DOHA BANK Q.P.S.C. – INDIA BRANCHES

(Incorporated in State of Qatar with limited liability)

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 30th JUNE 2019.

1. INTRODUCTION:

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

2. SCOPE OF APPLICATION

The Basel III disclosure contained herein relate to the Indian branches of Doha Bank Q.P.S.C. (the Bank) as on 30th June 2019. These are the primarily in the context of the disclosure required under Annexure 18 – Pillar 3 disclosure requirements of the Reserve Bank of India (The RBI)Master Circular - Basel III capital regulation dated 1st July 2015 and published in accordance with the requirements of RBI for abranch of foreign bank, do not require the disclosures pertaining to the consolidation of entities.

The Bank has implemented the requirement laid down by RBI for Pillar 3 disclosure, covering both the quantitative and qualitative items. The information provided has been reviewed by senior management and is in accordance with the guidelines prescribed by the RBI. All table DF reference relate to those mentioned in annexure 18 - pillar 3 of above mentioned circular.

Qualitative and Quantitative disclosure as per DF 1

The Bank does not have any reportable interest in subsidiaries/associates/ joint venture or insurance entities. As such this disclosure is not applicable to the Bank.

3. CAPITAL ADEQUACY:

Qualitative Disclosures:

The capital to risk weighted asset ratio (CRAR) of the Bank is 29.45% as of June 30, 2019 computed under Basel III norms, higher than minimum regulatory CRAR requirement of 11.5% including capital conservation buffer (CCB)of2.5%.

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 local Assets and Liability Committee (ALCO) which is reporting to Global ALCO. The Bank's capital management framework also includes a comprehensive internal capitaladequacy assessment process (ICAAP) conducted annually. The ICAAP encompasses capitalplanning for five year time horizon, identification and measurement of material risks and the relationship between risk and capital.Further bank has developed ICAAP policy for assessment of capital adequacy.

The Bank's ICAAP document covers the capital management framework of the bank, sets the process for the assessment of the adequacy of capital to support current and future activities / risk and report on the capital projection for period 5 years. This framework is supplemented by the existing stress testing framework which is an integral part of ICAAP.

In the normal course of event, management reviews the adequacy of capital quarterly or with increased frequency, if circumstances demand. The capital requirement of the bank is assessed after considering bank's business model as well as opportunity for growth in India.

The capital assessment by the bank factors in the credit, operational and market risk associated with its current and future activities as well as the effective management of these risks to optimise the utilisation of capital.

Quantitative Disclosure:

A Summary of the bank's capital requirement for credit, market and operational risk and capital adequacy ratio as on June 30,2019 is presented below:

(Rs'000)

Details	*Risk weighted assets*
Capital requirement for credit risk (Standardized approach)	767,791
On balance sheet exposure	714,364
Off balance sheet exposure	
Non market related	43,707
Market related	9,720
Capital requirement for market risk (Standardized duration approach)	391,391
Interest rate risk	31,958
Foreign exchange risk	359,376
Equity risk	57
Capital requirement for operational risk (Basic Indicator approach)	87,659
Total capital requirements	**1,246,841**
Total Risk Weighted Assets of the Bank	
Credit risk	6,676,440
Market risk	3,403,400
Operational risk	762,250
CET 1 capital	3,128,784
Additional Tier 1 capital	-
Total Tier 1 capital	**3,128,784**
Tier 2 capital	**63,760**

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Total regulatory capital	**3,192,544**
CET1 / Tier 1 Capital ratio	**28.86%**
Tier 1 Capital ratio	**28.86%**
Total capital ratio	**29.45%**

The Composition of the Capital structure as on June 30, 2019:

(Rs'000)

Particulars	
Paid up Capital (Funds from Head Office)	3,042,002
Statutory Reserve	68,283
Capital Reserve*	22,956
Balance in Profit & Loss Account	9,415
Regulatory Adjustment to CET I	(13,872)
CET 1 Capital	**3,128,784**
Additional Tier 1 Capital	**-**
Total Tier 1 Capital	3,128,784
	3,128,784
Tier 2 Capital	63,760
Restricted to 1.25% of Credit Risk Weighted Assets	83,456
Whichever is lower, so allowed	**63,760**
Total regulatory capital	**3,192,544**

*Net of reserve Rs 6,645 thousand created on acquisition of HSBC Bank Oman SAOG.

4. RISK EXPOSURE AND ASSESSMENT

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

- ✓ Credit Risk
- ✓ Market Risk
- ✓ Operational Risk
- ✓ Interest Rate Risk in the Banking Book
- ✓ Liquidity Risk

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 Managementpolicies, models, tools and systems are regularly reviewedto 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: General Disclosure

Qualitative disclosure

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.

