Basel III disclosures of the Indian Branches for the year ended 31 March 2015

All amts in Rs.' 000s, unless otherwise stated

1. Scope of application

Qualitative Disclosures

The Bank is subject to the capital adequacy guidelines stipulated by RBI, which are based on the framework of the Basel Committee on Banking Supervision. As per Basel III guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB) as on 31st March 2019. These guidelines on Basel III has been implemented on 1st April 2013 in a phased manner. The minimum capital required to be maintained by the Bank for the year ended 31st March 2015 is 9% with minimum Common Equity Tier 1 (CET1) of 5%..

The risk management framework of Indian operations is integrated with the Bank's strategy and business planning processes at global level. The Bank has comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed in conducting its activities. The risk management function in India is as per directives and framework set out at Head Office level.

As at March 31, 2015, the Bank does not have any investment in subsidiaries/Joint Ventures and Associates, significant minority equity investment in insurance, financial and commercial entities.

2. Capital structure

Qualitative Disclosures

Bank regulatory capital consists of two components – Tier 1 capital and Tier 2 capital. Both components of capital provide support for banking operations and protect depositors. As per Reserve Bank of India (RBI) guidelines, the composition of capital instruments for foreign banks in India would include the following elements:

Tier 1 Capital:

- Interest-free funds received from Head Office
- Statutory reserves kept in Indian books
- Remittable surplus retained in Indian books which is not repatriable so long as the bank functions in India
- Capital Reserves
- Interest-free funds remitted from Head Office for acquisition of property

Tier 2 Capital:

- General provisions and loss reserves:
  Reserves not attributable to the actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses are included in Tier 2 capital subject to a maximum of 1.25 per cent of the total risk-weighted assets. Such provisions and reserves include General Provisions on Standard Assets', Provisions held for Country Exposures' and Investment Reserve Account'.
- Head Office borrowings in foreign currency raised by foreign banks operating in India classified as subordinated debt subject to a maximum ceiling of 50% of the Tier 1 capital maintained in India.

Quantitative Disclosures

(a) Tier 1 Capital (Rs. '000s)

Amount Received from Head Office	6,754,150
Statutory Reserves	938,818
Remittable Surplus Retained in India for CRAR	532,613
Capital Reserves	13,135

Interest-free funds remitted from Head Office for acquisition of property	345,070
Less : Intangible Assets	(200,625)
Total Tier 1 Capital	**8,383,161**

(b) Tier 2 Capital (Rs. '000s)

General Provisions	244,495
Investment Reserve	91,373
Country Risk Provisions	45,006
Total Tier 2 Capital	**380,874**

(c) Debt Capital Instruments Eligible for inclusion in Upper Tier 2 Capital (Rs. '000s)

Total Amount Outstanding	-
of which amount raised during the current year	-
Amount eligible to be reckoned as capital funds	-

(d) Subordinated Debt Eligible for inclusion in Lower Tier 2 Capital (Rs. '000s)

Total amount outstanding	**3,090,740**
of which amount raised during the current year	-
Amount eligible to be reckoned as capital funds	-

(e) Other deduction from capital.
There are no other deductions from capital.

(f) Total Eligible Capital
The total eligible capital is Rs 11,854,775 (thousand).

3. Capital Adequacy
Qualitative Disclosures

The Bank has assessed its capital requirement taking into account the 3 main risks as defined by Pillar 1 of the Basel III norms viz: Credit Risk, Market Risk and Operational Risk. The Credit Risk is computed using the Standardised Approach, the Market Risk is calculated using the Standardised Duration Approach and the Operational Risk is calculated using the Basic Indicator Approach. The risk computation under each of these 3 categories is adequately covered by the Capital of the Bank.

The Bank has assessed its future capital requirement and the same has been documented in the ICAAP (Internal Capital Adequacy Assessment Process) - Pillar 2 requirements of Basel II norms based on the position as of March 31'2015. The capital requirement will be re-assessed taking into consideration the position of the Bank for the financial year ended March 31'2015.

