# Disclosures under the new Capital Adequacy Framework (Basel III Guidelines) – Pillar 3 Disclosures

## Scope of Application

### Qualitative Disclosures:

Doha Bank Q.S.C is an entity domiciled in the State of Qatar and was incorporated on March 15, 1979 as a Joint Stock Company under Emiri Decree No. 51 of 1978. The commercial registration of the bank is 7115. The address of the Bank's registered office is Doha Bank Tower, Corniche Street, West Bay, P.O. Box 3818, Doha Qatar.

The India branch of Doha Bank Q.S.C ("Doha Bank" or the "Bank") started since June 10th, 2014. The registered office of the branch is Sakhar Bhavan, Ground Floor, Plot No. 230, Block No. III, Backbay, Reclamation, Nariman Point, Mumbai -400021, Maharashtra State, India.

The Financial Statements for the period ended March 31, 2015 comprises the accounts of the India Branch of the Doha Bank Q.S.C ("Doha bank or the "Bank").

### Quantitative Disclosures:

(a) List of group entities considered for consolidation:

Not Applicable.

(b) The aggregate amount of capital deficiencies in subsidiaries:

Not Applicable.

(c) The aggregate amount of the bank's total interests in insurance entities:

Not Applicable

(d) Restrictions or impediments on transfer of funds or regulatory capital within the banking group:

Not Applicable

## Capital Structure:

### Qualitative Disclosures:

(a) Summary information and main features of capital instruments are given below.

Common Equity Tier 1 (CET1) Capital is comprised of common shares issued by the bank (funds from Head Office), Statutory reserves and retained earnings. The book values of goodwill, intangible assets, cumulative unrealised losses on available for sale investments/ loans are deducted in arriving at CET1 capital. Currently, the Bank does not have any goodwill on its book.

Additional Tier 1 Capital (AT1)

Additional Tier 1 Capital consisting of the following

(i) Head Office borrowings in foreign currency by foreign banks operating in India for inclusion in Additional Tier 1 capital which comply with the regulatory requirements.

(ii) Any other item specifically allowed by the Reserve Bank from time to time for inclusion in Additional Tier 1 capital; and

(iii) Less: Regulatory adjustments / deductions applied in the calculation of Additional Tier 1 capital [i.e. to be deducted from the sum of items (i) to (ii)].

Tier II capital comprises of general loan loss provisions, investment reserve, revaluation reserve and cumulative fair value gains on available for sale instruments. The fair value gains are recognized after a haircut of 55% on the difference between the historical cost book value and market value and are applied in order to cushion against market volatility and tax charges. Revaluation reserve on property is recognized at the discount of 45%.

(b) The details of Tier 1 capital with separate disclosures of each component are as under:

The Composition of the Capital structure:

| Particulars | (Rs. in '000) |
|---|---|
| Paid up Capital (Funds from Head Office) | 3,042,002 |
| Statutory reserve | 2,734 |
| Retained earnings (accumulated losses) | 8,203 |
| Regulatory Adjustment to CET I | (20,626) |
| CET 1 Capital | 3,032,313 |
| Additional Tier 1 Capital | - |
| Total Tier 1 Capital | 3,032,313 |
| Total | 3,032,313 |
| Tier 2 Capital | - |
| Total regulatory capital | 3,032,313 |

Capital Adequacy:

The Bank's objectives when managing capital are to:

- Safeguard the Bank's ability to continue as a growing entity and increase the returns for its ultimate shareholders;
- Comply with regulatory capital requirements set by the Reserve Bank of India and Qatar Central Bank.
- Maintain Capital Adequacy Ratios at least 1% above the minimum specified by the Reserve Bank of India and Basel III guidelines.

Disclosures under the new Capital Adequacy Framework (Basel III Guidelines) – Pillar 3 Disclosures

Qualitative Disclosures:

- The Bank uses Standardised Approach for estimating the Capital Charge for Credit Risk.
- The Bank uses Basic Indicator Approach for estimating the Capital Charge for Operational Risk.
- In implementing current capital requirements the Bank calculates Risk Assets Ratio in accordance with the Capital Adequacy guidelines established by the Reserve Bank of India and Qatar Central Bank prescribing the ratio of total capital to total Risk Weighted Assets (RWA).

