There are no Forward Rate Agreements outstanding as on date. The bank does not deal in Credit Default Swaps. The above table does not include the impact of CVA provision which is used to reduce the exposure computation.

## 12. COMPOSITION OF CAPITAL DISCLOSURE TEMPLATES (CAPITAL STRUCTURE)

**Common Equity Tier I Capital:** primarily comprises of interest free capital funds received from Head Office, statutory reserves, general reserves and remittable surplus retained for meeting capital adequacy requirements.

**Additional Tier I Capital:** The bank does not have any Additional Tier I capital.

**Tier II Capital** mainly comprises of the subordinated debt raised from Head Office, investment reserve, provision for country risk, provision towards standard assets (including on derivative and un-hedged foreign currency exposures).

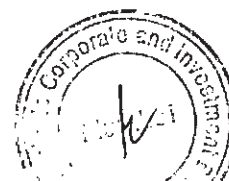
### Quantitative Disclosures as per table DF 11, table DF 12, table DF 13 and DF 14

The composition of capital as on Mar 31, 2017 as per Table DF 11, Composition of Capital- Reconciliation Requirements as of Mar 31, 2017 (Step 1 to 3) as per Table DF 12 and Main Features of Regulatory Capital Instruments as per Table DF 13 are provided as separate annexures to this disclosure.

The Bank has received only interest free capital funds & also raised subordinated debt from Head Office. The terms & condition of same is already disclosed under DF 13. The Bank has not issued any regulatory capital instruments in India. Accordingly no specific disclosure is required under DF 14.

## 13. REMUNERATION

As per section C of RBI circular DBOD.No.BC.72/29.67.001/2011-12 dated January 13, 2012 - Guidelines on compensation of Whole Time Directors /Chief Executive Officers/Risk takers and Control function staff, etc. on "Compensation guidelines for foreign banks", foreign banks operating in India through branch mode of presence and having their compensation policy governed by their respective Head Office policies are expected to align the policy (In the light of the initiative taken by the FSB, G-20 and the BCBS/endorsement of the FSB principles) in line with the Financial Stability Board (FSB) principles. As the bank's compensation structure is in conformity with the FSB principles and standards, no specific qualitative and quantitative disclosure as per table DF 15 is required.



**14. Equities -Banking Book Positions**

Qualitative & Quantitative disclosures as per table DF 16

The Bank does not have any equity exposure and disclosure under this section is NIL.

**15. Leverage Ratio Disclosures**

As on Mar 31, 2017 the leverage ratio is 7.26%. The summary comparison of accounting assets vs. leverage ratio exposure measure as per Table DF 17 and leverage ratio common disclosure as per Table DF 18 are provided as separate annexures to this disclosure.



**Ravinarayanan Iyer**  
Chief Financial Officer - India

**Mumbai**  
Date: May 31, 2017

**Loic Borrey**  
Chief Operating Officer - India

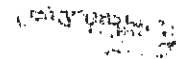
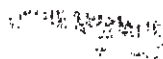
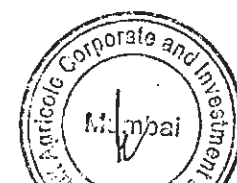


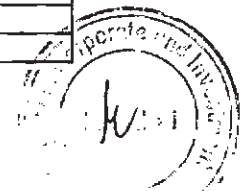
Table DF - 11 : Composition of Capital as of March 31, 2017

(Rs. in million)

Basel III common disclosure template to be used during the transition of regulatory adjustments		Amounts Subject to Pre-Basel III Treatment	Ref No.
<b>Common Equity Tier 1 capital: instruments and reserves</b>			
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	9,783.70	A= A1+A2
2	Retained earnings	-	
3	Accumulated other comprehensive income (and other reserves)	8,016.92	B=B1+B2+B3+B4+B5
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
	Public sector capital injections grandfathered until January 1, 2018	NA	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory adjustments	17,800.62	
<b>Common Equity Tier 1 capital : regulatory adjustments</b>			
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	-	
10	Deferred tax assets	-	
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined-benefit pension fund net assets	-	
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	
20	Mortgage servicing rights (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	-	
23	of which : significant investments in the common stock of financial entities	-	
24	of which : mortgage servicing rights	-	
25	of which : deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments (26a+26b+26c+26d)	-	
26a	of which : Investments in the equity capital of unconsolidated insurance subsidiaries	-	