The existing level of Capital is adequate to meet the Bank's current and future business requirements and the CRAR ratio of the Bank is significantly higher than that prescribed by the regulators. A summary of the Bank's capital requirement for credit, market andoperational risk and the capital adequacy ratio as on 31st March 2015 is presented below:

Quantitative Disclosures

(Rs. '000s)

(a) Capital Requirements for Credit Risk:	
Portfolios subject to Standardised Approach	3,653,258
Securitisation Exposures	-
(b) Capital Requirements for Market Risk: Standardised Duration Approach	
Interest Rate Risk	211,002
Foreign Exchange risk (including Gold)	180,000
Equity Risk	-
© Capital Requirement for Operational Risk:	
Basic Indicator Approach	201,230

Total Eligible Capital	11,854,775
Total Risk Weighted Assets	47,172,116
Total Capital Ratio	25.13%
Tier 1 Capital Ratio	17.77%

4. Credit risk: general disclosures

Qualitative Disclosures

Credit Risk has been defined as the risk of financial loss if counterparty defaults on an obligation under a contract. It arises mainly from direct lending, off-balance sheet exposures such as guarantees and from the Bank's investments in debt securities.

Strategy and processes (including credit risk management policy of the Bank)
The credit risk management framework is based upon Societe Generale group policies and revolves around certain key principles

- All transactions and facilities must be authorized in advance.
- All requests for authorizations relating to a specific client or client group are handled by a single operating division.
- All authorizations are given by an independent risk department, and approval rests on a framework based on internal counterparty risk ratings, Loss given default and a risk-adjusted return on capital analysis
- There are internal caps on the total sub-investment grade exposure (defined as internal rating of 6 (six) or below), exposure to sensitive sectors and on the extent of unsecured exposure.
- There are also specific controls on exposures to banks and financial institutions, designed to ensure against excessive risk concentration.

Structure and Organization:
The risk ratings are provided by operating divisions and are validated by the risk officers. The Risk department is independent of the operating divisions. The local Risk department was separated from Credit department in December 2011. Risk ratings are included in all credit proposals and are factored into all credit decisions. These ratings are independently validated by respective Risk Divisions in Head Office or Regional Hubs.

There is a specialized and centralized department for financial institutions which is located in Paris.

Scope and nature of risk reporting and measurement:
The internal rating models measure counterparty risk (expressed as a probability of default by the borrower in one year) and transaction risk (expressed as the amount that will be lost should a borrower default). An in house database stores all credit limits.
The risk on counterparty exposure on market transactions is measured by modeling the future mark to market value of transactions, after taking into effect netting and correlation effects.

Non-performing advances:
Non performing advances are identified by regular appraisals of the portfolio by management or in accordance with RBI guidelines, whichever is earlier. Specific provision is made on a case by case basis, subject to minimum provisioning levels prescribed by RBI. Special attention is paid to early identification of problem exposures. The Bank's approach towards problem exposures is:

- Quick identification and isolation of potential weak /non-performing credits for concentrated attention through inclusion in the watch list. Watch list discussions are attended by Senior Management, Head of Risk and the Relationship Manager.
- Continued and rigorous follow up of these credits with the intention to monitor a possible turnaround or an early exit.
- A structured and sustained pro-active approach complemented by a rigorous follow up procedures.

For recognition of past due and impaired loans and advances, the Bank follows guidelines prescribed by Reserve Bank of India as contained in circular DBOD.No.BP.BC.1/21.04.048/2013-14 dated July 01, 2013 on "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances" and other circulars/notifications issued by RBI during the course of the year in this regard.

Quantitative Disclosures

a) Total gross credit risk exposure **Rs.' 000s**

	Fund Based (Note 1)	**Non Fund Based (Note 2)**	**Total**
As at 31.03.2015	52,587,178	22,523,694	75,110,872

1. *The above amounts represent exposures before credit risk mitigants.*
2. *Non fund based exposures exclude credit lines which are unconditionally cancellable at the Bank's sole discretion or, effectively provide for automatic cancellation of credit lines due to deterioration of borrower's creditworthiness.*
3. *The credit risk exposures or equivalents in respect of Non fund based exposures are computed as under:*
   - *In case of exposures other than FX and derivatives, credit equivalent is arrived at by multiplying the notional principal amount with the credit conversion factors.*
   - *In case of FX and derivatives, credit equivalents are computed using the current exposure method.*