Quantitative Disclosure:

The details of capital, risk weighted assets and capital adequacy ratio as at 31 March 2015 are as follows:

(Rs. in '000)

| Details | Gross balance (Book value) | Net balances (Book value)* | Risk weighted assets |
|---|---|---|---|
| On-balance sheet items | 3,062,531 | 3,062,531 | 1,693,415 |
| Off-balance sheet items | - | - | - |
| Derivatives | - | - | - |
| Total | 3,062,531 | 3,062,531 | 1,693,415 |
| Market risk | | | - |
| Operational risk | | | 164,296 |
| Total | | | 1,857,711 |
| CET 1 capital | | | 3,032,313 |
| Additional Tier 1 capital | | | - |
| Total Tier 1 capital | | | 3,032,313 |
| Tier 2 capital | | | - |
| Total regulatory capital | | | 3,032,313 |
| Capital requirement for credit risk | | | 152,407 |
| Capital requirement for market risk | | | - |
| Capital requirement for operational risk | | | 14,787 |
| Total required capital | | | 167,194 |
| CET1 / Tier 1 Capital ratio | | | 163.23% |
| Tier 1 Capital ratio | | | 163.23% |
| Total capital ratio | | | 163.23% |

*Net of provisions and reserve interest and eligible collaterals

Risk Exposure and Assessment

The Bank has identified the following risks as material to its nature of operations:

ü Credit Risk
ü Market Risk
ü Operational Risk
ü Interest Rate Risk in the Banking Book
ü Liquidity Risk

## Disclosures under the new Capital Adequacy Framework (Basel III Guidelines) – Pillar 3 Disclosures

### Risk Management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. Risk Management policies and systems are established to identify and analyze risks faced by the Bank. Doha Bank's Risk Management Group (RMG) operates through an independent enterprise-wide risk management framework. RMG consistently and continually monitors risks and processes across the organization to identify, assess, measure, manage and report on potential threats that could impact the achievement of Bank's objectives to optimize its risk management framework.

Risk Management policies, models, tools and systems are regularly reviewed to improve the framework and reflect market changes. The RMG is also independently empowered to escalate issues directly to the Board and Audit, Risk and Compliance Committee. Implementation of the Risk Management framework is entrusted to a highly competent team and is controlled and implemented through various senior level management committees chaired by the CEO - mainly in Credit, Operational Risk, Investment and Asset and Liability Committees. In addition, the Board level committees viz. Audit, Risk and Compliance Committee, reviews the observations and findings of internal auditors, external auditors, compliance and the regulators to prevent deviations.

### Credit Risk

This refers to risk arising from the potential that an obligor is either unwilling to honor his/her obligation or has become unable to meet such obligation, which leads to economic loss to the bank or the possibility of losses associated with diminution in the credit quality of borrowers or counter parties and/or in the value of the collateral held by the Bank as security. Identification, measurement and management of risk are strategic priorities for the Bank and its credit risk is managed by a thorough and well structured credit assessment process complemented with appropriate collaterals wherever necessary and continuous monitoring of the advances at account and portfolio levels.

### Credit Risk Management (CRM) Structure:

The CRM function is independent of the business functions. Such functions include policy formulation, underwriting and limit setting, exposure and exception monitoring, reporting, custody and monitoring of documentation, input of credit limits, classification of advances, remedial asset management, recovery of delinquent loan and determination of provision requirements.

The key objectives of CRM are to ensure:

- Bank-wide credit risks are identified, assessed, mitigated (wherever possible), monitored and reported on a continuous basis at customer and portfolio level;
- The Bank's exposure is within the risk appetite limits established and approved by the Board of Directors, which covers group and single obligor limits, borrower ratings, portfolio analysis, counter party limits and concentration of the limits to effectively measure and manage its credit risk;
- Review and assessment of credit exposures in accordance with the authorization structure and limits prior to facilities being committed to customers;
- Ensure completion of documentation and security creation as per approval terms before

release of credit facilities to the clients. Monitoring the concentration of exposure to industry sectors, geographic locations and counter parties;

- Proactive and dynamic monitoring of the accounts as to the quality of the assets and to spot any ad-verse features/warning signs which can eventually lead to deterioration in the recovery prospects Engage the Business Units at an early stage itself to take corrective steps so that the exposure does not become unmanageable. Review of compliance with exposure limits agreed for counter parties, industries and countries, on an ongoing basis, and review of limits in accordance with the risk management strategy and market trends;

- Prior to launching of new products, vetting the business proposals from risk perspective especially in light of delinquent reports.

