DOHA BANK QSC – INDIA OPERATIONS

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DOHA BANK

INDEPENDENT AUDITORS' REPORT

To the Country Manager India
Doha Bank QSC – India Operations

Report on the audit of the financial statements

We have audited the accompanying financial statements of Doha Bank QSC – India Operations (the 'Bank'), which comprise the Balance Sheet as at 31 March 2018, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Bank's management is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by Reserve Bank of India ('RBI') from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements of the Bank including its branches in accordance with the Standards on Auditing (the 'Standards') specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Bank's management, as well as evaluating the overall presentation of the financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Act in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2018, and its loss and its cash flows for the year ended on that date.

Other matter

The comparative financial information of the Bank for the year ended 31 March 2017 included in these financial statements have been audited by the predecessor auditor who had audited the financial statements for the year ended 31 March 2017. The report of the predecessor auditor on the comparative financial information dated 22 June 2017 expressed an unmodified opinion.

Report on other legal and regulatory requirements

The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Act.

As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
(b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
(c) since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit, we have visited 1 branch.

Further, as required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
(b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
(c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
(e) The requirements of Section 164 (2) of the Act are not applicable considering the Bank is a branch of Doha Bank QSC, which is incorporated in the State of Qatar;
(f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Bank and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    (i) The Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Schedule 12 and Note 2.8 of Schedule 18 to the financial statements;
    (ii) The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 3.17 of Schedule 18 to the financial statements;
    (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank; and
    (iv) The disclosures required on holdings as well as dealing in Specified bank notes during the period from 8 November 2016 to 30 December 2016 as envisaged in notification G.S.R. 308(E) dated 30 March 2017 issued by the Ministry of Corporate Affairs is not applicable to the Bank.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
30 June 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DOHA BANK QSC – INDIA OPERATIONS

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Doha Bank QSC – India Operations (the 'Bank') as at 31 March 2018 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's responsibility for internal financial controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

Auditor's responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing (the 'Standards'), issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

A bank's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
30 June 2018

DOHA BANK QSC – INDIA OPERATIONS

DOHA BANK

BALANCE SHEET AS AT 31ST MARCH 2018

Rs '000

	Schedule	March 31, 2018	March 31, 2017
CAPITAL AND LIABILITIES			
Capital	1	3,042,002	3,042,002
Reserve and Surplus	2	(77,159)	37,370
Deposits	3	7,418,093	8,195,848
Borrowings	4	864,586	–
Other Liabilities and Provisions	5	254,169	271,301
		11,501,691	**11,546,521**
ASSETS			
Cash and Balances with Reserve Bank of India	6	353,440	375,918
Balances with Banks and Money at Call and Short Notice	7	1,819,429	4,023,762
Investments	8	1,789,182	2,045,330
Advances	9	6,512,086	4,154,715
Fixed Assets	10	514,460	487,576
Other Assets	11	513,094	459,220
		11,501,691	**11,546,521**
Contingent Liabilities	12	3,410,048	2,984,225
Bills for Collection		144,253	8,170
Significant Accounting Policies & Notes to Accounts	17 & 18		

Schedules referred to herein form an integral part of the Balance Sheet.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018

Rs '000

	Schedule	March 31, 2018	March 31, 2017
I. INCOME			
Interest Earned	13	630,825	806,794
Other Income	14	85,719	54,543
		716,544	**861,337**
II. EXPENDITURE			
Interest Expended	15	390,110	564,442
Operating Expenses	16	392,884	357,105
Provisions and Contingencies	18.1.18	48,079	35,265
		831,073	**956,812**
III. PROFIT/(LOSS)			
Profit/(loss) for the year		**(114,529)**	**(95,475)**
IV. APPROPRIATIONS			
Transfer to Statutory Reserves		–	–
Transfer to Capital Reserves		–	–
Balance Carried Over To Balance Sheet		(114,529)	(95,475)
		(114,529)	**(95,475)**
Significant Accounting Policies & Notes to Accounts	17 &18		

Schedules referred to herein form an integral part of the Profit and Loss Account.

As per our report of even dated attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231 W/ W-100024

Sd/-
Ashwin Suvarna
Partner
Membership No. 109503

June 30, 2018, Mumbai

For Doha Bank QSC – India Operations

Sd/-
Manish Mathur
Country Manager - India

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DOHA BANK

DOHA BANK QSC – INDIA OPERATIONS

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2018

Rs '000

		March 31, 2018	March 31, 2017
A) CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxes		**(114,529)**	**(135,649)**
Adjustments for :			
Depreciation on Bank's property		57,682	49,965
Provision/(write back) for depreciation on investments		17,390	1,498
Country Risk Provision		759	1,235
Provision for Loans (for Standard Advances)		28,828	72,706
Profit on Sale of Fixed Assets		–	(243)
	(i)	**(9,870)**	**(10,488)**
Adjustments for :			
Increase/(Decrease) in Deposits		(777,755)	5,169,060
Increase/(Decrease) in Borrowings		864,586	(947,530)
(Increase)/Decrease in Investments		238,758	(742,181)
(Increase)/Decrease in Advances		(2,375,823)	(791,454)
Increase/(Decrease) in Other Liabilities and Provisions		(28,267)	163,991
(Increase)/Decrease in Other Assets		(53,874)	(76,833)
	(ii)	**(2,132,375)**	**2,775,053**
Direct Taxes paid	**(iii)**	**–**	**(3,120)**
A) Net Cash Flows from/(used in) Operating activities	**(i+ii+iii)**	**(2,142,245)**	**2,761,445**
B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(84,566)	(66,976)
Proceeds from Sale of Fixed Assets		–	243
Net Cash Used in Investing activities (B)		**(84,566)**	**(66,733)**
C) CASH FLOW FROM FINANCING ACTIVITIES		–	–
D) Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		**(2,226,811)**	**2,694,712**
Cash and Cash equivalents at the beginning of the year*		4,399,680	1,704,968
Cash and Cash equivalents at the end of the year *		2,172,869	4,399,680
Net change in Cash and Cash equivalents		**(2,226,811)**	**2,694,712**

*Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice – Refer Schedule 6 and Schedule 7. Cash and cash equivalent also includes Rs 2,000 (thousands) as deposit kept with the Reserve Bank of India under section 11(2) (b) of the Banking Regulation Act, 1949.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231 W/ W-100024

Sd/-
Ashwin Suvarna
Partner
Membership No. 109503

June 30, 2018, Mumbai

For Doha Bank QSC – India Operations

Sd/-
Manish Mathur
Country Manager - India

DOHA BANK QSC – INDIA OPERATIONS

بنك الدوحة DOHA BANK

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2018

Rs '000

	March 31, 2018	March 31, 2017
SCHEDULE 1 - CAPITAL		
Opening Capital	3,042,002	3,042,002
Additions during the year (Refer to note 1.3)	–	–
	3,042,002	3,042,002
Amount of deposit kept in with the Reserve Bank of India under section 11(2) (b) of the Banking Regulation Act, 1949		
In form of securities	**290,000**	**275,000**
In Cash	**2,000**	**2,000**
SCHEDULE 2- RESERVE AND SURPLUS		
I. Statutory Reserve		
Opening Balance	31,550	31,550
Additions during the year	–	–
	31,550	31,550
Deductions during the year	–	–
	31,550	**31,550**
II. Capital Reserve		
Opening Balance	29,568	29,568
Additions during the year	–	–
	–	–
Deductions during the year	–	–
	29,568	**29,568**
III. Share Premium		
Opening Balance	–	–
Additions during the year	–	–
	–	–
Deductions during the year	–	–
	–	–
IV. Investment Reserve		
Opening Balance	–	–
Additions during the year	–	–
	–	–
Deductions during the year	–	–
	–	–
V. Balance of Profit and Loss Account		
Opening Balance	(23,748)	71,727
Additions during the year	(114,529)	(95,475)
	(138,277)	**(23,748)**
TOTAL : (I, II, III, IV and V)	**(77,159)**	**37,370**
SCHEDULE 3 - DEPOSITS		
A. I. Demand Deposits		
(i) From Banks	119,077	286,707
(ii) From Others	205,387	171,320
II. Savings Bank Deposits	**2,677,006**	**834,756**
III. Term Deposits		
(i) From Banks	-	-
(ii) From Others	4,416,623	6,903,065
TOTAL (I+II+III)	**7,418,093**	**8,195,848**
B.I) Deposits of Branches In India	**7,418,093**	**8,195,848**
II) Deposits of Branches Outside India	–	–
TOTAL (I+II)	**7,418,093**	**8,195,848**

Rs '000

	March 31, 2018	March 31, 2017
SCHEDULE 4- BORROWINGS		
I. Borrowings in India		
(i) Reserve Bank of India	90,000	–
(ii) Other Banks	–	–
(iii) Other Institutions and Agencies	448,711	–
II. Borrowings Outside India		
Banks & Other Institutions	325,875	–
TOTAL (I+II)	**864,586**	**–**
Secured Borrowings included in I and II above		
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	2,121	1,978
II. Inter-Office Adjustments (Net)	–	–
III. Interest Accrued	59,246	65,842
IV. Others (Including Provisions)		
– Provision for standard advances	26,903	16,527
– Others	165,899	186,954
TOTAL (I+II+III+IV)	**254,169**	**271,301**
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in Hand (Including Foreign Currency Notes)	**9,026**	**7,837**
II. Balances with Reserve Bank of India		
(i) In Current Accounts	344,414	368,081
(ii) In Other Accounts	–	–
TOTAL (I and II)	**353,440**	**375,918**
SCHEDULE 7 – BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
(i) Balances with Banks		
(a) In Current Account	19,091	14,509
(b) In Other Deposit Account	-	-
(ii) Money at Call and Short Notice		
(a) With Banks	-	2,359,400
(b) With Other Institutions	429,799	-
TOTAL	**448,890**	**2,373,909**
II. Outside India		
(i) In Current Account	229,977	352,853
(ii) In Other Deposit Account	-	-
(iii) Money at Call and Short Notice	1,140,562	1,297,000
	1,370,539	**1,649,853**
TOTAL (I and II)	**1,819,429**	**4,023,762**