b) Geographic distribution of exposures **Rs.' 000s**

			As at 31.03.2015
	Fund Based	Non Fund Based	Total
Overseas	-	-	-
Domestic	52,587,178	22,523,694	75,110,872
Total	**52,587,178**	**22,523,694**	**75,110,872**

c) Industry type distribution of exposures **Rs.' 000s**
As at 31.03.2015

Industry	**Fund based**	**Non fund based**	**Total**
All Engineering	4,722,978	4,608,168	9,331,146
Banking and Finance	4,860,502	20,707,347	25,567,849
Basic Metal & Metal Products	254,000	-	254,000
Cement and Cement Products	95,000	415,330	510,330
Chemical and chemicals products	7,161,641	466,816	7,628,457
Food Processing	1,301,951	1,416	1,303,367
Gems and Jewellery	2,480,818	56,994	2,537,812
Infrastructure	4,800,000	334,800	5,134,800
NBFC	475,005	-	475,005
Other Industries	7,271,719	2,230,463	9,502,182
Other Residuary Advances	1,947	-	1,947
Paper & Paper products	400,000	-	400,000
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	117,000	20,297	137,297

Rubber, Plastic and their Products	1,108,428	-	1,108,428
Textiles	671,056	20,386	691,442
Vehicles, Vehicle Parts and Transport Equipments	625,909	29,746	655,655
Total	**36,347,954**	**28,891,763**	**65,239,717**

d) Residual contractual maturity breakdown of assets

Rs.' 000s

	As at 31.03.2015
1 day	5,105,555
2-7 days	134,140
8-14 days	1,073,580
15-28 days	5,597,438
29 days -3 months	10,356,359
Over 3 months -6 months	4,790,773
Over 6 months -upto 1 year	11,019,576
Over 1 year -upto 3 years	20,083,076
Over 3 years to 5 years	1,305,931
Over 5 years	7,576,832
Total	**67,043,260**

e) Amount of NPAs (Gross) – NIL (P.Y. Rs. 4,286)

f) Net NPAs- Nil (P.Y. Nil)

g) NPA Ratios
Gross NPAs to gross advances 0.00% (P.Y.0.02%)
Net NPAs to net advances- 0% (P.Y.0%)

h) Movement of NPAs

Rs.' 000s

			2014-15
	Gross NPAs	Provision	Net NPA
Opening balance	4,286	4,286	-
Additions	-	-	-
Reduction (including write backs / write offs)	4,286	4,286	-
Closing balance	-	-	-

i) Non performing investments – Nil

j) Provisions held for non-performing investments – Nil

k) Movement of provisions for depreciation on investments

Rs.' 000s

	2014-15
Opening Balance at beginning of the year	578
Add: Provisions made during the year	24,894
Less: Write-off/write-back of excess provisions during the year	25,472
Closing Balance at end of the year	-

5. Credit risk: disclosures for portfolios subject to the standardised approach

Qualitative Disclosures

The Bank relies on the ratings given by the following External Credit Rating Agencies (ECRAs) approved by the RBI to calculate its capital requirement under the standardised approach for credit risk

Domestic Credit Rating Agencies for external ratings of Indian Corporates:

1) Credit Analysis and Research Ltd.(CARE)
2) CRISIL.
3) India Ratings & Research Private Limited (earlier known as FITCH India)
4) ICRA Ltd, Brickwork Ratings India Pvt. Ltd., SMERA Ratings Limited

The Bank has used issue-specific solicited ratings available in the public domain (for both Long Term and Short Term facilities) from the above domestic rating agencies to allocate appropriate risk weighting for both funded as well as non-funded exposures on corporate customers.

The mapping of external credit ratings and risk weights for corporate exposures is provided in the tables below:

Risk weight mapping of long term corporate ratings

Long term ratings	Risk weights
AAA	20%
AA	30%
A	50%
BBB	100%
BB & Below	150%
Unrated	100%

Risk weight mapping of short term corporate ratings

Short Term Ratings				Risk weights
CARE	**CRISIL**	**FITCH**	**ICRA**	
A1+	A1+	A1+	A1+	20%
A1	A1	A1	A1	30%
A2	A2	A2	A2	50%
A3	A3	A3	A3	100%
A4 & D	A4 & D	A4 & D	A4 & D	150%
Unrated	Unrated	Unrated	Unrated	100%