Although the overall responsibility for managing the risks at macro level lies with the Board, the responsibility for identifying risk in Bank's credit exposure is entrusted to the Management Credit Committee. The Management Credit Committee shall review and decide on the following:

- The extent to which the Bank should assume credit risk, taking into account the capital base, the Bank's ability to absorb losses, the risk reward ratio, probability of default etc;

- The credit portfolio, including concentration trends, provisions, quality of portfolio and requirements vis à vis credit strategy and risk appetite;

- Portfolio concentration limits against Regulatory and Internal Limits set for counterparties, industry sectors, geographic regions, foreign country or class of countries, and classes of security;

- Business strategies to ensure consistency with the Bank's business/growth plan and other asset/liability management considerations;

- Significant delinquent credits (watch list and under settlement accounts) and follow up actions taken to safeguard the interests of the Bank;

- Adequacy of loan loss provisioning requirements.

- Establishment of an authorization structure and limits for the approval and renewal of credit facilities;

- Detailed credit policies, procedures and guidelines, proper segregation of duties, well defined authority matrix for credit approval and periodic audit and examinations by internal and external auditors to ensure that a rigorous environment of checks and balances exist within the Bank.

Credit quality

The Bank's credit risk systems and processes differentiate exposures in order to highlight those with greater risk factors and higher potential severity of loss.

Special attention is paid to problem exposures in order to accelerate remedial action. The Bank uses a Remedial Asset Management unit under the Credit Risk Department adopts corrective action on delinquent credits so as to recover the bank dues.

Impairment assessment

It is the Bank's policy to create allowances for impaired loans promptly and consistently.

Maximum exposure to credit risk

The Bank's exposure to credit risk is spread across a broad range of asset classes, including derivatives, loans and advances to customers, loans and advances to banks, and financial investments.

Concentration of exposure

Exposure to a person, company or group (the Single Borrower Lending Limit) is restricted to maximum 15% of the Bank's regulatory net worth or 10% of the Bank's regulatory net worth for related parties, subject to any regulatory dispensations.

Credit quality of financial instruments

All loans and advances in the Bank are classified according to asset quality. Standard accounts include all facilities which demonstrate good financial condition, risk factors and capacity to pay in line with the original terms of sanction.

### (b) Total Gross credit risk exposures including Geographic Distribution of Exposure

(Rs. in '000)

| Particulars | Domestic | Overseas | Total |
|---|---:|---:|---:|
| Fund Based | 3,062,531 | - | 3,062,531 |
| Non Fund Based* | - | - | - |
| Total | 3,062,531 | - | 3,062,531 |

*Non fund based exposure are Guarantee given on behalf of Constituents and Acceptances and Endorsement.

Disclosures under the new Capital Adequacy Framework (Basel III Guidelines) – Pillar 3 Disclosures

Residual Contractual maturity breaks down of Assets

(Rs. in '000)

| MATURITY BUCKETS | Cash balances with RBI and other Banks | Investment Securities | Loans and Advances | Other Assets including fixed assets |
|---|---|---|---|---|
| 1 Day | 24,985 | - | - | 1,276,000 |
| 2 TO 7 Days | 270,008 | - | - | 81 |
| 8 TO 14 Days | 59 | - | - | - |
| 15 to 28 days | 1,010,000 | - | - | 1,243 |
| 29 days to 3 months | 130,000 | - | - | 5,660 |
| Over 3 months upto 6 months | - | 1,373 | - | 3,245 |
| over 6 months upto 12 months | - | - | - | 1,358 |
| Over 1 year to 3 years | 218 | - | - | - |
| Over 3 years to 5 years | - | - | - | - |
| Over 5 years | 2,000 | 208,641 | - | 127,660 |
| Total | 1,437,270 | 210,014 | - | 1,415,247 |

Movement of NPA's and Provision for NPA's

Not applicable as Bank does not have any NPA's.