DOHA BANK QSC – INDIA OPERATIONS

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2018

Rs '000

	March 31, 2018	March 31, 2017
SCHEDULE 8 - INVESTMENTS (NET OF PROVISION)		
I. Investments in India in		
(i) Government Securities	1,789,182	1,803,744
(ii) Other Approved Securities	–	–
(iii) Shares	–	–
(iv) Debentures and Bonds	–	–
(v) Subsidiaries and/or Joint Ventures Abroad	–	–
(v) Others (Commercial Paper)	–	241,586
	1,789,182	**2,045,330**
II. Investments Outside India		
(i) Government Securities (Including Local Authorities)	–	–
(ii) Subsidiaries and/or Joint Ventures Abroad	–	–
(iii) Others	–	–
	1,789,182	**2,045,330**
A. Investment in India		
Gross Value of Investments	1,808,070	2,046,828
Less : Aggregate of provisions/ depreciation/(Appreciation)	18,888	1,498
Net Investment	**1,789,182**	**2,045,330**
B. Investment Outside India		
Gross Value of Investments	–	–
Less : Aggregate of Provisions/ depreciation /(Appreciation)	–	–
Net Investments	–	–
Total Investments (A+B)	**1,789,182**	**2,045,330**
SCHEDULE 9 – ADVANCES		
A. (i) Bills Purchased and Discounted	1,844,020	348,611
(ii) Cash Credits, Overdrafts and Loans Repayable on Demand	1,348,975	617,787
(iii) Term Loans	3,319,091	3,188,317
TOTAL	**6,512,086**	**4,154,715**
B. (i) Secured by Tangible Assets (Including Advances secured against Book Debts)	3,171,891	2,970,176
(ii) Covered by Bank/ Government Guarantees	1,844,020	330,229
(iii) Unsecured (Refer to note 1.15)	1,496,175	854,310
TOTAL	**6,512,086**	**4,154,715**
C. I. Advances in India		
(i) Priority Sectors	1,754,758	1,370,121
(ii) Public Sectors	–	–
(iii) Banks	1,346,798	330,229
(iv) Others	3,410,530	2,454,365
TOTAL	**6,512,086**	**4,154,715**
II. Advances Outside India		
(i) Due from Banks	–	–
(ii) Due from Others	–	–
(a) Bills Purchased and Discounted	–	–
(b) Syndicated Loans	–	–
(c) Others	–	–
TOTAL C. (I and II)	**6,512,086**	**4,154,715**

Rs '000

	March 31, 2018	March 31, 2017
SCHEDULE 10 - FIXED ASSETS		
I. Premises		
At Cost as on March 31 of the Preceding Year	371,296	370,095
Additions During the year	–	1,201
Less Deductions/Adjustments during the year	–	0
	371,296	**371,296**
Less Depreciation to Date	(37,067)	(24,695)
	334,229	**346,601**
II. Other Fixed Assets (Including Furniture and Fixtures, Refer to note 2.6)#		
At Cost as on March 31 of the Preceding Year	200,975	137,154
Additions During the year	70,338	64,598
Less : Deductions During the year	–	(777)
	271,313	**200,975**
Less Depreciation to Date	(107,883)	(62,573)
	163,430	**138,402**
III. Capital Work in Progress	**16,801**	**2,573**
IV. Intangible Assets under development	–	–
TOTAL (I, II, III and IV)	**514,460**	**487,576**
SCHEDULE 11 – OTHER ASSETS		
I. Inter-office Adjustments (Net)	9	–
II. Interest Accrued	64,217	34,059
III. Advance Tax/Tax Deducted at Source (Net of Provision for Taxation)	226,979	224,496
IV. Stationery and Stamps	–	–
V. Non-Banking Assets Acquired in Satisfaction of Claims	–	–
VI. Deferred Tax Assets (net) (Refer to note 2.5)	–	–
VII. Others	221,889	200,665
	513,094	**459,220**
SCHEDULE 12 - CONTINGENT LIABILITIES		
I. Claims Against the Bank Not Acknowledged as debts	39,595	29,685
II. Liability for Partly Paid Investments	–	–
III. Liability on Account of Outstanding Forward Exchange Contracts	2,325,780	2,739,912
IV. Guarantees Given on Behalf of Constituents		
a) In India	5,564	50
b) Outside India	–	–
V. Acceptances, Endorsements and Other Obligations	1,028,319	204,333
VI. Other Items for which the Bank is Contingently Liable (Refer to note 3.14)	10,790	10,245
TOTAL	**3,410,048**	**2,984,225**

This include lease hold premises cost amounting to Rs 74,837 thousand and depreciation to date on those assets is Rs 20,152 thousand (in previous year lease hold premises cost was Rs 48,770 thousand and deprecation to date on those assets was Rs 12,357 thousand) (Ref to note 2.6)

DOHA BANK QSC – INDIA OPERATIONS

DOHA BANK

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2018

Rs '000

	March 31, 2018	March 31, 2017
SCHEDULE 13 – INTEREST INCOME		
I. Interest/Discount on Advances/Bills	403,759	367,036
II. Income on Investments	121,650	191,335
III. Interest on Balances with Reserve Bank of India and Other Inter-Bank Funds	105,416	248,423
IV. Others	–	–
TOTAL	**630,825**	**806,794**
SCHEDULE 14 – OTHER INCOME		
I. Commission, Exchange and Brokerage	36,435	24,430
II. Profit/(loss) on Sale of Investments (net)	(583)	5,551
III. Profit/(loss) on Sale of Land, Building and Other Assets (net)	–	243
IV. Profit /(loss) on Exchange Transactions (net)	37,680	22,248
V. Income Earned by way of Dividends	–	–
VI . Bad Debts Recovered	7,094	–
VII. Others	5,093	2,071
TOTAL	**85,719**	**54,543**

Rs '000

	March 31, 2018	March 31, 2017
SCHEDULE 15 – INTEREST EXPENDED		
I. Interest on Deposits	383,521	552,641
II. Interest on Reserve Bank of India/ Inter-Bank Borrowings	6,589	11,801
III. Others	–	–
TOTAL	**390,110**	**564,442**
SCHEDULE 16 – OPERATING EXPENSES		
I. Payments to and Provisions for Employees	142,481	120,800
II. Rent, Taxes and Lighting	62,760	57,170
III. Printing and Stationery	1,737	2,042
IV. Advertisement and Publicity	319	773
V. Depreciation on Bank's Property	57,682	49,965
VI. Local Advisory Board Fees, Allowances and Expenses	300	800
VII. Auditor's Fees and Expenses	2,286	2,410
VIII. Law Charges	4,842	4,993
IX. Professional Charges	12,842	13,477
X. Postages, Telegrams, Telephones etc.	9,110	9,305
XI. Repairs and Maintenance	40,107	39,335
XII. Insurance	8,491	8,096
XIII. Other Expenditure (Refer to note 18.3.16)	49,927	47,939
	392,884	**357,105**

SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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 Bank 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 year ended March 31, 2018 comprise the accounts of the India Branches of the Doha Bank Q.S.C.

2. BASIS OF PREPARATION

The accompanying financial statements have been prepared under the historical cost convention and on the accrual basis of accounting, unless otherwise stated, and comply with the requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by RBI ('Reserve Bank of India') from time to time, the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and other relevant provisions of Companies Act 2013 ("The 2013 Act") and Companies (Accounting Standard) Amendment Rules, 2016 in so far as they apply to banking companies and guidelines issued by RBI and practices generally prevalent in the banking industry in India.

2.1 USE OF ESTIMATES AND JUDGMENTS

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles in India ('GAAP') requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue recognition

i) Interest income is recognised in the profit and loss account on accrual basis, except in the case of interest on non-performing assets, which is recognised as income on realisation, as per the income recognition and asset classification norms of RBI.

ii) Income on discounted instruments is recognised over the tenor of the instrument on a constant yield basis.

iii) All other fees are accounted for as and when they become due.

SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS

3.2 Foreign currency transactions and balances

Transactions denominated in foreign currency are recorded at exchange rates prevailing on the date of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the profit and loss account. Income and Expenditure items are translated at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date at rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant exchange differences are recognized in the profit and loss account.

The foreign exchange contracts which are not intended for trading and are outstanding at balance sheet are valued at closing spot rate. The premium or discount arising at inception of such a forward exchange contracts are amortised as a income or expense over the life of the contracts.

All outstanding derivatives transactions are booked as off-balance sheet items. The trading positions are revalued on a Marked to Market basis whereas the hedging deals follow the accrual basis of accounting.

3.3 Investment securities

Classification and valuation of Bank's Investments is carried out in accordance with RBI and Fixed Income Money Market and Derivatives Association ('FIMMDA') guidelines issued in this regard from time to time.

a) Classification

Investments are classified into 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS') and 'Held to Maturity' (HTM) categories at the time of purchase. Investments, which the Bank intends to hold till maturity are classified as HTM investments. Investments that are held principally for resale within a short period, including short sale, are classified as HFT investments. All other investments are classified as AFS investments.

The Bank follows settlement date method for accounting of its investments. For the purpose of presentation in the financial statements, the Investments are classified under six groups

a) Government Securities
b) Other Approved Securities
c) Shares
d) Debentures and Bonds
e) Subsidiaries/Joint Ventures
f) Others

Investments are classified as performing or non-performing as per RBI guidelines. Non performing investments are subjected to similar income recognition and provisioning norms as are prescribed by RBI for non performing advances.

b) Valuation

Investments classified as HTM are carried at amortised cost. Any premium paid on acquisition, over the face value, is amortised over the remaining period of maturity by applying effective or constant yield method. Where in the opinion of the management, a diminution, other than temporary in the value of investments classified under HTM has taken place, suitable provisions are made.

Investments classified as AFS and HFT are marked-to-market on a periodic basis as per relevant RBI guidelines. The securities are valued scrip-wise and depreciation/appreciation is aggregated for each category. Net appreciation in each category, if any, is ignored, while net depreciation is provided for. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Treasury bills, commercial papers and certificates of deposit are valued at carrying cost including the pro rata discount accreted for the holding period.

3.4 Repo and Reverse Repo transactions:

The Bank has adopted the uniform accounting treatment prescribed by the RBI for accounting of Repo and Reverse Repo transactions. Costs and revenues are accounted an Interest expenditure/income, as the case may be, over the period of transaction. Money paid and received during the year is treated as lending and borrowing transactions.