The claims on banks incorporated in India and foreign banks branches in India, excluding investment in equity shares and other instruments eligible for capital status are risk weighted as under:

CRAR %	Scheduled Banks	Other Banks
> 9	20%	100%
6 to < 9	50%	150%
3 to < 6	100%	250%
0 < 3	150%	350%
Negative	625%	625%

International ECRAs for external ratings of Foreign Banks, Foreign Sovereigns, Foreign Public Sector Entities and Non-Resident Corporates:

a) Fitch
b) Moody's
c) Standard & Poor's

The mapping of external credit ratings and risk weights for the above entities are provided in the tables below to the extent applicable.

Risk weight mapping of foreign banks

S&P and Fitch ratings	AAA to AA	A	BBB	BB to B	Below B	Unrated
Moody's rating	Aaa to Aa	A	Baa	Ba to B	Below B	Unrated
Risk weight	20%	50%	50%	100%	150%	50%

Amount outstanding under various risk buckets: **Rs.' 000s**

	As at 31.03.2015
Below 100 % risk weight	12,175,109
100 % risk weight	19,732,768
More than 100 % risk weight	3,276,331
Deducted	-
Total	**35,184,208**

6. Credit risk mitigation: disclosures for standardised approaches:
Qualitative Disclosures

Policy for collateral valuation and Management
All corporate and institutional facilities are reviewed (and hence revalued) at least on an annual basis. All deeds of ownership/ titles related to collateral are held in physical custody under the control of executives independent of the business. Unsecured exposures cannot exceed the overall ceiling fixed for such facilities.

The main categories of recognized collateral taken by the Bank conform to the list of eligible financial collateral advised in Section 7.3.5 of RBI's Prudential guidelines on Capital Adequacy and Market discipline and include cash on deposits, marketable equities, and recognized debt securities.

The Bank also extends credit facilities against guarantees from international corporates and banks. For a corporate guarantee to be recognized as a credit risk mitigant, the guarantor must have a rating of A or above from Standard & Poor's, Fitch and / or Moody's.

The Bank is not active in securitization of standard assets in India.

Quantitative Disclosures

As on March 31, 2015, the total exposure covered by eligible financial collateral after application of haircuts was Rs. 4,913 (P.Y. Rs. 87,574)

7. Securitisation: disclosure for standardised approach

The Bank has not undertaken any securitization operation during the year.

8. Market risk in trading book
Qualitative Disclosures

Market risk arises out of the fluctuation in the interest rates, foreign exchange rates and the consequent change in the prices of various financial instruments held by the Bank. The financial instruments are revalued on a daily basis as per the guidelines issued by the regulatory authorities. The change in the valuation of the financial instruments may result in profit or loss for the Bank.

The primary objective of Bank's market risk management is the continuous and independent monitoring of positions, market and counterparty risks incurred by the Bank's trading activities, and the comparison of these positions and risks with established limits.

Strategy and Process:

All open Market Risk is subject to approved limits. The limits are set based on the projected business plan of the Risk Taking Unit, market environment and the risk perception. The Risq/Mar limits are defined as per the HO Market Risk policy under which the requests for limits are made by the relevant business line accompanied by supporting rationale (viz. projected business plan and historical utilizations). Risq/Mar then reviews and validates the limits in discussion with the business lines. All approved limits are then recorded in the reference systems for Market Limits (Colibris). The approved Risq/Mar limits are also presented to ALCO, which reviews and revalidates the limits. The Risq/Mar limits are reviewed on an annual basis or if particular circumstances arise.

In addition to the Risq/Mar limits, SG India also has local Stress Test, portfolio-wise VaR and PV01 limits. The local limits setting process involves, initiation of the request for limits by TFO to MRD, which then reviews and validates the limits based on the rationale provided by the TFO. While reviewing the proposed limits, the MRD considers the business plan forecasts, past utilizations, market environment and risk perception. Subsequently, the limits are then presented to ALCO for its approval. The ALCO takes into consideration TFO's capacity and capability to perform within the proposed limits evidenced by the experience of the Traders, controls and risk management, audit ratings and trading revenues. Post approval by the ALCO, the limits are documented in the limits package of SG India and updated in all the relevant risk monitoring reports. SG India also has Stop Loss limits applicable to the trading desk that is approved by the ALCO and the respective business head at the SG's Regional Office.