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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 Bank's Capital funds, 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.

Quantitative disclosure

Total gross credit risk exposures including geographic distribution of exposure as on June 30, 2019.

(Rs '000)

Particulars	Domestic	Overseas	Total
Fund Based	13,357,165	1,580,940	14,938,105
Non Fund Based*	3,602,059	1,319,058	4,921,116
Total	**16,959,224**	**2,899,998**	**19,859,221**

*Non fund based exposure are guarantee given on behalf of constituents, acceptances, endorsement, undrawn credit limits sanctioned to borrower and credit exposure to outstanding derivative contracts.

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Residual Contractual maturity breaks down of Assets

(Rs '000)

Maturity Buckets	Cash balances with RBI and other Banks	Investment Securities	Loans and Advances	Other Assets including fixed assets
1 Day	2,337,691	278,975	428,184	34,149
2 TO 7 Days	958,195	50,857	101,276	6,690
8 TO 14 Days	13,485	74,786	393,603	25,999
15 to 28 days	7,152	39,665	323,288	21,354
29 days to 3 months	24,151	133,942	2,191,105	147,590
Over 3 months upto 6 months	54,982	304,934	2,098,849	138,637
over 6 months upto 12 months	105,373	584,405	274,966	18,163
Over 1 year to 3 years	201,866	1,110,597	1,681,319	111,057
Over 3 years to 5 years	2,016	11,178	7,941	525
Over 5 years	4,742	26,300	14,754	513,283
Total	**37,09,653**	**2,615,639**	**7,515,285**	**1,017,447**

Movement of NPAs (Gross) and Provision for NPAs

(Rs '000)

	Particulars	March 31, 2019
(i)	Amount of NPAs (Gross)	
	Doubtful 1	-
	Doubtful 2	-
	Doubtful 3	-
	Loss	88,807
(ii)	Net NPAs	-
(iii)	NPA Ratios	
	Gross NPAs to Gross Advances	1.17%
	Net NPAs to Net Advances	-
(iv)	Movement of NPAs (Gross)	
	Opening Balance as at April 1, 2019	88,807
	Additions during the year	-
	Reductions during the year	-
	Closing Balance as at June 30, 2019	**88,807**
(v)	Movement of provision of NPAs	
	Opening Balance as at April 1, 2019	88,807
	Provisions made during the year	-

Write offs of NPA provision	-
Write backs of excess provisions	-
Closing Balance as at June 30, 2019	**88,807**

Movement of Provision for Depreciation on Investment

(Rs '000)

Opening Balance	**12,083**
Add: Provisions made during the year	-
Less: Write back of excess provisions	3,122
Closing Balance	**8,961**

Credit Risk: Portfolios under the standardised approach:

Qualitative Disclosures

The Bank uses external rating agencies that are approved by the RBI for capital adequacy, viz, CRISIL, ICRA, and CARE for domestic exposures and S&P, Moody's and Fitch for overseas exposures.

The Bank also has an independent internal ratings model. These internal ratings are used for ascertaining credit worthiness of a client, setting internal prudential limits, determining pricings etc. The internal and external ratings do not have a one to one mapping and for the purpose of calculation of the capital for the credit risk under the standardized approach, the external ratings are used.

Quantitative Disclosures

The exposure under each credit risk category is as follows:

(Rs'000)

Risk Bucket	*Amount*
Below 100% Risk Weight	13,231,822
100% risk weight	6,627,399
More than 100% risk weight	-
	19,859,221

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.

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Quantitative Disclosures

Detail of total credit exposure position as on 30 June 2019

(Rs '000)

Purticulars	*Amount*
Covered by	
Financial collaterals	4,755
Guarantees	-

Securitisation: disclosure for standardised approach as per table DF - 6

Not applicable as the Bank has not undertaken any securitization transaction during the current period.

Market risks in the trading book

Qualitative disclosuresas per table DF - 7

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 integralpart 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 '000)*
Interest Rate Risk	31,958
Equity position risk	57
Commodities position risk	-
Foreign Exchange risk	359,376
	391,391

Operational Risk:

Qualitative disclosures

Operational Risk: Operational Risk is the risk of lossarising from inadequate or failed internal processes, people and systems, or from external events. The Bank has well defined operational risk management policies and Operational Risk Management tools in place that are regularly updated to ensure a robust internal control mechanism for the Bank. The Bank continues to invest in risk management and mitigation strategies, such as a robust control infrastructure, business continuity management, through risk transfer mechanismsetc

The Bank has a well defined operational risk management frameworkand an independent operational risk management function. Manager-Operational, headingthe Operational Risk management function in India is a member of the Risk Management Committee . The 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.