Movement of Provision for Depreciation on Investment

(Rs. in '000)

| | |
|---|---|
| Opening Balance | - |
| Add: Provisions made during the year | 198 |
| Less: Write back of excess provisions | - |
| Closing Balance | 198 |

Credit Risk: Portfolios under the standardised approach:

Qualitative Disclosures:

- In view of no credit exposure to any corporate, bank has not engaged any credit rating agency

Quantitative Disclosures:

The exposure under each credit risk category is as follows:

(Rs. in '000)

| Risk Bucket | Amount |
|---|---|
| Below 100% Risk Weight | 1,656,919 |
| 100% risk weight | 1,405,612 |
| More than 100% risk weight | - |
| | 3,062,531 |

## Credit Risk Mitigation: Disclosures for standardised approaches

### Qualitative Disclosures:

It is the policy of the bank to obtain collaterals for all corporate credits, unless the business case warrants clean lending. Collaterals stipulated are usually mortgages, charge over business, stock and debtors, financial instruments. Cash Security is however recognized only as a fallback option and repayment of facilities are primarily sought from the cash flow of the borrower's business. However, collateral may be an important mitigant of risk. The bank has adopted norms of valuation of collateral as stipulated in the prudential guidelines of RBI.

### Quantitative Disclosures

Not applicable as Bank has not any customer credit exposure as on 31 March 2015.

## Securitisation: disclosure for standardised approach

### Qualitative and Quantitative disclosures:

Not applicable as Bank has not entered into any securitisation activity

## Market risks in the trading book

### Qualitative disclosures

Market Risk: This is the risk of loss arising from unexpected changes in financial indicators, including interest rates, exchange rates, bonds, equities and commodity prices. Bank has an active Management Information System to keep the Management and Investment Committees informed about the changes in market risk on the investments book. The prominent risks affecting the Bank are currency, interest rate and equity price risk.

The principal objective of market risk management of non-trading portfolios is to optimise net interest income. Market risk in non-trading portfolios arises principally from mismatches between the future yield on assets and their funding cost as a result of interest rate changes. Analysis of this risk is complicated by having to make behavioural assumptions regarding the economic duration of liabilities which are contractually repayable on demand, for example, current accounts. ALCO regularly reviews that these portfolios are managed within pre-approved interest rate risk limits.

### Management of market risks

The Bank separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios include positions arising from market making and proprietary positions together with financial assets and liabilities that are managed on a fair value basis. The management has set in place various limits as tool to control the risk and it is monitored by Head Office.

Overall authority for market risk is vested in ALCO. Risk Management is responsible for the development of detailed risk management policies, subject to review and approval by ALCO/ Board and for the day-to-day review of their implementation. As a risk control mechanism limits are put in place for foreign exchange open positions. Positions are managed and monitored on an on going basis by the Treasury. Periodical reporting is made to ALCO who deliberate on the issue and give necessary guidance to Treasury.

Stress testing: Bank wide stress tests form an integral part of the risk review process and provide sufficient insight into the financial health and risk profile of the bank. Stress tests also provide early warning signs of potential threats to the Bank's capital. Doha Bank adopts a comprehensive stress testing framework in line with RBI circulars.

In particular the bank measures the impact of different stress scenarios on its capital adequacy ratio, net interest margin, profit after tax, return on assets, liquidity asset ratio and additional liquidity requirements.

The capital requirements for market risk are as follows:

| Particulars | (Rs. in '000) |
|---|---|
| Interest Rate Risk | NIL |
| Equity position risk | NIL |
| Commodities position risk | NIL |
| Foreign Exchange risk | NIL |
| Total | NIL |

Operational Risk:

Qualitative disclosures:

Operational Risk: Operational Risk is the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events. The Bank follows Head office's detailed policies and procedures and Operational Risk Management tools that are regularly updated to ensure a robust internal control mechanism for the Bank. The Bank is closely reviewing the various recommendations issued by the Basel Committee on 'Sound Practices for the Management and Supervision of Operational Risk' for implementation. The Bank continues to invest in risk management and mitigation strategies, such as a robust control infrastructure, business continuity management or through risk transfer mechanisms such as insurance and outsourcing.