26b	of which : Investments in the equity capital of unconsolidated non-financial subsidiaries	-		
26c	of which : Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	-		
26d	of which : Unamortised pension funds expenditures	-		
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-		
	of which : [INSERT TYPE OF ADJUSTMENT] For example: filtering out of unrealised losses on AFS debt securities (not relevant in Indian context)	-		
	of which : [INSERT TYPE OF ADJUSTMENT]	-		
	of which : [INSERT TYPE OF ADJUSTMENT]	-		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		
28	<b>Total regulatory adjustments to Common equity Tier 1</b>	-		
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>17,800.62</b>		
<b>Additional Tier 1 capital : instruments</b>				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	-		
31	of which : classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-		
32	of which : classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-		
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-		
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-		
35	of which : instruments issued by subsidiaries subject to phase out	-		
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	-		
<b>Additional Tier 1 capital: regulatory adjustments</b>				
37	Investments in own Additional Tier 1 instruments	-		
38	Reciprocal cross-holdings in Additional Tier 1 Instruments	-		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-		
41	National specific regulatory adjustments (41a+41b)	-		
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-		
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-		
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-		
	of which : [INSERT TYPE OF ADJUSTMENT e.g. DTAs]	-		
	of which : [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 1 at 50%]	-		
	of which : [INSERT TYPE OF ADJUSTMENT]	-		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	-		
44	<b>Additional Tier 1 capital (AT1)</b>	-		
44a	<b>Additional Tier 1 capital reckoned for capital adequacy</b>	-		
45	<b>Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44a)</b>	<b>17,800.62</b>		

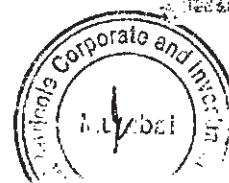




Tier 2 capital : instruments and provisions				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	3,837.61		D=D1
47	Directly issued capital instruments subject to phase out from Tier 2	-	879.92	C=C1
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-		
49	of which : instruments issued by subsidiaries subject to phase out	-		
50	Provisions	1,399.73		E=E1+E2+E3
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>5,237.35</b>		
Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments	-		
53	Reciprocal cross-holdings in Tier 2 instruments	-		
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-		
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-		
56	National specific regulatory adjustments (56a+56b)	-		
56a	of which : Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	-		
56b	of which : Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	-		
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	-		
	of which : [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%] of which : [INSERT TYPE OF ADJUSTMENT]	-		
57	<b>Total regulatory adjustments to Tier 2 capital</b>	<b>-</b>		
58	<b>Tier 2 capital (T2)</b>	<b>5,237.35</b>		
58a	Tier 2 capital reckoned for capital adequacy	5,237.35		
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	-		
58c	<b>Total Tier 2 capital admissible for capital adequacy (58a + 58b)</b>	<b>5,237.35</b>		
59	<b>Total capital (TC = T1 + Admissible T2) (45 + 58c)</b>	<b>23,037.97</b>		
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment	-		
	of which : [INSERT TYPE OF ADJUSTMENT] of which : ...	-		
60	<b>Total risk weighted assets (60a + 60b + 60c)</b>	<b>136,888.81</b>		
60a	of which : total credit risk weighted assets	118,956.61		
60b	of which : total market risk weighted assets	11,985.71		
60c	of which : total operational risk weighted assets	5,946.50		



Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	13.00%	
62	Tier 1 (as a percentage of risk weighted assets)	13.00%	
63	Total capital (as a percentage of risk weighted assets)	16.83%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	6.75%	
65	of which : capital conservation buffer requirement	1.25%	
66	of which : bank specific countercyclical buffer requirement	0.00%	
67	of which : G-SIB buffer requirement	0.00%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	6.25%	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities	-	
73	Significant investments in the common stock of financial entities	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	1,399.73	E=E1+E2+E3
77	Cap on inclusion of provisions in Tier 2 under standardised approach	1,711.11	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	
Capital instruments subject to phase-out arrangements (only applicable between March			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	C1
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	879.92	C1