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.

The process of Operational Risk Management includes the following steps:

- Effective staff training, review of documented processes/ procedures to ensure establishment of appropriate controls, segregation of dutiesetc are some of the measures adopted by Doha Bank to manage 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 periodically to the Risk Management Committee;

Interest rate risk in the banking book (IRRBB)

Qualitative disclosure

Interest Rate Risk: This risk largely arises due to theprobability 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 thenext 12 months amounts to Rs 1,932 thousand.

General disclosure for exposures related to counter party credit risk

Qualitative disclosure

The banks has stipulated limit as per the norms on exposure stipulated by the RBI for both fund and non fund based product including derivatives. Limits are set as per the percentage of the capital fund and monitored. The utilisationagainst 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.

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Credit control department monitors the credit excess (including Fx / derivatives exceeding approve limit) on daily basis. The credit exposure arising on account of interest rate and foreign exchange derivatives transaction is computed using the "current exposure method" as laid down by RBI.

Exposure to central counterparty arising from over the counter derivative trades, exchange traded derivatives transaction and security financing transaction (SFTs) attracts capital charges applicable to central counter party.

Applicable risk weight for trades guaranteed by central counterparties which recognised as Qualifying Central Counter Party (QCCP) by the RBI or SEBI, are comparatively lower than OTC deals.

In India, preasently there are four QCCPs namely Clearing Corporation of India (CCIL), National Securities Clearing Corporation Ltd (NSCCL), India Clearing Corporation Ltd (ICCL) and MCX – SX Clearing Corporation Ltd (MCX – SX CCL). These CCPs are subjected, on an ongoing basis, to rules and regulation that are consistent with CPSS – IOSCO Principal for Financial Market Infrastructures

Bank has computed the incurred Credit Valuation adjustment (CVA) loss as per Basel III master circular and same has been considered for reduction in derivative exposure computation.

Quantitative disclosure

The derivative exposure outstanding as on June 30, 2019 is given below

(Rs '000)

Type	*Notional Amount*	*Positive MTM*	*Potential Future Exposure*	*Exposure as per current exposure Method*
Foreign Exchange Contract	1,078,102	1,386	21,562	22,948
Cross Currency Swap (including USD/INR Swaps)	2,199,767	17,583	43,995	61,578
Total	3,277,869	18,968	65,557	84,526

The capital requirement for default credit as per current exposure method is Rs. Nil as at June 30, 2019

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DF – 11: Composition of Capital

(Rs '000)

Sr. No.	Particulars	Amount	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	9,415	
3	Accumulated other comprehensive income (and other reserves)	91,239	
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	3,142,656	
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)	(13,872)	
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)	-	

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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	-	
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**	**(13,872)**	
29	**Common Equity Tier 1 capital (CET1)**	**3,128,784**	
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	-	
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	-	
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)**	**3,128,784**	
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	63,760	
51	**Tier 2 capital before regulatory adjustments**	**63,760**	
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 investmentsin 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	-	
57	Total regulatory adjustments to Tier 2 capital	63,760	
58	Tier 2 capital (T2)	63,760	
58a	Tier 2 capital reckoned for capital adequacy	63,760	
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	-	
58c	Total Tier 2 capital admissible for capital adequacy (58a + 58b)	63,760	
59	Total capital (TC = T1 + Admissible T2) (45 + 58c)	3,192,544	
60	**Total risk weighted assets (60a + 60b + 60c)**	**10,842,090**	
60a	of which : total credit risk weighted assets	6,676,440	
60b	of which : total market risk weighted assets	3,403,400	
60c	of which : total operational risk weighted assets	762,250	
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	28.86%	

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62	Tier 1 (as a percentage of risk weighted assets)	28.86%	
63	Total capital (as a percentage of risk weighted assets)	29.45%	
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			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	63,760	
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, 2018 and March 31, 2022)			
-	Current cap on CET1 instruments subject to phase out arrangements	N.A.	

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 30th JUNE 2019.