The Bank has a well defined operational risk framework at Head office and an independent operational risk function. The Head of Operational Risk is a member of the Operational Risk Management Committee and reports to the Head of Risk Management. The Operational Risk Management Committee oversees the implementation of an effective risk management framework that encompasses appropriate systems, practices, policies and procedures to ensure the effectiveness of risk identification, measurement, assessment, reporting and monitoring within the group.

In addition, the Internal Audit department of Head Office carries out an independent assessment of the actual functioning of the overall Operational Risk Management Framework. Each business segment must implement an operational risk process which is consistent with the requirements of this framework.

The process of Operational Risk Management includes the following steps:

- Effective staff training, documented processes/ procedures with appropriate controls to safeguard assets and records, regular reconciliation of accounts and transactions, process of introducing new products, reviews of outsourcing activities, information system security, segregation of duties, financial management and reporting are some of the measures adopted by Doha Bank to manage the Bank wide operational risk;

- Reporting of any risk event (losses, near misses and potential losses), which is used to help identify where process and control requirements are needed to reduce the recurrence of risk events. Risk events are analyzed, reported, mitigated, recorded on a central database and reported quarterly to the Board of Directors;

- I
- The Bank's blanket insurance policy adequately covers high severity losses and stress losses. measures adopted by Doha Bank to manage the Bankwide operational risk;

- Reporting of any risk event (losses, near misses and potential losses), which is used to help identify where process and control requirements are needed to reduce the recurrence of risk events. Risk events are analyzed, reported, mitigated, recorded on a central database and reported quarterly to the Board of Directors;

## Interest rate risk in the banking book (IRRBB)

Interest Rate Risk: This risk largely arises due to the probability of changes in interest rates, which may affect the value of financial instruments or future profitability. The Bank is exposed to interest rate risk as a result of mismatches or gaps in the quantum of Assets and Liabilities and Off Balance Sheet instruments that mature or reprice in a given period. Since most of the Bank's financial assets such as loans and advances contain an option to reprice, majority of the bank's interest rate risk is hedged naturally due to simultaneous repricing of deposits and loans.

## Quantitative Disclosures

As per stress tests prescribed by Reserve Bank of India, the impact of an incremental 200 basis points parallel fall or rise in all yield curves at the beginning of the year on net interest income for the next 12 months amounts to Rs 32,847 thousand.

(Rs. in '000)

Table DF-11 : Composition of Capital

Part II : Template to be used before March 31, 2017

(i.e. during the transition period of Basel III regulatory adjustments)

| Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017) | | | Amounts Subject to Pre-Basel III Treatment | Ref No. |
|---|---|---|---|---|
| **Common Equity Tier 1 capital: instruments and reserves** | | | | |
| 1 | Directly issued qualifying common share capital plus related stock surplus (share premium) (Funds from Head Office) | 30,42,002 | - | |
| 2 | Retained earnings | | - | |
| 3 | Accumulated other comprehensive income (and other reserves) | 10,937 | - | |
| 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 | - | - | |
| 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 | 30,52,939 | - | |
| **Common Equity Tier 1 capital : regulatory adjustments** | | | | |
| 7 | Prudential valuation adjustments | - | - | |
| 8 | Goodwill (net of related tax liability) | - | - | |
| 9 | Intangibles other than mortgage-servicing rights (net of related tax liability) | (13,447) | - | |
| 10 | Deferred tax assets | (7,179) | - | |
| 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) | - | - | |

Table DF-11 : Composition of Capital
Part II : Template to be used before March 31, 2017
(i.e. during the transition period of Basel III regulatory adjustments)

| Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017) | | | Amounts Subject to Pre-Basel III Treatment | Ref No. |
|---|---|---|---|---|
| 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) | N.A. | - | |
| 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 | Total regulatory adjustments to Common equity Tier 1 | (20,626) | - | |