Notes to the template		
Row No. of the template	Particular	(Rs. In million)
10	Deferred tax assets associated with accumulated losses	-
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	-
	Total as indicated in row 10	-
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	NA
	of which : Increase in Common Equity Tier 1 capital	NA
	of which : Increase in Additional Tier 1 capital	NA
	of which : Increase in Tier 2 capital	NA
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then :	NA
	(i) Increase in Common Equity Tier 1 capital	NA
	(ii) Increase in risk weighted assets	NA
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	-
	of which : Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	-
50	Eligible Provisions included in Tier 2 capital	1,399.73
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	1,399.73
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	-



**Table DF-12 : Composition of Capital- Reconciliation Requirements as of March 31, 2017 (Step 1)**

		(Rs. in million)	
		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date	As on reporting date
<b>A</b>	<b>Capital &amp; Liabilities</b>		
i.	Paid-up Capital	9,783.70	9,783.70
	Reserves & Surplus	8,413.68	8,413.68
	Minority Interest	-	-
	<b>Total Capital</b>	<b>18,197.38</b>	<b>18,197.38</b>
ii.	<b>Deposits</b>	<b>18,508.28</b>	<b>18,508.28</b>
	of which : Deposits from banks	70.18	70.18
	of which : Customer deposits	18,438.10	18,438.10
	of which : Other deposits (pl. specify)	-	-
iii.	<b>Borrowings</b>	<b>20,899.46</b>	<b>20,899.46</b>
	of which : From RBI	-	-
	of which : From banks	1,452.50	1,452.50
	of which : From other institutions & agencies	-	-
	of which : Others (Banks Outside India)	8,146.16	8,146.16
	of which : Capital instruments	8,300.80	8,300.80
iv.	<b>Other liabilities &amp; provisions</b>	<b>69,873.60</b>	<b>69,873.60</b>
	<b>Total</b>	<b>127,478.71</b>	<b>127,478.71</b>
<b>B</b>	<b>Assets</b>		
i.	Cash and balances with Reserve Bank of India	1,413.31	1,413.31
	Balance with banks and money at call and short notice	460.17	460.17
ii.	<b>Investments :</b>	<b>15,848.83</b>	<b>15,848.83</b>
	of which : Government securities	15,848.83	15,848.83
	of which : Other approved securities	-	-
	of which : Shares	-	-
	of which : Debentures & Bonds	-	-
	of which : Subsidiaries / Joint Ventures / Associates	-	-
	of which : Others (Commercial Papers, Mutual Funds etc.)	-	-
iii.	<b>Loans and advances</b>	<b>44,098.08</b>	<b>44,098.08</b>
	of which : Loans and advances to banks	-	-
	of which : Loans and advances to customers	44,098.08	44,098.08
iv.	<b>Fixed assets</b>	<b>172.83</b>	<b>172.83</b>
v.	<b>Other assets</b>	<b>65,485.50</b>	<b>65,485.50</b>
	of which : Goodwill and intangible assets	-	-
	of which : Deferred tax assets	575.66	575.66
vi.	<b>Goodwill on consolidation</b>	-	-
vii.	<b>Debit balance in Profit &amp; Loss account</b>	-	-
	<b>Total Assets</b>	<b>127,478.71</b>	<b>127,478.71</b>



Table DF-12 : Composition of Capital- Reconciliation Requirements as of March 31, 2017 (Step 2)