Structure and organisation of market risk management

The local Market Risk Department (MRD) is overall responsible for the management of Market Risk under support and guidance from the Market Risk Department (Risq/Mar) at the HO Level and under the supervision of the Chief Risk Officer, SG India. The local MRD, functions within the broad framework defined by Risq/Mar, HO and ensures compliance with the local regulatory requirements. It works independently of Front Office, who have no hierarchical authority over MRD and no pressure may be brought to bear by traders in relation to allocated limits or calculated risk amounts used by MRD. The Treasury Front Office (TFO) is the Risk Taking Unit within the bank. The primary responsibility for risk management of market transactions is held by TFO s as part of the ongoing management of their activities and the continuous monitoring of their positions.

Scope and nature of risk measurement, risk reporting and risk monitoring system:

Market risk is monitored and controlled using parameters, such as , Value at Risk (VaR), Sensitivity limits (parallel shift in interest rates), net open position limit (Foreign exchange positions) and stress test. The bank has set limits on each of these parameters and the utilizations are reported on a daily basis to the senior management.

All trading transactions are booked in the front office deal booking system called Kondor plus (K+). This system is capable of calculating the position and sensitivity on treasury transactions that are used by TFO to view the risk on their portfolio. The Market Risk parameteres like VaR, stress tests, FTQ (flight to quality), Interest Rate sensitivity (10bps) and Forex Spot Position are computed by the Market Risk Department at HO (RISQ/MAR) using a system called KARE. In addition, for monitoring the Market Risk at local level, the Bank uses K+ system for computing PV01 (present value of a basis point) on instruments bearing interest rate risk and has also implemented a risk system called Riskalculator for computing VaR. The SG's VaR model uses historical simulation methodology based on a 1-day time horizon at the 99% confidence interval using a 1-year sliding window.

The bank has adopted stress testing as an integral part of its risk management framework and as such it is used to evaluate potential vulnerability to some unlikely but plausible events or movements in financial variable. While there is a well-defined global framework designed at the SG's HO level on stress test, that covers all the geographical locations and markets including the Indian branches of SG, the bank has adopted a localized stress test framework in order to incorporate the local risk factors having an impact on the Bank's portfolio. The Bank performs Market Risk Stress Test on a quarterly basis for both the Trading and accrual portfolios. The methodology, assumptions, scenarios and results of the Stress Test are presented to ALCO and Management Committee (MANCO) for discussion and review.

Capital requirements for market risk: **Rs.' 000s**

Standardised duration approach	**As at 31.03.2015**
Interest rate risk	211,002
Foreign exchange risk	180,000
Equity risk	-
Capital requirements for market risk	391,002

9. Operational risk

Qualitative disclosures

The operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including events of low probability of occurrence, but with a risk of high loss. This definition includes legal risk but excludes strategic and reputation risks

Strategy and Process

The Bank has an Operational risk policy in place which classifies Operational Risk events into 8 major heads and 49 sub heads to map with the Basel II Loss Event Type Classifications, Event Description, Corrective & Preventive Action plan and loss amounts & recoveries. The risk is managed through a system of prevention, control and coverage that comprises detailed procedures, permanent supervision, and insurance policies, further supported by reviews by the internal audit and the Head-office teams.

Structure and Organisation

Implementation of the Operational Risk framework of the bank is done by the Operational Risk Manager under guidance of the Chief Risk Officer. The framework rests on 5 pillars

- Operational Loss Collection.
- Risk & Controls Self Assessment
- Permanent Supervision
- Key Risk Indicators
- Scenario Analysis

The Operational Risk aspects are discussed in two Committee's of the bank namely the Audit & Accounts Committee and the Operational Risk Committee. Both these committees are chaired by the Chief Executive Officer -India and has the local Operational Risk Managers, Business Line Heads, Support function Heads, Compliance, Legal and Audit as members

This committee is responsible to identify and control all risks of legal, administrative and or disciplinary penalties, financial losses or injury to the image arising out of or in connection with failure to comply with the Head Office, Local/Legislative/Regulatory banking provisions/ethics and professional practices as well as SG Group instructions, standards and/or processes.