Table DF-11 : Composition of Capital
Part II : Template to be used before March 31, 2017
(i.e. during the transition period of Basel III regulatory adjustments)

| Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017) | | | Amounts Subject to Pre-Basel III Treatment | Ref No. |
|---|---|---|---|---|
| 29 | Common Equity Tier 1 capital (CET1) | 30,32,313 | - | |
| Additional Tier 1 capital : instruments | | | | |
| 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 | Additional Tier 1 capital before regulatory adjustments | - | - | |
| Additional Tier 1 capital: regulatory adjustments | | | | |
| 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 | - | - | |

Table DF-11 : Composition of Capital
Part II : Template to be used before March 31, 2017
(i.e. during the transition period of Basel III regulatory adjustments)

| Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017) | | | Amounts Subject to Pre-Basel III Treatment | Ref No. |
|---|---|---|---|---|
| 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 | **Total regulatory adjustments to Additional Tier 1 capital** | - | - | |
| 44 | **Additional Tier 1 capital (AT1)** | - | - | |
| 44a | Additional Tier 1 capital reckoned for capital adequacy | - | - | |
| 45 | **Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44a)** | 30,32,313 | - | |
| **Tier 2 capital : instruments and provisions** | | | | |
| 46 | Directly issued qualifying Tier 2 instruments plus related stock surplus | - | - | |
| 47 | Directly issued capital instruments subject to phase out from Tier 2 | - | - | |
| 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 (Please refer to Note to Template Point 50) | - | - | |
| 51 | **Tier 2 capital before regulatory adjustments** | - | - | |
| **Tier 2 capital: regulatory adjustments** | | | | |
| 52 | Investments in own Tier 2 instruments | - | - | |
| 53 | Reciprocal cross-holdings in Tier 2 instruments | - | - | |

Table DF-11 : Composition of Capital
Part II : Template to be used before March 31, 2017
(i.e. during the transition period of Basel III regulatory adjustments)

| Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017) | | | Amounts Subject to Pre-Basel III Treatment | Ref No. |
|---|---|---|---|---|
| 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 investments13in 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 | Total regulatory adjustments to Tier 2 capital | - | - | |
| 58 | Tier 2 capital (T2) | - | - | |
| 58a | Tier 2 capital reckoned for capital adequacy14 | - | - | |
| 58b | Excess Additional Tier 1 capital reckoned as Tier 2 capital | - | - | |
| 58c | Total Tier 2 capital admissible for capital adequacy (58a + 58b) | - | - | |
| 59 | Total capital (TC = T1 + Admissible T2) (45 + 58c) | 30,32,313 | - | |
| | Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment | - | - | |
| | of which : [INSERT TYPE OF ADJUSTMENT] | - | - | |
| | of which : .. | - | - | |
| 60 | Total risk weighted assets (60a + 60b + 60c) | 18,57,711 | - | |
| 60a | of which : total credit risk weighted assets | 16,93,415 | - | |

Table DF-11 : Composition of Capital
Part II : Template to be used before March 31, 2017
(i.e. during the transition period of Basel III regulatory adjustments)

| Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017) | | | Amounts Subject to Pre-Basel III Treatment | Ref No. |
|---|---|---|---|---|
| 60b | of which : total market risk weighted assets | - | - | |
| 60c | of which : total operational risk weighted assets | 164,296 | - | |
| Capital ratios | | | | |
| 61 | Common Equity Tier 1 (as a percentage of risk weighted assets) | 163.23% | - | |
| 62 | Tier 1 (as a percentage of risk weighted assets) | 163.23% | - | |
| 63 | Total capital (as a percentage of risk weighted assets) | 163.23% | - | |
| 64 | Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets) | - | - | |
| 65 | of which : capital conservation buffer requirement | - | - | |
| 66 | of which : bank specific countercyclical buffer requirement | - | - | |
| 67 | of which : G-SIB buffer requirement | - | - | |
| 68 | Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) | - | - | |
| 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) | N.A. | - | |
| 75 | Deferred tax assets arising from temporary differences (net of related tax liability) | N.A. | - | |
| Applicable caps on the inclusion of provisions in Tier 2 | | | | |