3.5 Advances

Bank follows the prudential norms formulated by RBI, from time to time, as to Assets Classification, Income Recognition, and provisioning thereon. Accordingly, all advances are being classified into standard, substandard, doubtful and loss assets.

Advances are stated net of provision for non-performing assets.

The Bank maintains provision on standard assets to cover potential credit losses which are inherent in any loan portfolio in accordance with RBI guidelines.

For entities with unhedged foreign currency exposure (UFCE), provision is made in accordance with guide lines issued by RBI which require ascertaining the amount of UFCE, estimating the extent of likely loss and estimating the riskiness of unhedged position.

These provisions for standard assets are classified under schedule 5 – Other Liabilities and Provisions in Balance sheet.

3.6 Fixed Assets and Depreciation:

Fixed Assets are accounted for at cost less accumulated depreciation, amortization and accumulated impairment losses, if any. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. The appreciation on revaluation is credited to 'Premises Revaluation Reserve' Account. On disposal of revalued premises, the amount standing to the credit of the Premises Revaluation Reserve is transferred to Capital Reserve. Depreciation attributable to the enhanced value is transferred from Premises Revaluation Reserve to the credit of depreciation in the profit and loss account. Premises will be revalued once in a 3 years.

Depreciation is provided as per straight-line method from the date of addition over the estimated useful life of the asset. Depreciation on assets sold during the year is charged to the profit and loss account up to the date of sale. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, then the depreciation is provided at a higher rate based on management's estimate of the useful life/remaining useful life.

The depreciation rates applied on fixed assets are in accordance with the rates prescribed in Schedule II of the Companies Act, 2013 however in case of exceptions it is duly supported by technical advice.

SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS

The estimated useful lives for the current and comparative years are as follows:

Buildings	30 years
	Leasehold improvements depreciated over the primary lease term.
Furniture	10 years
Office Equipments	10 years
Computers	3 years
Vehicles	8 years

Items costing less than Rs. 5,000 are fully depreciated in year of purchase.

The Bank assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Bank estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

3.7 Employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Bank has no obligation, other than the contribution payable to the provident fund. The Bank recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

The Bank operates one defined benefit plan for its employees, viz., gratuity plan. The costs of providing benefit under the plan are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the profit and loss account.

The Bank treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.

Employees who have joined Doha Bank QSC under merger scheme with HSBC Bank Oman SAOG India Operations and Country Manager of India holding position up to 13th March 2017 are entitled to receive retirement benefits under the Bank's pension scheme. Pension is defined contribution plan under which the Bank contributes annually a specified sum of 15% of the employee's eligible annual basic salary to LIC of India.

3.8 Lease Transactions

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as an expense on straight-line basis over the lease period.

The Bank has not undertaken any Finance leases.

3.9 Provision for Taxation

Income tax comprises the current tax (i.e. amount of tax for the year, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and the net change in the deferred tax asset or liability for the year (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Provision for current income-tax is recognized in accordance with the provisions of Indian Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

The current tax, deferred tax charge or credit and the corresponding deferred tax liability or asset is recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty (supported by convincing evidence) of realization of such assets.

Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realized.

3.10 Provisions, Contingent Assets and Contingent Liabilities

The Bank establishes provisions when it has a present obligation as a result of past event(s), it is probable that an outflow of resources embodying economic benefit to settle the obligation will be required and a reliable estimate can be made of such an obligation. Contingent assets are not recognized in the financial statements. A disclosure of contingent liability is made when there is:

i. A possible obligation, arising from a past event(s), the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain events not within the control of the Bank or

ii. Any present obligation that arise from past events but it is not recognized because:
   - It is not probable that an outflow of resource embodying economic benefits will be required to settle the obligation;
   - A reliable estimate of the amount of obligation cannot be made.

3.11 Cash and Cash Equivalents

Cash and Cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.1 Ratio of Capital funds to Risk weighted assets of the Bank is as under:

Sr. No	Particulars	MARCH 31, 2018	MARCH 31, 2017
1	Common Equity Tier 1 Capital ratio (%)	30.33	38.29
2	Tier I Capital ratio (%)	30.33	38.29
3	Tier II Capital ratio (%)	0.31	0.23
4	Total Capital ratio (CRAR) (%)	30.64	38.52
5	Percentage of the shareholding of the Government of India in public sector banks	N.A.	N.A.
6	Amount of equity capital raised	N.A.	N.A.
7	Amount of additional Tier I capital raised; of which		
	Perpetual Non Cumulative Preference Shares (PNCPS):	Nil.	Nil.
	Perpetual Debt Instruments (PDI) :	Nil.	Nil.
8	Amount of Tier II capital raised; Of which		
	Debt capital instrument:	Nil.	Nil.
	Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS)/Redeemable Non-Cumulative Preference Shares (RNCPS)/Redeemable Cumulative Preference Shares (RCPS)]	Nil.	Nil.

Sr. No	Particulars	MARCH 31, 2018	MARCH 31,2017
1	CRAR (%) (As per Basel III)	30.64	38.52
2	CRAR Tier I Capital (%)	30.33	38.29
3	CRAR Tier II Capital (%)	0.31	0.23

1.2 Liquidity Coverage Ratio (LCR)

1.2.1 Qualitative disclosure around LCR

The Reserve Bank of India has prescribed monitoring of sufficiency of Bank's liquid assets using Basel III – Liquidity Coverage Ratio (LCR). The LCR is aimed at measuring and promoting short-term resilience of banks to potential liquidity disruptions by ensuring maintenance of sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days.

The LCR requirement has been introduced in a phased manner with banks required to maintain minimum LCR of 80% till Dec 2017 and the 90% from Jan 2018 onwards. The requirement will be increasing by 10% annually to 100% by Jan 2019.

The ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator. HQLA has been divided into two parts i.e. Level 1 HQLA which comprises of primarily cash, excess CRR, excess SLR and a portion of mandatory SLR as permitted by RBI (under MSF and FALLCR). Cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities by the outflow run-off rates and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in.

The Bank has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold.

1.2.2 Qualitative disclosure around LCR

The tables below highlight the position of LCR computed based on daily average of end of day position each day for the current year and the last quarter (Q4, FY 2016-17 of the previous year). The position of LCR computed based on simple average of month end position for first three quarters of the previous year.

	Avg Q4 2017-18		Avg Q3 2017-18		Avg Q2 2017-18		Avg Q1 2017-18	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1. Total High Quality Liquid Assets (HQLA)		1,176,800		1,227,777		1,863,954		2,106,877
Cash Flow								
2 Retail deposits and deposits from small business customers, of which	6,366,716	577,466	5,402,445	484,088	5,967,515	542,288	7,216,851	676,615
i. Stable Deposits	1,184,121	59,206	1,123,128	56,156	1,089,280	54,464	901,401	45,070
ii. Less stable deposits	5,182,595	518,259	4,279,317	427,932	4,878,235	487,824	6,315,450	631,545
3 Unsecured wholesale funding, of which	447,537	182,826	420,058	170,912	659,461	240,763	379,265	162,537
i. Operation deposits (all counterparties)	284,433	69,807	298,255	73,154	384,554	81,701	261,698	63,949
ii. Non-operational deposits (all counterparties)	83,474	33,390	40,075	16,030	193,075	77,230	31,632	12,653
iii. Unsecured debt	–	–	–	–	–	–	–	–
iv. Funding from other legal entity customers	79,630	79,630	81,728	81,728	81,832	81,832	85,935	85,935
4 Secured Wholesale funding	47,045	–	5,237	–	24,996	–	9,536	–
5 Additional requirements, of which	2,137,609	108,805	2,082,920	104,158	1,561,336	78,083	1,754,950	87,942
i. Outflows related to derivative exposures and other collateral requirements	2,026	2026	13	13	17	17	205	205
ii. Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
iii. Credit and liquidity facilities	2,135,583	106,779	2,082,907	104,145	1,561,319	78,066	1,754,745	87,737

SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Rs '000	Avg Q4 2017-18		Avg Q3 2017-18		Avg Q2 2017-18		Avg Q1 2017-18	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
6	Other contractual funding obligations	292,176	292,176	84,846	84,846	157,963	157,963	246,672	246,672
7	Other contingent funding obligations	194,509	5,835	81,884	2,457	9,851	296	41,661	1,250
8	**Total Cash Flow**	**9,485,593**	**1,167,108**	**8,077,391**	**846,461**	**8 ,381,121**	**1,019,393**	**9,648,935**	**1,175,016**
	Cash Inflows								
9	Secured lending (e.g. reverse repos)	–	–	–	–				
10	Inflows from fully performing exposures	–	–	–	–	–	–	–	–
11	Other cash inflows	3,153,230	1,694,499	2,528,790	1,372,891	2,259,478	1,225,423	3,096,312	1,686,278
12	Total Cash inflows Less Total Cash Outflows	6,332,363	(527,391)	5,548,601	(526,430)	6,121,643	(206,031)	6,552,623	(511,262)
		Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**	
21	**Total HQLA**	–	**1,176,800**	–	**1,227,777**	–	**1,863,954**		**2,106,877**
22	**25% of Total Cash Outflows**	–	**291,777**	–	**211,615**	–	**254,848**		**293,754**
	Total Net Cash Outflows (12 or 22 whichever is higher)		**291,777**		**211,615**	–	**254,848**		**293,754**
23	**Liquidity Coverage Ratio (%)**	–	**403.32**	–	**580.19**	–	**731.40**		**717.22**