Scope and nature of Risk reporting / measurement system

The Bank has clearly defined the nature, scope of risk reporting by putting in place systems and thresholds for loss data collection, measurement and reporting by category and sub category of events. The Bank's internal classification has been mapped to the Basel II Loss Event Type Classifications. Based on this classification Risk Drivers (KRIs) that convey any control weakness that could cause an Operational Risk Event are identified and assessed through multiple evaluation questions. The current threshold for reporting of losses is greater than or equal to € 2,500; these will be recorded in the internal risk data base, only risk events above € 10,000 will be reviewed by Group Operational Risk teams and also will be used to calculate capital requirements and in various risk analyses. A reporting on Operational Risk is done on a quarterly basis to the Head office.

The Bank also has a RCSA (Risk Control & Self Assessment) process in place which helps to evaluate the inherent risk in the business and the controls in place to mitigate it. The process covers all business units of the bank.

Hedging / Mitigating techniques
The ORM policy is also designed to alert the operating divisions as soon as possible if they are vulnerable to risks so as to ensure that they react immediately to reduce potential losses and/or the severity of such losses. The gaps / residual risk identified during the above mentioned RSCA exercise are addressed by implementing additional controls to ensure a robust ORM structure.

The Bank has adopted the Basic Indicator approach to compute the capital requirement for operational risk as prescribed by RBI. The Bank has made an application to the RBI for migrating to The Standardised Approach (TSA)/ Advanced Measurement approach (AMA).

10. Interest rate risk in the banking book (IRRBB)

In order to manage the risk optimally, the Interest Rate Risk in the Banking Book (IRRBB) is centralized within the ALM desk in Finance department. The Head Office has assigned sensitivity limits on the IRRBB which also covers the capital and investments held in the HTM category. The risks arising out of various commercial banking activities are transferred to the ALM desk using the internal funds transfer pricing mechanism.

The ALM desk manages and hedges, if required, the IRRBB with Treasury under the guidance of the ALCO. The IRRBB is measured on a Quarterly basis.

Quantitative Disclosures

Market Risk Limits (Amounts in EUR)

31.03.2015

1- Value at Risk : VAR 99%

VAR	Limit	Usage	
Global	*3,000,000*	*(188,500)*	*6%*
Trading	*3,000,000*	*(188,500)*	*6%*

2 -Interest Rate Sensitivity Limits (expressed in EUR for +10bps)

Parallel	Limit	Usage	
Global	*500,000*	*(181,252)*	*36%*

3- Stress Tests

	Limit	Usage	
Stress Test	*20,000,000*	*(4,633,000)*	*23%*

As required under Pillar III norms, the increase / decline in earnings and economic value for an upward / downward rate shock of 200 basis points as on March 31, 2015, broken down by currency is as follows:

Earnings Perspective

(Rs. '000s)

Currency	Interest Rate Shock	
	2% Increase	2% Decrease
Rupees and other major currencies	213,981	(213,981)
US Dollar	(1,714)	1,714

Economic Value Perspective

(Rs. '000s)

Currency	Interest rate shock	
	2% increase	2% decrease
Rupees and other major currencies	1,090,826	(1,090,826)
US Dollar	(18,484)	18,484

11. Composition of capital

Rs. in '000

	Particulars	Amount	Amounts Subject to Pre-Basel III Treatment	Ref No.
Common Equity Tier 1 capital: instruments and reserves				
1	Directly issued qualifying common share capital plus related stock surplus (share premium) (Funds from Head Office)	6,754,150	-	Schedule 1
2	Retained earnings	1,829,636	-	Schedule 1 & 2
3	Accumulated other comprehensive income (and other reserves)		-	
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**	8,583,786	-	
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)	200,625	-	Schedule 10 and Note 18.11.vi
10	Deferred tax assets	-	-	
11	Cash-flow hedge reserve	-	-	
12	Shortfall of provisions to expected losses	-	-	
13	Securitisation gain on sale	-	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	
15	Defined-benefit pension fund net assets	-	-	
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	-	-	
17	Reciprocal cross-holdings in common equity	-	-	