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)	-	

Notes to templates:

	Particulars	**Rs.000**	
50	Eligible Provisions included in Tier 2 capital	63,760	
	Eligible Revaluation Reserves and Investment Fluctuation rserve included in Tier 2 capital	25,410	
	Eligible provision toward standard assets and country risk	38,350	

DF – 12:Composition of Capital – Reconciliation of regulatory capital items as on June 30, 2019 is given below:
Step 1

(Rs '000)

			Balance sheet as in published financial statements	***Under regulatory scope of consolidation***
			As at 30.06.2019	***As at 30.06.2019***
A	**Capital & Liabilities**			
	i	Paid-up Capital (funds from HO)	3,042,002	
		Reserves & Surplus	156,325	
		Total Capital	3,198,327	
	ii.	Deposits	10,710,393	
		of which : Deposits from banks	208,585	
		of which : Customer deposits	10,501,808	
		of which : Other deposits (pl. specify)	-	
	iii.	Borrowings	699,519	
		of which : From RBI	-	
		of which : From banks	699,519	
		of which : From other institutions & agencies	-	
		of which : Others (pl. specify)		
		of which : Capital instruments	-	
	iv.	Other liabilities & provisions	249,785	
			14,858,024	

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 30th JUNE 2019.

		Balance sheet as in published financial statements	*Under regulatory scope of consolidation*
		As at 30.06.2019	*As at 30.06.2019*
B Assets			
i.	Cash and balances with Reserve Bank of India	431,288	
	Balance with banks and money at call and short notice	3,278,365	
ii.	Investments :	2,615,639	
	of which : Government securities	2,615,639	
	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	7,515,285	
	of which : Loans and advances to banks	2,474,628	
	of which : Loans and advances to customers	5,040,657	
iv.	Fixed assets	512,309	
v.	Other assets	505,138	
	of which : Goodwill and intangible assets	-	
	of which : Deferred tax assets	-	
vi.	Goodwill on consolidation	-	
vii.	Debit balance in Profit & Loss account	-	
		14,858,024	

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 30th JUNE 2019.

Step 2

(Rs '000)

			Balance sheet as in published financial statements	*Under regulatory scope of consolidation*
			As at 30.06.2019	***As at 30.06.2019***
A	**Capital & Liabilities al & Liabilities**			
	iii	Paid-up Capital (funds from HO Paid-up HO)	3,042,002	
		Reserves & Surplus	156,325	
		Total Capital	3,198,327	
	ii.	Deposits	10,710,393	
		of which : Deposits from banks	208,585	
		of which : Customer deposits	10,501,808	
		of which : Other deposits (pl. specify)	-	
	iii.	Borrowings	699,519	
		of which : From RBI	-	
		of which : From banks	699,519	
		of which : From other institutions & agencies	-	
		of which : Others (pl. specify)		
		of which : Capital instruments	-	
	iv.	Other liabilities & provisions	249,785	
			14,858,024	
	Assets			
	i.	Cash and balances with Reserve Bank of India	431,288	
		Balance with banks and money at call and short notice	3,278,365	
	ii.	Investments :	2,615,639	
		of which : Government securities	2,615,639	
		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	7,515,285	
		of which : Loans and advances to banks	2,474,628	
		of which : Loans and advances to customers	5,040,657	
	iv.	Fixed assets	512,309	
	v.	Other assets	505,138	
		of which : Goodwill and intangible assets	-	
		of which : Deferred tax assets	-	
	vi.	Goodwill on consolidation	-	-

		Balance sheet as in published financial statements	Under regulatory scope of consolidation
		As at 30.06.2019	As at 30.06.2019
	vii. Debit balance in Profit & Loss account	-	-
		14,858,024	

Step 3

(Rs '000)

Common EquityTier 1 capital: instruments and reserves			
		Component of regulatorycapital reportedbybank	**Sourcebasedon reference numbers/letters of thebalancesheetunder the Regulatoryscopeofconsolidationfromstep 2**
1	Directlyissued qualifyingcommon share (and equivalentfor non- jointstock companies) capital plusrelatedstock surplus	3,042,002	-
2	Retainedearnings	9,415	-
3	Accumulatedother comprehensive income (andother reserves)	91,239	-
4	Directly issuedcapital subjecttophaseoutfrom CET1(only applicableto non-jointstock	-	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in	-	-
6	**Common EquityTier 1 capitalbeforeregulatory adjustments**	**3,142,656**	-
7	Prudential valuation adjustments	-	-
8	Goodwill (netof relatedtaxliability)	-	-
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	(13,872)	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax	-	-
11	Regulatory adjustments applied to Common Equity Tier 1 and Tier 2 to cover deductions	-	-
	Common Equity Tier 1 capital (CET1)	**3,128,784**	-

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 30th JUNE 2019.