		(Rs. in million)		
		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref No.
		As on reporting date	As on reporting date	
<b>A</b>	<b>Capital &amp; Liabilities</b>			
	i.	<b>Paid-up Capital</b>	<b>9,783.70</b>	<b>9,783.70</b>
		of which : Amount eligible for CET1	9,783.70	9,783.70
		of which : Amount eligible for AT1	-	-
		<b>Reserves &amp; Surplus</b>	<b>8,413.68</b>	<b>8,413.68</b>
		Minority Interest	-	-
		<b>Total Capital</b>	<b>18,197.38</b>	<b>18,197.38</b>
	ii.	<b>Deposits</b>	<b>18,508.28</b>	<b>18,508.28</b>
		of which : Deposits from banks	70.18	70.18
		of which : Customer deposits	18,438.10	18,438.10
		of which : Other deposits (pl. specify)	-	-
	iii.	<b>Borrowings</b>	<b>20,899.46</b>	<b>20,899.46</b>
		of which : From RBI	-	-
		of which : From banks	1,452.50	1,452.50
		of which : From other institutions & agencies	-	-
		of which : Others (Banks outside India)	8,146.16	8,146.16
		of which : Capital instruments	8,300.80	8,300.80
		of which : Eligible Tier II Instruments (Phase Out)	-	-
		of which : Eligible Tier II Instruments (No Phase Out)	-	3,837.61
	iv.	<b>Other liabilities &amp; provisions</b>	<b>69,873.60</b>	<b>69,873.60</b>
		of which : DTLs related to goodwill	-	-
		of which : DTLs related to intangible assets	-	-
		of which : Provision for Standard Assets	1,168.30	1,168.30
		of which : Provision for Country Risk	9.40	9.40
		<b>Total Capital and Liabilities</b>	<b>127,478.71</b>	<b>127,478.71</b>
<b>B</b>	<b>Assets</b>			
	i.	<b>Cash and balances with Reserve Bank of India</b>	<b>1,413.31</b>	<b>1,413.31</b>
		<b>Balance with banks and money at call and short notice</b>	<b>460.17</b>	<b>460.17</b>
	ii.	<b>Investments :</b>	<b>15,848.83</b>	<b>15,848.83</b>
		of which : Government securities	15,848.83	15,848.83
		of which : Other approved securities	-	-
		of which : Shares	-	-
		of which : Debentures & Bonds	-	-
		of which : Subsidiaries / Joint Ventures / Associates	-	-
		of which : Others (Commercial Papers, Mutual Funds etc.)	-	-
		<b>SIDBI Deposits</b>		
	iii.	<b>Loans and advances</b>	<b>44,098.08</b>	<b>44,098.08</b>
		of which : Loans and advances to banks	-	-
		of which : Loans and advances to customers	44,098.08	44,098.08
	iv.	<b>Fixed assets</b>	<b>172.83</b>	<b>172.83</b>
	v.	<b>Other assets</b>	<b>65,485.50</b>	<b>65,485.50</b>
		of which : Goodwill and Intangible assets	-	-
		Out of which :	-	-
		Goodwill	-	-
		Other intangibles (excluding MSRs)	-	-
		Deferred tax assets	575.66	575.66
	vi.	<b>Goodwill on consolidation</b>	<b>-</b>	<b>-</b>
	vii.	<b>Debit balance in Profit &amp; Loss account</b>	<b>-</b>	<b>-</b>
	<b>Total Assets</b>	<b>127,478.71</b>	<b>127,478.71</b>	



Extract of Basel III common disclosure template (with added column) - Table DF-11 (Step 3)

Common Equity Tier 1 capital: instruments and reserves

		Component of regulatory capital reported by bank	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	9,783.70	A1
2	Retained earnings	-	
3	Accumulated other comprehensive income (and other reserves)	8,016.92	B1+B2+B3+B5
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory adjustments	17,800.62	
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	