18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	-	
20	Mortgage servicing rights(amount above 10% threshold)	-	-	
21	Deferred tax assets arising from temporary differences(amount above 10% threshold, net of related tax liability)	-	-	
22	Amount exceeding the 15% threshold	-	-	
23	of which : significant investments in the common stock of financial entities	-	-	
24	of which : mortgage servicing rights	-	-	
25	of which : deferred tax assets arising from temporary differences	-	-	
26	National specific regulatory adjustments (26a+26b+26c+26d)	-	-	
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 : HO Debit Balance	-	-	

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**	200,625	-	
29	**Common Equity Tier 1 capital (CET1)**	8,383,161	-	
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 : …	-	-	
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)**		-	
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*	3,090,740	-	Schedule 4
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)	380,874	-	
49	of which : instruments issued by subsidiaries subject to phase out	-	-	
50	Provisions (Please refer to Note to Template Point 50)	-	-	Schedule 2 & 5(iv)
51	**Tier 2 capital before regulatory adjustments**	3,471,614	-	
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 investments13in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-	
56	National specific regulatory adjustments (56a+56b)	-	-	
56a	of which : Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	-	-	
56b	of which : Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	-	-	
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	-	-	
	of which : Investment in Subsidiaries	-	-	
57	**Total regulatory adjustments to Tier 2 capital**	-	-	
58	**Tier 2 capital (T2)**	3,471,614	-	
58a	**Tier 2 capital reckoned for capital adequacy14**		-	
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	-	-	
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	-	-	
59	**Total capital (TC = T1 + Admissible T2) (45 + 58c)**	11,854,775	-	
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment		-	

	of which : …	-	-	
60	**Total risk weighted assets (60a + 60b + 60c)**	47,172,1116	-	
60a	of which : total credit risk weighted assets	40,591,754	-	
60b	of which : total market risk weighted assets	4,344,471	-	
60c	of which : total operational risk weighted assets	2,235,891	-	
Capital ratios				
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	17.77%	-	
62	Tier 1 (as a percentage of risk weighted assets)	17.77%	-	
63	Total capital (as a percentage of risk weighted assets)	25.13%	-	
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)	-	-	

75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	-	
Applicable caps on the inclusion of provisions in Tier 2				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	289,501	-	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	507,397	-	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	N.A.	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	N.A.	-	
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)				
80	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	N.A.	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N.A.	-	
84	Current cap on T2 instruments subject to phase out arrangements	N.A.	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	N.A.	-	

* Subordinated debt received from Head Office

Note to the template		
Row No. of the template	Particular	Rs. in '000
10	Deferred tax assets associated with accumulated losses	-
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	-
	Total as indicated in row 10	-
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-
	of which : Increase in Common Equity Tier 1 capital	-
	of which : Increase in Additional Tier 1 capital	-
	of which : Increase in Tier 2 capital	-
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then :	-
(i)	Increase in Common Equity Tier 1 capital	-
(ii)	Increase in risk weighted assets	-
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	-
	of which : Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	-
50	Eligible Provisions included in Tier 2 capital	289,501
	Eligible Revaluation Reserves included in Tier 2 capital	91,373
	Total of row 50	380,874
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	-

Composition of Capital- Reconciliation requirements

Step 1

Rs. in '000

			Balance sheet as in published financial statements	Under regulatory scope of consolidation
			As at 31.03.2015	**As at 31.03.2015**
	Capital & Liabilities			
A	i.	Paid-up Capital (funds from HO)	7,099,220	7,099,220
		Reserves & Surplus	1,909,548	1,909,548
		Minority Interest	-	-
		Total Capital	**9,008,768**	**9,008,768**
	ii.	Deposits	**30,019,977**	**30,019,977**

		of which : Deposits from banks	31,176	31,176
		of which : Customer deposits	29,988,801	29,988,801
		of which : Other deposits (pl. specify)	-	-
	iii.	Borrowings	**12,066,870**	**12,066,870**
		of which : From RBI	-	-
		of which : From banks	2,000,000	2,000,000
		of which : From other institutions & agencies	-	-
		of which : Others (pl. specify) (Borrowings outside India)	10,066,870	10,066,870
		of which : Capital instruments	-	-
	iv.	Other liabilities & provisions	15,947,645	15,947,645
	Total		**67,043,260**	**67,043,260**
B	**Assets**			
	i.	Cash and balances with Reserve Bank of India	1,942,888	1,942,888
		Balance with banks and money at call and short notice	228,388	228,388
	ii.	Investments :	12,085,508	12,085,508
		of which : Government securities	12,085,508	12,085,508
		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	36,347,954	36,347,954
		of which : Loans and advances to banks	4,860,501	4,860,501
		of which : Loans and advances to customers	31,487,453	31,487,453
	iv.	Fixed assets	1,042,578	1,042,578
	v.	Other assets	15,395,944	15,395,944
		of which : Goodwill and intangible assets	-	-