DF – 13: Main feature of regulatory capital instrument as on June 30th 2019.

	Disclosure template for main features of regulatory capital instruments	
1	Issuer	
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	**Not Applicable**
3	Governing law(s) of the instrument	
	Regulatory treatment	
4	Transitional Basel III rules	
5	Post-transitional Basel III rules	
6	Eligible at solo/group/ group & solo	
7	Instrument type	
8	Amount recognised in regulatory capital (Rs. in million, as of most recent reporting date)	
9	Par value of instrument	
10	Accounting classification	
11	Original date of issuance	
12	Perpetual or dated	
13	Original maturity date	
14	Issuer call subject to prior supervisory approval	
15	Optional call date, contingent call dates and redemption amount	
16	Subsequent call dates, if applicable	
	Coupons / dividends	
17	Fixed or floating dividend/coupon	
18	Coupon rate and any related index	
19	Existence of a dividend stopper	
20	Fully discretionary, partially discretionary or mandatory	
21	Existence of step up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	
24	If convertible, conversion trigger(s)	
25	If convertible, fully or partially	
26	If convertible, conversion rate	
27	If convertible, mandatory or optional conversion	
28	If convertible, specify instrument type convertible into	
29	If convertible, specify issuer of instrument it converts into	
30	Write-down feature	
31	If write-down, write-down trigger(s)	
32	If write-down, full or partial	
33	If write-down, permanent or temporary	
34	If temporary write-down, description of write-up mechanism	

35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	
36	Non-compliant transitioned features	
37	If yes, specify non-compliant features	

Composition of capital disclosure template (Capital Structure)

Common equity tier 1 capital

Primarily comprises of interest free capital fund received from head office, statutory reserve, capital reserve, general reserve and remittable surplus retained for meeting capital adequacy requirement.

Additional Tier I Capital

The bank does not have any additional tier I capital

Tier II capital

Tier II capital mainly comprises of the subordinated debt raised from head office, revaluation reserve, investment fluctuation reserve, provision country risk, provision towards standard assets (including derivatives and unhedged foreign currency exposure)

Quatitative disclosure as per table DF 11, DF 12, DF 13 and DF 14

The composition of capital as on June 30, 2019 as per table DF 11, composition of capital – reconciliation requirement as on June 30, 2019 (Step 1 to 3) as per table DF 12 and Main futures of regulatory capital instrument as per table DF 13 are provided above in this disclosure.

The bank has received only interest free capital funds from Head office. The terms and condition of the same already disclosed under DF 13.

The bank has not issued any regulatory capital instrument in India. Accordingly, no specific disclosure is required under DF 14.

DF –15: Disclosure for remuneration

In terms of guidelines issued by RBI vide circular no. DBOD No. BC. 72/29.67.001/2011-12 dated 13th January 2012 on "Compensation of Wholetime Directors/Chief Executive Officers/ Risk takers and Control function staff, etc.", the Bank has submitted a declaratrion during the year received from Head office to RBI to the effect that the compensation structure in India, including that of the CEO's / CMI's , is in conformity with the Financial Statbility Board (FSB) Principles and Standard.

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 30th JUNE 2019.

DF – 16: Equities – Banking book position

Qualitative and Quantitative Disclosure

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

Leverage Ratio Disclosures

As on June 30, 2019 the leverage ratio is 19.31%. The summary comparison of accounting assets vs leverage ratio exposure measure and Leverage ratio common disclosure as per table DF 18 are provided below to this disclosure.

DF – 17: Summary comparison of accounting assets vs. leverage ratio exposure measure

(Rs '000)

	Particular	Amount
1	Total consolidated assets as per published financial statements	14,858,024
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	84,526
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)	1,177,415
7	Other adjustments	80,081
8	**Leverage ratio exposure**	**16,200,046**

DF – 18: Leverage ratio common disclosure template

(Rs'000)

	Particular	Leverage ratio framework
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	14,951,977
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(13,872)

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 30th JUNE 2019.

3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**14,938,105**
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	18,968
5	Add-on amounts for PFE associated with all derivatives transactions	65,558
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	**Total derivative exposures (sum of lines 4 to 10)**	**84,526**
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	-
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	4,836,591
18	(Adjustments for conversion to credit equivalent amounts)	(3,659,176)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**1,177,415**
	Capital and total exposures	
20	**Tier 1 capital**	**3,128,784**
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**16,200,046**
	Leverage ratio	
22	**Basel III leverage ratio**	**19.31%**

For Doha Bank Q.P.S.C. – India Branches

Manish Mathur
Country Manager- India