	Rs '000	Avg Q4 2016-17		Avg Q3 2016-17		Avg Q2 2016-17		Avg Q1 2016-17	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1.	Total High Quality Liquid Assets (HQLA)		2,784,319		1,792,646		1,259,561		585,449
	Cash Flow								
2	Retail deposits and deposits from small business customers, of which	7,540,513	711,504	9,342,642	892,890	7,769,968	760,701	5,173,585	517,358
	iii. Stable Deposits	850,943	42,547	827,489	41,374	325,923	16,296	–	–
	iv. Less stable deposits	6,689,569	668,957	8,515,154	851,515	7,444,045	744,405	5,173,585	517,358
3	Unsecured wholesale funding, of which	401,236	361,830	363,141	335,385	1,697,087	361,530	1,115,585	333,595
	v. Operation deposits (all counterparties)	–	–	–	–	–	–	–	–
	vi. Non – operational deposits (all counterparties)	51,801	20,721	29,234	11,694	7,693	3,077	868,878	86,888
	vii. Unsecured debt	9,251	925	11,351	1,135	14,78,823	147,882	868,878	86,888
	viii. Funding from other legal entity customers	340,184	340,184	322,556	322,556	210,571	210,571	246,707	246,707
4	Secured Wholesale funding	25,312	10,441	–	–	–	–	–	–
5	Additional requirements, of which			–	–	–	–	–	–
	iv. Outflows related to derivative exposures and other collateral requirements	82	82	6,811	6,811	984	984	–	–
	v. Outflows related to loss of funding on debt products	–	–	–	–				
	vi. Credit and liquidity facilities	2,577,991	773,397	2,524,312	757,294	2,155,250	646,575	594,750	178,425
6	Other contractual funding obligations	–	–	–	–	–	–	–	–
7	Other contingent funding obligations	259,723	171,583	898,990	772,126	366,632	185,518	682,390	220,557
8	**Total Cash Flow**	**10,804,858**	**2,028,837**	**13,135,896**	**2,764,506**	**11,988,921**	**1,955,308**	**7,566,310**	**1,249,935**
	Cash Inflows								
9	Secured lending (e.g. reverse repos)	–	–	–	–				
10	Inflows from fully performing exposures	–	–	–	–	–	–	–	–
11	Other cash inflows	2,070,991	1,167,477	3,823,774	2,055,438	3,591,090	2,966,221	3,680,069	2,680,502
12	Total Cash inflows Less Total Cash Outflows	8,733,867	861,360	9,312,122	709,068	8,398,831	(1,010,913)	3,886,241	(1,430,567)
		Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**	
21	**Total HQLA**	–	**2,784,319**	–	**1,792,646**		**1,259,561**		**585,449**
22	**25% of Total Cash Outflows**	–	**507,209**	–	**691,126**		**488,827**		**312,484**
	Total Net Cash Outflows (12 or 22 whichever is higher)		**861,360**		**709,068**		**488,827**		**312,484**
23	**Liquidity Coverage Ratio (%)**	–	**323**	–	**253**		**258**		**187**

1.3 Capital comprises of the following:

Rs '000

	MARCH 31, 2018	MARCH 31, 2017
Capital from Head Office	3,042,002	3,042,002

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SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.4 Business Ratios are as under:

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Interest income as a percentage to working funds*	6.11%	8.47%
Non-Interest income as a percentage to working funds	0.83%	0.57%
Operating profit/(loss) as a percentage to working funds	(0.64%)	(0.63%)
Return on assets* (net profit as a percentage to total average assets)	(1.11%)	(1.00%)
Business (deposit plus net advances) per employee (Rs. In '000)	179,063	193,717
Profit/(Loss) per employee (Rs. In '000)	(1,684)	(1,515)

* Determined on the basis of circulars dated July 1, 2015, DBR.BP.BC No. 23/21.04.018/2015-16 issued by the Reserve Bank of India.

1.5 Investments:

Rs '000

Sr. No	Items	MARCH 31, 2018	MARCH 31, 2017
1	Value of Investments:		
	(i) Gross Value of Investments		
	(a) In India	1,808,070	2,046,828
	(b) Outside India	–	–
	(ii) Provisions for Depreciation		
	(a) In India	18,888	1,498
	(b) Outside India	–	–
	(iii) Net Value of Investments		
	(a) In India	1,789,182	2,045,330
	(b) Outside India	–	–
2	Movement of Provisions held towards Depreciation on Investments		
	(i) Opening Balance	1,498	–
	(ii) Add: Provisions made during the year	17,390	1,498
	(iii) Less: Write-off/Write back of excess during the period	–	–
	(iv) Closing Balance	18,888	1,498

1.6 Particulars of Repo transactions including those with RBI under LAF (in face value terms)

Rs '000

	Minimum Outstanding During the Year**	Maximum Outstanding During the Year	Daily Average Outstanding During the Year	As On 31st March, 2018
Securities sold under repos				
Government Securities	60,000	214,098	5,038*	90,000
Corporate debt Securities	–	–	–	–
Securities purchased under reverse repos				
Government Securities	10,000	2,506,931	757,079*	429,799
Corporate debt Securities	–	–	–	–

* All the days in the financial year are considered for the purpose of calculation.

** Nil outstanding on any day is ignored for reckoning minimum outstanding.

Rs '000

	Minimum Outstanding During the Year**	Maximum Outstanding During the Year	Daily Average Outstanding During the Year	As On 31st March, 2017
Securities sold under repos				
Government Securities	40,000*	209,126	2,974	–
Corporate debt Securities	–	–	–	–
Securities purchased under reverse repos				
Government Securities	10,000*	2,860,000	578,959	1,660,000
Corporate debt Securities	–	–	–	–

* Nil outstanding on any day is ignored for reckoning minimum outstanding.

SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.7 Non-SLR Investment Portfolio:

i. Issuer composition of Non SLR investments as on 31st March 2018

Rs '000

No. (1)	Issuer (2)	Amount (3)	Extent of Private Placement (4)	Extent of 'Below' Investment Grade Securities (5)	Extent of 'Unrated' Securities (6)	Extent of 'Unlisted' Securities (7)
(i)	Public Sector Undertakings	–	–	–	–	–
(ii)	Financial Institutions	–	–	–	–	–
(iii)	Banks	–	–	–	–	–
(iv)	Private Corporate	–	–	–	–	–
(v)	Subsidiaries/Joint Ventures	–	–	–	–	–
(vi)	Others	–	–	–	–	–
(vii)	Provision held towards depreciation	–	–	–	–	–
	Total	**–**	**–**	**–**	**–**	**–**

Amounts reported under columns (4), (5), (6) and (7) are not mutually exclusive.

i. Issuer composition of Non SLR investments as on 31st March 2017

Rs '000

No. (1)	Issuer (2)	Amount (3)	Extent of Private Placement (4)	Extent of 'Below' Investment Grade Securities (5)	Extent of 'Unrated' Securities (6)	Extent of 'Unlisted' Securities (7)
(i)	Public Sector Undertakings	–	–	–	–	–
(ii)	Financial Institutions	241,586	–	–	–	–
(iii)	Banks	–	–	–	–	–
(iv)	Private Corporate	–	–	–	–	–
(v)	Subsidiaries/Joint Ventures	–	–	–	–	–
(vi)	Others	–	–	–	–	–
(vii)	Provision held towards depreciation	–	–	–	–	–
	Total	**241,586**	**–**	**–**	**–**	**–**

Amounts reported under columns (4), (5), (6) and (7) are not mutually exclusive.

ii. Non performing Non–SLR Investments as at 31st March 2018 are Nil (P.Y.: Nil)

1.8 Sale and transfers to/from HTM Category:

During the current and the previous year, there was no redemption or sale of securities in Held to Maturity (HTM) category.

1.9 Derivatives

1.9.1 Forward Rate Agreement/Interest Rate Swap

The Bank has not dealt with any Forward Rate Agreements (FRA)/Interest Rate Swaps (IRS) during the current year and previous year. Thus the disclosure on the same and risk exposure on derivatives is not applicable.

1.9.2 Exchange Traded Interest Rate Derivatives

The Bank has not deal in exchange traded rate derivatives during the current year and previous year. Thus the disclosure on the same and risk exposure on derivatives is not applicable.

1.9.3 Disclosure on Risk Exposure in Derivatives

Qualitative Disclosure

The Bank has very limited exposure to derivatives namely through foreign exchange forward contracts.

The structure and organization for management of risk in derivatives trading:

Treasury operation is segregated into three different department's viz. front office, mid office and back office. The primary role of front office is to conduct business that of mid office is to ensure compliance in accordance with set norms and policies and that of back office is to process/settle the transactions.

The Bank has in place policies and procedures, which have been approved by the Head Office & Asset Liability Committee (ALCO) in India ensures adherence to various risk parameters and prudential limits.

The scope and nature of risk measurement, risk reporting and risk monitoring systems:

Risk Measurement

For forward foreign exchange contracts, risk is measured through a daily report called, Value at Risk (VAR), which computes VAR on the forex, gaps using FEDAI VAR factors.

The Bank has entered in foreign exchange swap deals/contracts during the year ending March 31, 2018 to fund the foreign currency packing credit loan assets and export bill discounting assets as a funding swap. The premium arising on a such funding swap deals/contracts at inception of such swap contracts is amortised as a income over the life of contracts.

SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Risk Reporting and Risk monitoring systems:

The Bank has the following reports/systems in place, which are reviewed by the top management:

- VAR
- Net Open Position
- Aggregate Gap Limit (AGL)/Individual Gap Limit (IGL)
- Stop loss limits

Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:

The Bank has the following policy paper in place, and approved by its Head Office;

- Treasury Manual
- Asset-Liability Management (ALM) policy
- Investment Policy

The Bank monitors the hedges/mitigants on a continuous basis through daily and monthly reports that are reviewed by the mid office/top management.

Quantitative Disclosures

Rs ’000

Particulars	Currency Derivatives*		Interest Rate Derivatives	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(i) Derivatives (Notional Principle Amount)				
(a) For Hedging	**1,363,895**	1,880,650	N.A.	N.A.
(b) For Trading	**961,885**	859,262	N.A.	N.A.
(ii) Marked to Market Positions [1]				
(a) Assets (+)	**2,718**	530	N.A.	N.A.
(b) Liability (–)	**4,385**	253	N.A.	N.A.
(iii) Credit Exposure [2]	**49,234**	116,370	N.A.	N.A.
(iv) Likely Impact of one percentage change in interest rate (100*PV01)#				
(a) On hedging derivatives	–	–	–	–
(b) On trading derivatives	–	–	–	–
(v) Maximum and Minimum of # 100*PV01 observed during the year				
(a) On hedging	–	–	–	–
(b) On trading				

* Currency Derivatives represents forward foreign exchange contracts.

The Bank is unable to calculate the impact of PV01 on account of constraints of the system.