Table DF-11 : Composition of Capital
Part II : Template to be used before March 31, 2017
(i.e. during the transition period of Basel III regulatory adjustments)

| Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017) | | | Amounts Subject to Pre-Basel III Treatment | Ref No. |
|---|---|---|---|---|
| 76 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) | - | - | |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach | - | - | |
| 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 31, 2017 and March 31, 2022) | | | | |
| - | Current cap on CET1 instruments subject to phase out arrangements | N.A. | - | |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | N.A. | - | |
| 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 | - | - | |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | - | - | |

Disclosures under the new Capital Adequacy Framework (Basel III Guidelines) – Pillar 3 Disclosures

Step 1

The Scope of regulatory consolidation and accounting consolidation is identical accordingly the step 1 of the reconciliation is not required.

Step 2

(Rs. in '000)

| | | | Balance sheet as in published financial statements | Under regulatory scope of consolidation |
|---|---|---|---|---|
| | | | As at 31.03.2015 | As at 31.03.2015 |
| A | Capital & Liabilities | | | |
| | i. | Paid-up Capital (funds from HO) | 3,042,002 | 3,042,002 |
| | | Reserves & Surplus | 10,937 | 10,937 |
| | | Total Capital | 3,052,939 | 3,052,939 |
| | ii. | Deposits | 1,239 | 1,239 |
| | | of which : Deposits from banks | - | - |
| | | of which : Customer deposits | 1,239 | 1,239 |
| | | of which : Other deposits (pl. specify) | - | - |
| | iii. | Borrowings | - | - |
| | | of which : From RBI | - | - |
| | | of which : From banks | - | - |
| | | of which : From other institutions & agencies | - | - |
| | | of which : Others (pl. specify) | - | - |
| | | of which : Capital instruments | - | - |
| | iv. | Other liabilities & provisions | 28,979 | 28,979 |
| | | Total | 3,083,157 | 3,083,157 |
| | Assets | | | |
| | i. | Cash and balances with Reserve Bank of India | 4,943 | 4,943 |
| | | Balance with banks and money at call and short notice | 1,432,327 | 1,432,327 |
| | ii. | Investments : | 210,014 | 210,014 |
| | | of which : Government securities | 210,014 | 210,014 |
| | | 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. | Loans and advances | - | - |
| | | of which : Loans and advances to banks | - | - |
| | | of which : Loans and advances to customers | - | - |
| | iv. | Fixed assets | 105,946 | 105,946 |
| | v. | Other assets | 1,329,927 | 1,329,927 |
| | | of which : Goodwill and intangible assets | - | - |
| | | of which : Deferred tax assets | - | - |
| | vi. | Goodwill on consolidation | - | - |
| | vii. | Debit balance in Profit & Loss account | - | - |
| | | Total | 3,083,157 | 3,083,157 |

DOHA BANK QSC – INDIA OPERATIONS

Disclosures under the new Capital Adequacy Framework (Basel III Guidelines) – Pillar 3 Disclosures

Step 3

(Rs. in '000)

| Common Equity Tier 1 capital: instruments and reserves | | | |
|---|---|---|---|
| | | Component of regulatory capital reported by | Source based on reference numbers/letters of the balance |
| 1 | Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus | 3,042,002 | - |
| 2 | Retained earnings | - | - |
| 3 | Accumulated other comprehensive income (and other reserves) | 10,937 | - |
| 4 | Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock | - | - |
| 5 | Common share capital issued by subsidiaries and held by third parties (amount allowed in group | - | - |
| 6 | Common Equity Tier 1 capital before regulatory adjustments | 3,042,002 | - |
| 7 | Prudential valuation adjustments | - | - |
| 8 | Goodwill (net of related tax liability) | - | - |
| 9 | Other intangibles other than mortgage-servicing rights (net of related tax liability) | (13,447) | - |
| 10 | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | (7,179) | - |
| 11 | Regulatory adjustments applied to Common Equity Tier 1 and Tier 2 to cover deductions | - | - |
| | Common Equity Tier 1 capital (CET1) | 3,032,313 | - |

For Doha Bank QSC – India Operations

G. Pattabiraman
Country Manager- India