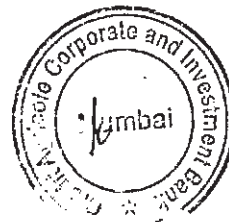




Table DF-13 : Main Features of Regulatory Capital Instruments				
Disclosure template for main features of regulatory capital instruments				
	CA-CIB India Branches	CA-CIB India Branches	CA-CIB India Branches	CA-CIB India Branches
1	Issuer			
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA	NA
3	Governing law(s) of the instrument	Indian Laws	Indian Laws	Indian Laws
	<b>Regulatory treatment</b>			
4	Transitional Basel III rules	Common Equity Tier I	Tier II	Tier II
5	Post-transitional Basel III rules	Common Equity Tier I	Tier II	Tier II
6	Eligible at solo / group / group & solo *	Solo	Solo	Solo
7	Instrument type	Head Office Capital	Subordinated Debt	Subordinated Debt
8	Amount recognised in regulatory capital (Rs. in actual, as of most recent reporting date)	INR 9,783,700,824.00	INR 3,009,949,500.00	NIL
9	Par value of instrument	NA	USD 45,000,000.00	USD 43,000,000.00
10	Accounting classification	Capital	Borrowings	Borrowings
11	Original date of issuance	Various	13-Oct-16	18-Sep-09
12	Perpetual or dated	Perpetual	Dated	Dated
13	Original maturity date	NA	13-Oct-26	18-Sep-19
14	Issuer call subject to prior supervisory approval	No	Yes	No
15	Optional call date, contingent call dates and redemption amount	No	After 13-Oct-21 or Tax Event or Regulatory Event	No
16	Subsequent call dates, if applicable	No	No	No
	<b>Coupons / dividends</b>			
17	Fixed or floating dividend / coupon	NA	Floating	Floating
18	Coupon rate and any related index	NA	LIBOR 6M + 2.57%	LIBOR 6M + 4.15%
19	Existence of a dividend stopper	NA	No	No
20	Fully discretionary, partially discretionary or mandatory	NA	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Non cumulative	Non cumulative	Non cumulative
23	Convertible or non-convertible	NA	Yes	NA
24	If convertible, conversion trigger(s)	NA	On Occurrence of Non-Viability Event	NA
25	If convertible, fully or partially	NA	Both	NA
26	If convertible, conversion rate	NA	On the day of occurrence of the Non-Viability Event	NA
27	If convertible, mandatory or optional conversion	NA	Mandatory	NA
28	If convertible, specify instrument type convertible into	NA	Common Equity Tier I Capital	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	NA	Yes	NA
31	If write-down, write-down trigger(s)	NA	On Occurrence of Non-Viability Event	NA
32	If write-down, full or partial	NA	Both	NA
33	If write-down, permanent or temporary	NA	Permanent	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Perpetual Debt	All other depositors and creditors of the bank	All other depositors and creditors of the bank
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	NA	NA	NA

\* The bank is present in India as branches of a foreign bank and as such only has solo reporting (i.e. no difference between solo and group)



Table DF 17 - Summary comparison of accounting assets vs. leverage ratio exposure measure as of March 31, 2017		
	Item	(Rs. in Million)
1	Total consolidated assets as per published financial statements	127,478.71
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	(61,717.27)
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	179,263.70
7	Other adjustments	-
8	Leverage ratio exposure	245,025.14

Table DF-18: Leverage ratio common disclosure template as of March 31, 2017		
	Item	(Rs. in Million)
<b>On-balance sheet exposures</b>		
1.00	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	65,761.44
2.00	(Asset amounts deducted in determining Basel III Tier 1 capital)	-
3.00	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	65,761.44
<b>Derivative exposures</b>		
4.00	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	59,837.15
5.00	Add-on amounts for PFE associated with all derivatives transactions	81,390.79
6.00	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7.00	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8.00	(Exempted CCP leg of client-cleared trade exposures)	-
9.00	Adjusted effective notional amount of written credit derivatives	-
10.00	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11.00	Total derivative exposures (sum of lines 4 to 10)	141,227.94
<b>Securities financing transaction exposures</b>		
12.00	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-
13.00	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14.00	CCR exposure for SFT assets	-
15.00	Agent transaction exposures	-
16.00	Total securities financing transaction exposures (sum of lines 12 to 15)	-
<b>Other off-balance sheet exposures</b>		
17.00	Off-balance sheet exposure at gross notional amount	38,035.76
18.00	(Adjustments for conversion to credit equivalent amounts)	-
19.00	Off-balance sheet items (sum of lines 17 and 18)	38,035.76
<b>Capital and total exposures</b>		
20.00	Tier 1 capital	17,800.62
21.00	Total exposures (sum of lines 3, 11, 16 and 19)	245,025.14
<b>Leverage ratio</b>		
22	Basel III leverage ratio	7.26%