1.10 Asset Quality

i. Non-Performing Assets

Rs ’000

Particulars	MARCH 31, 2018	MARCH 31, 2017
(i) Net NPAs to Net Advances (%)	–	0.56
(ii) Movement of NPAs (Gross)		
(a) Opening balance	93,807	–
(b) Additions during the year	–	93,807
(c) Reductions during the year	(5,000)	–
(d) Closing balance	88,807	93,807
(iii) Movement of Net NPAs		
(a) Opening balance	23,452	–
(b) Additions during the year	–	23,452
(c) Reductions during the year	(23,452)	–
(d) Closing balance	–	23,452
(iv) Movement of Provision for NPAs (excluding provisions on standard assets)		
(a) Opening balance	70,355	–
(b) Provisions made during the year	23,452	70,355
(c) Write-off/(write-back) of excess provisions	(5,000)	–
(d) Closing balance	88,807	70,355

(Note: There has been no technical write off during the year 31st March 2018 and 31st March 2017)

ii. Particulars of Accounts Restructured/Corporate debt restructuring/Strategic Debt Restructuring (SDR)/S4A:

No assets were subject to restructuring (including corporate debt restructuring/SDR/S4A) during the year. (PY: Nil)

iii. No Financial Assets sold to securitization/reconstruction company during the year. (PY: Nil)

iv. No non-performing financial assets purchased/sold during the year. (PY: Nil)

v. No excess provision reversed to the profit and loss account on account of sale of NPA’s. (PY: Nil)

SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS

vi. Provisions on Standard Asset:

Rs '000

Sr. No	Particulars	MARCH 31, 2018	MARCH 31, 2017
1	Provision towards Standard Assets	26,153	16,527
2	Provision towards Unhedged Foreign Currency Exposure	750	–
	Total	**26,903**	**16,527**

1.11 Asset Liability Management:

Maturity pattern as at 31st March 2018

Rs. '000

Maturity buckets	Investment Securities	Loans and Advances	Deposits	Borrowings	Foreign currency	
					Assets	Liabilities
1 day	447,291	161,598	26,513	–	229,977	3,655
2 to 7 days	31,818	209,606	175,262	438,968	1,350,919	4,600
8 days to 14 days	32,222	33,943	177,490	–	33,943	753
15 days to 28 days	13,656	1,231,541	75,220	425 608	131,717	342,309
29 days to 3 months	105,307	1,477,169	580,068	–	748,334	229,500
Over 3 months to 6 months	168,828	1,343,693	929,958	–	639,161	98,402
Over 6 months to 1 year	193,894	1,557,663	1,068,035	–	–	245,302
Over 1 year to 3 year	708,087	418,360	3,900,379	–	–	30,664
Over 3 years to 5 year	68,693	68,694	378,384	–	–	36,551
Over 5 years	19,386	9,819	106,784	–	65,175	–
Total	**1,789,182**	**6,512,086**	**7,418,093**	**864,586**	**3,199,226**	**991,736**

Maturity profile of foreign currency assets and liabilities is excluding off balance sheet items.

Maturity pattern as at 31st March 2017

Rs. '000

Maturity buckets	Investment Securities	Loans and Advances	Deposits	Borrowings	Foreign currency	
					Assets	Liabilities
1 day	104,208	676,954	10,903	–	685,904	697
2 to 7 days	18,240	304,903	87,846	–	264,303	4,502
8 Days to 14 days	19,228	101,265	92,602	–	–	662
15 days to 28 days	13,533	400,012	65,177	–	975,694	15,034
29 days to 3 months	772,189	791,032	3,718,854	–	390,898	59,712
Over 3 months to 6 months	344,200	453,643	494,185	–	339,316	45,824
Over 6 months to 1 year	176,601	512,149	850,509	–	–	184,143
Over 1 year to 3 year	455,620	694,134	2,194,262	–	–	11,311
Over 3 years to 5 year	123,529	51,462	594,913	–	–	51,331
Over 5 years	17,982	169,161	86,597	–	–	–
Total	**2,045,330**	**4,154,715**	**8,195,848**	**–**	**2,656,115**	**373,216**

Maturity profile of foreign currency assets and liabilities is excluding off balance sheet items.

1.12 Exposure

i. Exposure to Real Estate:

Rs '000

	Category	MARCH 31, 2018	MARCH 31, 2017
a)	**Direct exposure**		
	(i) Residential Mortgages	20,313	10,731
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans eligible for inclusion in priority sector advances may be shown separately)	–	–
	(ii) Commercial Real Estate–	–	–
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits;	–	–
	(iii) Investments in Mortgage Backed Securities (MBS) and other securities exposures–	–	–
	a. Residential,	–	–
	b. Commercial Real Estate	–	–

SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS

i. Exposure to Real Estate: *(Continued)*

Rs '000

	Category	MARCH 31, 2018	MARCH 31, 2017
b)	**Indirect Exposure**	–	–
	Fund Based and Non-Fund based exposures on		
	(i) National Housing Bank (NHB)	–	–
	(ii) Housing Finance Companies (HFCs)	300,000	300,000
	Total Exposure to Real Estate Sector	**320,313**	**310,731**

ii. The Bank has not taken the exposure to Capital Market during the current and previous financial year.

1.13 Risk Category wise Country Exposure:

Rs. '000

Risk Category	Exposure (Net) as at 31st March, 2018	Provision as at 31st March, 2018	Exposure (Net) as at 31st March, 2017	Provision as at 31st March, 2017
Insignificant	1,870,012	1,145	1,501,183	910
Low	2,314,452	1,499	1,447,482	975
Moderate	–	–	–	–
High	–	–	–	–
Very High	–	–	–	–
Restricted	–	–	–	–
Off Credit	–	–	–	–
TOTAL	**4,184,464**	**2,644**	**2,948,665**	**1,885**

1.14 Details of Single/Group Borrower limit exceeded by the Bank:

During the year ended March 31, 2018 the Bank has not exceeded the exposure ceiling fixed by RBI to Individual/Group borrowers. (PY: Nil)

1.15 Unsecured Advances

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Total Advances against intangible securities such as charge over the rights, licenses, authority etc.	–	–
Estimated Value of intangible collateral such as charge over the rights, licenses, authority etc.	–	–

1.16 Penalties imposed by RBI:

The RBI has not imposed any penalty on the Bank during the year ended March 31, 2018. (PY: Nil)

1.17 Amount of Provisions made for Income-tax during the year:

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Tax expenses		
Current tax	–	–
Previous year tax (Short provision of Rs 4,222 thousand in AY 2015-16 and Excess provision of (Rs 3,120) thousand in AY 2017-18)	1,102	(43,189)
Deferred tax (Refer to note 2.5)	–	3,015
Total	**1,102**	**(40,174)**

1.18 Break-up of provision and contingencies for the year ended

Rs '000

	Particulars	MARCH 31, 2018	MARCH 31, 2017
i)	Provision made towards income tax (including deferred tax and Short provision of Rs 4,222 thousand in AY 2015-16 and Excess provision of (Rs 3,120) thousand in AY 2017-18)	1,102	(40,174)
ii)	Provision/(Write back) for diminution in value of Investment	17,390	1,498
iii)	Provision for Country Risk Exposure	759	1,235
iv)	General Provision on Standard assets	9,626	2,351
v)	Provision for unhedged foreign currency exposure	750	–
vi)	Provision for NPA (Net off write back due to recoveries)	18,452	70,355
	Total	**48,079**	**35,265**

SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.19 Floating provision

Bank has not made floating provision during the year ended March 31, 2018. (PY: Nil)

1.20 Disclosure of Fees/Remuneration Received in respect of Bancassurance Business:

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
i) Fee/Remuneration from Life Insurance Business	–	12
ii) Fee/Remuneration from General Insurance Business	–	–

1.21 Drawdown from Reserves:

There has been no draw down from reserves during the year ended March 31, 2018. (PY: Nil)

2. Disclosure Requirement as per Accounting Standards:

2.1 Disclosures under AS -15 on employee benefits

Defined Contribution Plans:

Provident Fund

Employer's contribution recognized and charged off for the period to defined contribution plans are as under:

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Provident Fund	5,053	4,904

Pension Fund

The Bank has contributed as given below towards the eligible employee's Pension scheme sum of 15% of their eligible annual basic salary to LIC of India and charged off to Profit & Loss account for the period:

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Pension Fund	1,763	1,685

Defined Benefit Plans

Gratuity

The Bank operates only one defined plans, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The following table sets out the status of the defined benefit Gratuity Plan as required under Accounting Standard 15.

Change in the present value of the defined benefit obligation

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Opening defined benefit obligation at 1st April	4,021	4,361
Current Service cost	958	1,304
Interest cost	289	351
Actuarial losses/(gains)	(305)	(1,635)
Past Service Cost (Amortised)	–	–
Liability Transfer in	–	–
Benefits paid	(114)	(360)
Closing defined benefit obligation	**4,849**	**4,021**

Change in the plan assets

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Fair Value Of Plan Assets At The Beginning Of The Year	4,813	4,044
Expected Return On Plan Assets	347	291
Contributions	1,057	917
Transfer From Other Company	–	–
(Transfer To Other Company)	–	–
(Benefit Paid From The Fund)	(114)	(360)
Actuarial Gains/(Losses) On Plan Assets	(77)	(79)
Fair Value Of Plan Assets At The End Of The Year	**6,026**	**4,813**

Reconciliation of present value of the obligations and fair value of the plan assets

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Present value of funded obligation at 31st March	4,849	4,021
Fair value of plan assets at 31st March	(6,026)	(4,813)
Deficit/(Surplus)	–	–
Net Liability/(Asset)	**(1,177)**	**(792)**

SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Net cost recognized in the profit and loss account

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Current Service Cost	958	1,304
Interest Cost	(57)	59
(Expected Return On Plan Assets)	–	–
Actuarial (Gains)/Losses	(228)	(1,556)
Past Service Cost [Non-Vested Benefit] Recognized During The Year	–	–
Past Service Cost [Vested Benefit] Recognized During The Year	–	–
Transitional Liability Recognized During The Year	–	–
Expense/(Income) Recognized In P&L	**673**	**(193)**

Reconciliation of Expected return and actual returns on planned assets

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Expected return on plan assets	346	291
Actuarial gain/(loss) on plan assets	(77)	(79)
Actual return on plan assets	269	212

Reconciliation of opening and closing net liability/(asset) recognized in balance sheet

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Opening net liability as at 1st April	(792)	317
Expenses as recognised in Profit & Loss account	672	(192)
Employers contribution	(1,057)	(917)
Net Liability/(Asset) Transfer In	–	–
Net liability/(asset) recognised in balance sheet	**(1,177)**	**(792)**

Key Actuarial Assumptions

	MARCH 31, 2018	MARCH 31, 2017
Discount rate (Current)	7.83%	7.20%
Future salary increases	4%	4%
Mortality Rate	India Assured Life Mortality (2006-08) ultimate	India Assured Life Mortality (2006-08) ultimate
Attrition Rate	2%	2%

The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, security, promotion and other relevant factors.