		of which : Deferred tax assets	-	-
	vi.	Goodwill on consolidation	-	-
	vii.	Debit balance in Profit & Loss account	-	-
Total Assets			**67,043,260**	**67,043,260**

Step 2

Particulars (Rs. in '000s)			Balance sheet as in published financial statements	Under regulatory scope of consolidation
			As at 31.03.2015	As at 31.03.2015
A	**Capital & Liabilities**			
	i.	**Paid-up Capital (funds from HO)**	.	-
		of which : Amount eligible for CET1	8,583,785	8,583,785
		of which : Amount eligible for AT1	-	-
		Reserves & Surplus	424,983	424,984
		Minority Interest		
		Total Capital	**9,008,768**	**9,008,768**
	ii.	**Deposits**	**30,019,977**	**30,019,977**
		of which : Deposits from banks	31,176	31,176
		of which : Customer deposits	29,988,801	29,988,801
		of which : Other deposits (pl. specify)	-	-
	iii.	**Borrowings**	**12,066,870**	**12,066,870**
		of which : From RBI	-	-
		of which : From banks	2,000,000	2,000,000
		of which : From other institutions & agencies	-	-
		of which : Others (pl. specify) (Borrowings outside India)	10,066,870	10,066,870
		of which : Capital instruments	-	-
	iv.	**Other liabilities & provisions**	15,947,645	15,947,645
		of which : DTLs related to goodwill	-	-
		of which : DTLs related to intangible assets	-	-
	Total		**67,043,260**	**67,043,260**
	Assets			
B	i.	Cash and balances with Reserve	1,942,888	1,942,888

		Bank of India		
		Balance with banks and money at call and short notice	228,388	228,388
	ii.	**Investments :**	12,085,508	12,085,508
		of which : Government securities	12,085,508	12,085,508
		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**	36,347,954	36,347,954
		of which : Loans and advances to banks	4,860,501	4,860,501
		of which : Loans and advances to customers	31,487,453	31,487,453
	iv.	**Fixed assets**	1,042,578	1,042,578
	v.	**Other assets**	15,395,944	15,395,944
		of which : Goodwill and intangible assets	-	-
		of which : Goodwill	-	-
		of which : Intangible assets	-	-
		Deferred tax assets	-	-
	vi.	Goodwill on consolidation	-	-
	vii.	Debit balance in Profit & Loss account	-	-
Total Assets			**67,043,260**	**67,043,260**

Step 3 : Common Equity Tier 1 capital: instruments and reserves			
		Component of regulatory capital reported by bank	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2
	Directly issued qualifying common share (and equivalent for non- joint stock companies) capital plus related stock surplus	6,754,150	6,754,150
	Retained earnings	1,829,636	1,829,636

	Accumulated other comprehensive income	-	-
	(and other reserves)		-
	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	-
			-
	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-
	Common Equity Tier 1 capital before regulatory adjustments	8,583,786	8,583,786
	Prudential valuation adjustments	-	-
	Goodwill (net of related tax liability)	-	-
	Other intangibles other than mortgage-servicing rights (net of related tax liability)	200,625	200,625
	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
	Regulatory adjustments applied to Common Equity Tier 1 and Tier 2 to cover deductions	-	-
	Common Equity Tier 1 capital (CET1)	8,383,161	8,383,161

12. **Disclosure Requirements for Remuneration**

The Bank's compensation policies including that of CEO's, is in conformity with the Financial Stability Board principles and standards. In accordance with the requirements of the RBI Circular No. DBOD No.BC.72/29.67/001/2011-12 dated 13 January 2012, the Regional Office of the Bank has submitted a declaration to RBI confirming the aforesaid matter. Accordingly no disclosure is required to be made in this regard**.**