Compensated Absence

The actuarially determined liability for compensated absences (accumulated leave) of the employees of the Bank is given below:

	MARCH 31, 2018	MARCH 31, 2017
Total actuarial liability	2,938	2,932
Assumptions:		
Discount rate	7.83%	7.20%
Salary escalation rate	4%	4%

2.2 **Segment Reporting:**

In line with RBI guidelines, the Bank has identified "Treasury", Corporate Banking", and "Retail Banking" as the primary reporting segments.

Treasury activity comprises trading in bonds, derivatives and foreign exchange operations for customers and to manage the resultant risk exposure. Treasury includes income from investment portfolio, profit/loss on sale of investments, profit/loss on foreign exchange transactions, income from derivatives, money market operations and balance sheet management.

Corporate Banking primarily comprises corporate banking, trade finance and institutional banking. Revenue for the segment are derived from interest and fee income on loans and advances, float income and fee base income for non funded transactions.

The expense of both segments comprises funding cost, personal cost and other direct and allocated overheads. **Retail Banking** activities comprises lending to individuals and raisings of deposits.

SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The segment wise distribution of revenue, results and assets as on March 31, 2018 given below:

Rs '000

Business Segments	Treasury Banking	Corporate/ Wholesale Banking	Retail Banking	Total
Particulars				
Revenue	266,390	431,069	19,085	716,544
Result	85,885	(109,450)	(32,180)	(55,745)
Unallocated expenses				(57,682)
Operating profit				(113,427)
Income taxes				(1102)
Extraordinary profit/loss				–
Net profit				**(114,529)**
Other information:				
Segment assets	4,099,236	6,551,149	23,907	**10,674,292**
Unallocated assets				**827,399**
Total assets				**11,501,691**
Segment liabilities	1,174,078	1,718,489	5,581,269	**8,473,836**
Unallocated liabilities				**3,027,855**
Total liabilities				**11,501,691**
Capital expenditure during the year				**84,566**
Depreciation				**(57,682)**

The segment wise distribution of revenue, results and assets as on March 31, 2017 given below:

Rs '000

Business Segments	Treasury Banking	Corporate/ Wholesale Banking	Retail Banking	Total
Particulars				
Revenue	467,662	378,352	15,080	861,094
Result	95,830	(139,085)	(42,672)	(85,927)
Unallocated expenses				(49,965)
Operating profit				(135,892)
Income taxes				40,174
Extraordinary profit/loss				243
Net profit				**(95,475)**
Other information:				
Segment assets	6,602,387	4,241,652	14,414	**10,858,453**
Unallocated assets				**688,068**
Total assets				**11,546,521**
Segment liabilities	271,127	149,825	7,974,971	**8,395,923**
Unallocated liabilities				**3,150,598**
Total liabilities				**11,546,521**
Capital expenditure during the year				**65,799**
Depreciation				**(49,965)**

Geographical segments: The Bank is a branch of a bank incorporated in Qatar and does not have its own overseas operations and operates only in the domestic segment.

2.3 Related Party Disclosures:

Related party disclosures as required by Accounting Standard 18 – 'Related Party Disclosure' prescribed by the Companies Act 2013 ("The 2013 Act") and Companies (Accounting Standard) Amendment Rules, 2016 and in accordance with the guidelines issued by Reserve Bank of India are given below:

Related parties during the year

a) Head office and branches

Doha Bank QSC, Qatar is the Head Office of the Bank and its branches

b) Subsidiaries

SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The outstanding exposures with Head office and its subsidiaries is given below

Rs '000

	DBFS Finance and Leasing (I) Ltd	DBFS Securities Ltd	Head Office
As on March 31, 2018			
Deposit/Vostro Bal	13,928	9,263	119,077
Loans/Nostro Bal	81,065	–	11,315
As on March 31, 2017			
Deposit/Vostro Bal	31	3,265	286,707
Loans/Nostro Bal	99,392	–	264,661
Maximum outstanding during year ending March 31, 2018			
Deposit/Vostro Bal	114,264	23,676	964,012
Loans/Nostro Bal	100,402	–	82,371
Maximum outstanding during year ending March 31, 2017			
Deposit/Vostro Bal	31	4,950	694,553
Loans/Nostro Bal	99,392	–	392,113
Income received during year ending March 31, 2018*	9,119	–	–
Income received during year ending March 31, 2017*	4,902	–	–
Reimbursement of marketing expenses for the year ended March 31, 2018*	–	–	26,876
Reimbursement of marketing expenses for the year ended March 31, 2017*	–	–	22,426

c) **Key Management Personnel's Compensation: Country Manager – India**

Rs. '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
G. Pattabiraman	–	10,840*
Manish Mathur	11,197	

* Included cost of G. Pattabiraman up to 13th March 2017and Manish Mathur from 14th March 2017.

2.4 Leases

The Bank has entered into three operating lease for its premises at Mumbai Branch, Kochi Branch and Chennai Branch. The agreement provides for cancellation and escalation. There are no sub-leases.

The future minimum lease payments under non-cancellable lease as determined by the lease agreements for each of the year are as under

Rs '000

Minimum future lease payments	MARCH 31, 2018	MARCH 31, 2017
Up to 6 months	32,265	26,275
6 months to 1years	32,264	27,325
1 year to 5 year	287,209	234,499
More than 5 years*	141,319	155,741
Total	**493,057**	**443,840**

Lease payment of Rs 58,162 (thousands) towards premises during the year is recognized in Profit & Loss Account on straight line basis over the contractual period of the lease agreement.

2.5 Deferred Tax Assets/Liabilities:

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Deferred Tax Assets		
Lease rental provision	6,190	7,545
Retirement Benefits	2,418	2,214
Standard loan provision	48,344	36,229
Commission on guarantees received in advance	436	371
Other Provisions	8,775	987
Total	**66,163**	**47,346**
Deferred Tax Assets recognized to the extent of Deferred Tax Liability (A)	**18,834**	**19,183**
Differential Depreciation on Fixed Assets	18,834	19,183
Total (B)	**18,834**	**19,183**
Net Deferred Tax Asset/(Liability) (A)-(B)	–	–

SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.6 Software:

The following table sets forth, for the years indicated, the movement in software acquired by the Bank, as included in fixed assets

Rs '000

Particulars	MARCH 31, 2017	MARCH 31, 2017
Opening Balance (at cost)	69,787	54,826
Additions during the year	4,888	14,961
Deductions during the year	-	-
Accumulated depreciation at 31st March	51,815	27,898
Closing balance at 31st March	**22,860**	**41,889**
Depreciation charge for the year	23,917	20,354

2.7 Impairment of Assets:

There is no impairment of assets during the year and hence no provision is required in terms of AS 28 on "Impairment of Assets".

2.8 Contingent liabilities

Claims against the Bank not acknowledged as debts:

The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows. However, Bank has booked contingent liability of Rs. 39,595 thousands towards disallowance by Assessing Officer which is under appeal.

Liability on account of forward exchange and derivatives contracts:

The Bank enters into foreign exchange contracts and currency swaps with inter- bank participants on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates.

`Guarantees given on behalf of Constituents, Acceptances, Endorsements and Other:

As a part of its commercial banking activities, the Bank issues documentary credit & guarantee on behalf of its customers. Documentary credits such as letter of credit enhance the credit standing of the customers of the bank. Guarantees generally represent irrevocable assurances that the bank will make payment in the event of the customer failing to fulfill its financial or performance obligations.

Other items for which the Bank is contingently liable:

This consists of amounts transferred to Depositor Education and Awareness Fund (DEAF)

3. Additional Disclosures

3.1 Disclosures of complaints

1. Customer Complaints

	MARCH 31, 2018	MARCH 31, 2017
a) No. of complaints pending at the beginning of the year.	Nil	Nil
b) No. of complaints received during the year.	21	Nil
c) No. of complaints redressed during the year.	21	Nil
d) No. of complaints pending at the end of the year.	Nil	Nil

2. Awards passed by the Banking Ombudsman

	MARCH 31, 2018	MARCH 31, 2017
a) No. of unimplemented Awards at the beginning of the year.	Nil	Nil
b) No. of Awards passed by the Banking Ombudsmen during the year.	Nil	Nil
c) No. of Awards implemented during the year.	Nil	Nil
d) No. of unimplemented Awards at the end of the year.	Nil	Nil

3.2 Disclosure of Letters of Comfort (LoCs) issued by Bank

The Bank has not issued any Letter of Comfort during the year ended March 31, 2018. (PY: Nil)

3.3 Provision Coverage Ratio: 100%(PY : 75%)

3.4 Concentration of Deposits, Advances, Exposures and NPAs

i. Concentration of Deposits

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Total Deposits of twenty largest depositors	2,897,958	3,501,734
Percentage of Deposits of twenty largest depositors to total deposits of the Bank	39.07%	42.73%

ii. Concentration of Advances

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Total Advances to twenty largest borrowers	8,148,779	6,392,243
Percentage of Advances to twenty largest borrowers to total Advances of the Bank	79.48%	88.04%

SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS

iii. Concentration of Exposures

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Total Exposures to twenty largest borrowers/customers	8,148,779	6,506,516
Percentage of Exposure to twenty largest borrowers/customers to total Exposures of the Bank on borrowers/customers	79.48%	86.73%

iv. Concentration of NPAs

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Total Exposure to top four NPA accounts	88,807	93,807

3.5 Sector-wise Advances

Rs '000

SR. No.	Sector	March 31, 2018			March 31, 2017		
		O/s Adv	Gross NPA	% Gross NPA to Adv in that sector	O/s Adv	Gross NPA	% Gross NPA to Adv in that sector
A	**Priority Sector**						
	Agriculture and allied activities	-	-	-	-	-	-
	Advances to industries sector eligible as priority sector lending	275,000	-	-	595,121	-	-
	Services	1,479,758	-	-	775,000	-	-
	Personal loans	-	-	-	-	-	-
	Sub Total (A)	1,754,758	-	-	1,370,121	-	-
B	**Non Priority Sector**						
	Agriculture and allied activities	-	-	-	-	-	-
	Advances to industries sector eligible as priority sector lending	1,399,060	88,807	6.35	1,635,767	93,807	5.73
	Services	3,418,012	-	-	1,202,989	-	-
	Personal loans	29,063	-	-	16,193	-	-
	Sub Total (B)	**4,846,135**	**88,807**	**1.83**	**2,854,949**	**93,807**	**3.29**
	Total (A+B)	**6,600,893**	**88,807**	**1.35**	**4,225,070**	**93,807**	**2.22**

3.6 Movement of NPAs

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Gross NPAs as on 1st April of particular year (Opening Balance)	93,807	-
Addition (Fresh NPAs) during the year	-	93,807
Sub-total (A)	93,807	93,807
Less : (i) Up gradations	-	-
(ii) Recoveries (excluding recoveries made from upgraded accounts)	5,000	-
(iii) Write-offs	-	-
Sub-total (B)	**5,000**	**-**
Gross NPAs as on 31st March of following year (Closing Balance) (A-B)	88,807	93,807

(Note: There have been no technical write off during the current year and previous year.)

3.7 Overseas Assets, NPAs and Revenue

Rs '000

Particulars	MARCH 31, 2018	MARCH 31, 2017
Total Assets#	1,370,539	1,649,853
Total NPAs	-	-
Total Revenue*	9,344	19,271

This includes current account balance and money at call & short notice with banks outside India.

* This includes interest income on money at call and short notice with banks outside India.

3.8 Off-Balance sheet SPVs sponsored

The Bank has not sponsored any SPVs during the year ended March 31, 2018 and March 31, 2017.

SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3.9 Unamortized Pension and Gratuity Liabilities

There are no unamortized Pension and Gratuity during the year ended March 31, 2018 and March 31, 2017.

3.10 Disclosure on Remuneration

In terms of guidelines issued by RBI vide circular no. DBOD No. BC. 72/29.67.001/2011-12 dated 13th Jan 2012 on "Compensation of Wholetime Directors/Chief Executive Officers/Risk takers and Control function staff, etc.", the disclosure on remuneration of bank is as follows.

	Description	Response	
	Qualitative Disclosures		
(a)	Information relating to the composition and mandate of the Remuneration Committee.	Not applicable as remuneration and nomination committee is held at Head office, Qatar	
(b)	Information relating to the design and structure of processes and the key features and objectives of remuneration policy	Personnel Policies and Procedures Manual for India operations is under preparation.	
(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	Doha Bank is in preparation of risk and performance management system to capture, monitor and control the risk created by its business activities.	
(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	The Bank takes into account the performance of the staff members as well as the performance of India operations to determine the annual increments and performance bonus amounts.	
(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.	Not Applicable for India Operations.	
(f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.	The variable remuneration is only in the form of payment to the staff members and bank has not issued any shares, ESOPs, etc.	
	Quantitative disclosures	**Current Year**	**Previous Year**
(g)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	Not Applicable for India Operations.	Not Applicable for India Operations.
(h)	(i) Number of employees having received a variable remuneration award during the financial year.	Nil	Nil
	(ii) Number and total amount of sign-on awards made during the financial year.	Nil	Nil
	(iii) Details of guaranteed bonus, if any, paid as joining/sign on bonus	Nil	Nil
	(iv) Details of severance pay, in addition to accrued	Nil	Nil
(i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil	Nil
	(ii) Total amount of deferred remuneration paid out in the financial year.	Nil	Nil
(j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	Fixed Rs. 9,680 thousand Variable Rs. 1,520 thousand	Fixed Rs. 10,840 thousand Variable Rs. Nil
(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	Nil	Nil
	(ii) Total amount of reductions during the financial year due to ex- post explicit adjustments.	Nil	Nil
	(iii) Total amount of reductions during the financial year due to ex- post implicit adjustments.	Nil	Nil

3.11 Disclosures relating to Securitization

The Bank did not have Securitization transaction during the year ended March 31, 2018 and March 31, 2017.

3.12 Credit Default Swaps

The Bank has not dealt in Credit Default Swaps during the year ended March 31, 2018 and March 31, 2017.

SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3.13 Intra Group Exposure:

The Bank has intra group exposure of Rs. 111,315 thousand on borrower and Rs. 142,268 thousand on customers. The details have been given below:

	March 31, 2018	March 31, 2017
Total amount of intra group exposure	111,315	364,700
The amount of top 20 intra group exposure	111,315	364,700
% of intra group exposure to total exposure of the bank on borrowers/customers	1.09%	4.86%
Details of breach of limits on intra group exposure and regulatory action there on if any	Nil	Nil

3.14 Transfers to Depositor Education and Awareness Fund (DEAF)

Reserve Bank of India advised all the Banks in India to transfer the deposits remaining unclaimed by the customers for more than 10 years as of 30th June 2014 to a new fund set by RBI under the title "Depositor Education and Awareness Fund (DEAF)". Further all the banks have been advised to transfer as of the end of every month to the above fund on any deposit remaining unclaimed for more than 10 years.

The details of transfer to DEAF are as follows

Rs '000

Particular	MARCH 31, 2018	MARCH 31, 2017
Opening balance of amounts transferred to DEAF	10,245	9,736
Add : Amounts transferred to DEAF during the year	687	899
Less : Amounts reimbursed by DEAF towards claims	142	390
Closing balance of amounts transferred to DEAF	**10,790**	**10,245**

3.15 Unhedged Foreign Currency Exposure (UFCE)

The Bank has created additional provision towards UFCE Rs 750 thousand as on March 31, 2018. (PY: Nil)

3.16 The expense in excess of 1% of the total income included in the "Other Expenditure"

Particulars	2017-18	2016-17
Subscription and Membership	–	–
Marketing expenses	26,876	22,426

3.17 The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements

4. RBI vide its circular dated 18th April 2017, has directed banks shall make suitable disclosures, wherever either (a) the additional provisioning requirements assessed by RBI exceed 15 percent of the published net profits after tax for the reference period or (b) the additional Gross NPAs identified by RBI exceed 15 percent of the published incremental Gross NPAs1 for the reference period, or both. There has been no divergence in RBI inspection held for the financial year 2017-18 in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition asset classification and provisioning (IRACP) which require such disclosures.

5. Priority sector lending certificates

The Bank has not purchased or sold any Priority Sector Lending Certificate during the year.

6. Based on the available information, there are no outstanding dues towards principal amount or interest thereon remaining unpaid to any supplier covered under Micro, Small and Medium Enterprises Development Act, 2006 as at the end of accounting year. Further, no interest was due or payable by the Bank to any supplier during the year under the provisions of the said Act.

7. Fraud

During the year, the Bank does not have any instance of fraud. However, in previous year, the Bank has detected a single instance of fraud in case of one of its borrowers having an outstanding of Rs. 93,807 thousand which is fully provided as at 31st March, 2018.

8. Previous year's figures have been regrouped where necessary to conform to current year classification.

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 116231 W/ W-100024

Sd/-
Ashwin Suvarna
Partner
Membership No. 109503

June 30, 2018, Mumbai

For Doha Bank QSC – India Operations

Sd/-
Manish Mathur
Country Manager - India

DOHA BANK

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 31ST MARCH 2018

1. INTRODUCTION:

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 Bank is Sakhar Bhavan, 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 QSC (the Bank) as on 31st March 2018. These are 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. 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 30.64% as of March 31, 2018 computed under Basel III norms, higher than minimum regulatory CRAR requirement of 10.875% including capital conservation buffer (CCB) of 1.875%.

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. It has process for assessing its overall capital adequacy in relation to the risk profile. The bank has developed 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 the assessment of the adequacy of capital to support current and future activities / risk and report on the capital projection for period 3 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 March 31, 2018 is presented below:

(Rs '000)

Details	*Risk weighted assets*
Capital requirement for credit risk (Standardized approach)	645,240
On balance sheet exposure	527,754
Off balance sheet exposure	
Non market related	112,132
Market related	5,354
Capital requirement for market risk (Standardized duration approach)	266,192
Interest rate risk	16,158
Foreign exchange risk	250,000
Equity risk	34
Capital requirement for operational risk (Basic Indicator approach)	33,302
Total capital requirements	**944,734**
Total Risk Weighted Assets of the Bank	
Credit risk	5,933,237
Market risk	3,327,400
Operational risk	416,279
CET 1 capital	2,935,339
Additional Tier 1 capital	-
Total Tier 1 capital	**2,935,339**
Tier 2 capital	**29,548**
Total regulatory capital	**2,964,887**
CET1 / Tier 1 Capital ratio	**30.33%**
Tier 1 Capital ratio	**30.33%**
Total capital ratio	**30.64%**

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 31ST MARCH 2018

The Composition of the Capital structure as on March 31, 2018:

(Rs '000)

Particulars	
Paid up Capital (Funds from Head Office)	3,042,002
Statutory Reserve	31,550
Capital Reserve	22,924
Balance in Profit & Loss Account	(138,277)
Regulatory Adjustment to CET I	(22,860)
CET 1 Capital	**2,935,339**
Additional Tier 1 Capital	–
Total Tier 1 Capital	2,935,339
	2,935,339
Tier 2 Capital	29,548
Restricted to 1.25% of Credit Risk Weighted Assets	74,165
Whichever is lower, so allowed	**29,548**
Total regulatory capital	**2,964,887**

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 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: 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.

DOHA BANK QSC – INDIA OPERATIONS

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 31ST MARCH 2018

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 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 March 31, 2018.

(Rs '000)

Particulars	Domestic	Overseas	Total
Fund Based	10,215,986	1,370,539	11,586,525
Non Fund Based*	2,606,993	1,037,875	3,644,868
Total	**12,822,979**	**2,408,814**	**15,231,393**

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

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	278,730	447,291	161,598	230
2 TO 7 Days	1,578,038	31,818	209,606	1,517
8 TO 14 Days	7,775	32,222	33,943	1,536
15 to 28 days	3,295	13,656	1,231,541	651
29 days to 3 months	25,409	105,307	1,477,169	5,022
Over 3 months upto 6 months	40,735	168,828	1,343,693	17,349
over 6 months upto 12 months	46,784	193,894	1,557,663	9,246
Over 1 year to 3 years	170,851	708,087	418,360	33,765
Over 3 years to 5 years	16,575	68,693	68,694	3,276
Over 5 years	4,677	19,386	9,819	954,962
Total	**2,172,869**	**1,789,182**	**6,512,086**	**1,027,554**

DOHA BANK QSC – INDIA OPERATIONS

DOHA BANK

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 31ST MARCH 2018

Movement of NPAs (Gross) and Provision for NPAs

(Rs '000)

Particulars	March 31, 2018
(i) Amount of NPAs (Gross)	
Doubtful 1	–
Doubtful 2	–
Doubtful 3	93,807
Loss	–
(ii) Net NPAs	–
(iii) NPA Ratios	
Gross NPAs to Gross Advances	1.35%
Net NPAs to Net Advances	–
(iv) Movement of NPAs (Gross)	
Opening Balance as at April 1, 2018	93,807
Additions during the year	(5,000)
Reductions during the year	–
Closing Balance as at March 31, 2018	**88,807**
(v) Movement of provision of NPAs	
Opening Balance as at April 1, 2018	70,355
Provisions made during the year	23,452
Write offs of NPA provision	–
Write backs of excess provisions	(5,000)
Closing Balance as at March 31, 2018	**88,807**

Movement of Provision for Depreciation on Investment

(Rs '000)

Opening Balance	**1,498**
Add: Provisions made during the year	17,390
Less: Write back of excess provisions	–
Closing Balance	**18,888**

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	10,945,572
100% risk weight	4,285,821
More than 100% risk weight	–
	15,231,393

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

The total exposure covered by eligible financial collateral after application of haircuts as March 31, 2018 is given below:

(Rs '000)

Advances covered by Financial collateral	***Amount***
Exposure before Credit Risk Mitigation	15,231,393
Exposure after Credit Risk Mitigation	15,218,424

(Rs '000)

Exposures covered by guarantees	***Amount***
Funded exposure covered by Guarantees*	–
Non Funded exposure covered by Guarantees*	–

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 31ST MARCH 2018

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 disclosures as 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 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 '000)**
Interest Rate Risk	16,158
Equity position risk	34
Commodities position risk	–
Foreign Exchange risk	250,000
	266,192

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 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 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;
- 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)

Qualitative disclosure

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

DOHA BANK

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 31ST MARCH 2018

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 81,974 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 utilisation 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 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 March 31, 2018 is given below

Type	*Notional Amount*	*Positive MTM*	*Potential Future Exposure*	*Exposure as per current exposure Method*
Foreign Exchange Contract	961,885	130	19,238	19,368
Cross Currency Swap (including USD/INR Swaps)	1,363,895	2,588	27,278	29,866
Total	**2,325,780**	**2,718**	**46,516**	**49,234**

The capital requirement for default credit as per current exposure method is Rs. Nil as at March 31, 2018

(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	(138,277)	
3	Accumulated other comprehensive income (and other reserves)	54,474	
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	2,958,199	
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)	(22,860)	
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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بـنـك الـدوحـة DOHA BANK

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 31ST MARCH 2018

Sr. No.	Particulars	Amount	Ref No.
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**	**(22,860)**	
29	**Common Equity Tier 1 capital (CET1)**	**2,935,339**	
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	–	
	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)**	**2,935,339**	
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**	**29,548**	

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 31ST MARCH 2018

Sr. No.	Particulars	Amount	Ref No.
51	**Tier 2 capital before regulatory adjustments**	**29,548**	
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[13]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	Total regulatory adjustments to Tier 2 capital	29,548	
58	Tier 2 capital (T2)	29,548	
58a	Tier 2 capital reckoned for capital adequacy	29,548	
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	–	
58c	Total Tier 2 capital admissible for capital adequacy (58a + 58b)	29,548	
59	Total capital (TC = T1 + Admissible T2) (45 + 58c)	2,964,887	
	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)**	**9,676,916**	
60a	of which : total credit risk weighted assets	5,933,237	
60b	of which : total market risk weighted assets	3,327,400	
60c	of which : total operational risk weighted assets	416,279	
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	30.33%	
62	Tier 1 (as a percentage of risk weighted assets)	30.33%	
63	Total capital (as a percentage of risk weighted assets)	30.64%	
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)	29,548	
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.	
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)	–	

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DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 31ST MARCH 2018

Composition of Capital – Reconciliation of regulatory capital items as on March 31, 2018 is given below:

Step 1 (Rs '000)

			Balance sheet as in published financial statements	*Under regulatory scope of consolidation*
			As at 31.03.2018	*As at 31.03.2018*
A	**Capital & Liabilities**			
	i	Paid-up Capital (funds from HO)	3,042,002	
		Reserves & Surplus	61,118	
		Total Capital	3,103,120	
	ii.	Deposits	7,418,093	
		of which : Deposits from banks	119,077	
		of which : Customer deposits	7,299,016	
		of which : Other deposits (pl. specify)	–	
	iii.	Borrowings	–	
		of which : From RBI	90,000	
		of which : From banks	325,875	
		of which : From other institutions & agencies	448,711	
		of which : Others (pl. specify)	–	
		of which : Capital instruments	–	
	iv.	Other liabilities & provisions	254,169	
			11,639,968	
B	**Assets**			
	i.	Cash and balances with Reserve Bank of India	353,440	
		Balance with banks and money at call and short notice	1,819,429	
	ii.	Investments :	1,789,182	
		of which : Government securities	1,789,182	
		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	6,512,086	
		of which : Loans and advances to banks	1,844,020	
		of which : Loans and advances to customers	4,668,066	
		Fixed assets	514,460	
	v.	Other assets	513,094	
		of which : Goodwill and intangible assets	–	
		of which : Deferred tax assets	–	
	vi.	Goodwill on consolidation	–	
	vii.	Debit balance in Profit & Loss account	138,277	
			11,639,968	

Step 2 (Rs '000)

			Balance sheet as in published financial statements	*Under regulatory scope of consolidation*
			As at 31.03.2018	*As at 31.03.2018*
A	**Capital & Liabilities al & Liabilities**			
	iii	Paid-up Capital (funds from HO Paid-up HO)	3,042,002	
		Reserves & Surplus	61,118	
		Total Capital	3,103,120	
	ii.	Deposits	7,418,093	
		of which : Deposits from banks	119,077	
		of which : Customer deposits	7,299,016	
		of which : Other deposits (pl. specify)	–	
	iii.	Borrowings	–	
		of which : From RBI	90,000	
		of which : From banks	325,875	
		of which : From other institutions & agencies	448,711	
		of which : Others (pl. specify)	–	
		of which : Capital instruments	–	
	iv.	Other liabilities & provisions	254,169	
			11,639,968	

DOHA BANK

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 31ST MARCH 2018

			Balance sheet as in published financial statements	*Under regulatory scope of consolidation*
			As at 31.03.2018	*As at 31.03.2018*
B	**Assets**			
	i.	Cash and balances with Reserve Bank of India	353,440	
		Balance with banks and money at call and short notice	1,819,429	
	ii.	Investments :	1,789,182	
		of which : Government securities	1,789,182	
		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	6,512,086	
		of which : Loans and advances to banks	1,844,020	
		of which : Loans and advances to customers	4,668,066	
	iv.	Fixed assets	514,460	
	v.	Other assets	513,094	
		of which : Goodwill and intangible assets	–	
		of which : Deferred tax assets	–	
	vi.	Goodwill on consolidation	–	–
	vii.	Debit balance in Profit & Loss account	138,277	–
			11,639,968	

Step 3 (Rs '000)

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	3,042,002	–
2	Retained earnings	(138,277)	–
3	Accumulated other comprehensive income (and other reserves)	54,474	–
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**	**2,958,199**	–
7	Prudential valuation adjustments	–	–
8	Goodwill (net of related tax liability)	–	–
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	(22,860)	–
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	–	–
11	Regulatory adjustments applied to Common Equity Tier 1 and Tier 2 to cover deductions	–	–
	Common Equity Tier 1 capital (CET1)	**2,935,339**	–

Main feature of regulatory capital instrument as on March 31st 2018.

Disclosure template for main features of regulatory capital instruments		
1	Issuer	Not Applicable
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	
3	Governing law(s) of the instrument	
	Regulatory treatment	
4	Transitional Basel III rules	
5	Post-transitional Basel III rules	

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DOHA BANK

DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 31ST MARCH 2018

Disclosure template for main features of regulatory capital instruments		
6	Eligible at solo/group/ group & solo	Not Applicable
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, investment 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 March 31, 2018 as per table DF 11, composition of capital – reconciliation requirement as on March 31, 2018 (Step 1 to 3) as per table DF 12 and Main futures of regulatory capital instrument as per table DF 13 are provided as separate annexure to 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.

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DISCLOSURES UNDER PILLAR 3 OF THE CAPITAL ADEQUACY FRAMEWORK (BASEL III GUIDELINES) AS ON 31ST MARCH 2018

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 March 31, 2018 the leverage ratio is 23.17%. The summary comparison of accounting assets vs leverage ratio exposure measure and Leverage ratio common disclosure as per table DF 18 are provided as separate annexure to this disclosure.

Summary comparison of accounting assets vs. leverage ratio exposure measure **(Rs '000)**

	Particular	Amount
1	Total consolidated assets as per published financial statements	11,501,691
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	–
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)	1,080,335
7	Other adjustments	–
8	**Leverage ratio exposure**	**12,582,026**

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)	11,609,385
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(22,860)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**11,586,525**
DERIVATIVE EXPOSURES		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	2,718
5	Add-on amounts for PFE associated with all derivatives transactions	46,516
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)**	**49,234**
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	3,595,634
18	(Adjustments for conversion to credit equivalent amounts)	(2,564,533)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**1,031,101**
CAPITAL AND TOTAL EXPOSURES		
20	**Tier 1 capital**	**2,935,339**
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**12,666,860**
LEVERAGE RATIO		
22	**Basel III leverage ratio**	**23.17%**

For **Doha Bank QSC – India Operations**

Manish Mathur
Country Manager- India