Disclosures under Pillar 3 of capital adequacy framework (Basel III guidelines) for the quarter ended 31 Dec 2018

The Basel III disclosures contained herein relate to the Indian branch of Qatar National Bank (Q.P.S.C.) ("the Bank") for the period ended Dec 31, 2018. These are primarily in the context of the disclosure requirements under Annexure 18-Pillar 3 disclosure requirements of the Reserve Bank of India (The RBI) Master Circular - Basel III capital regulation dated Jul 01, 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. All table DF references relate to those mentioned in annexure 18 - pillar 3 of the above mentioned circular.

The Basel III framework consists of three-mutually reinforcing pillars:

(i) Pillar 1: Minimum capital requirements for credit risk, market risk and operational risk

(ii) Pillar 2: Supervisory review of capital adequacy

(iii) Pillar 3: Market discipline

Market discipline (Pillar 3) comprises a set of disclosures on the Capital Adequacy and Risk Management framework of the Bank. Pillar 3 disclosures as per RBI master circular on Basel-III Capital Regulations are set out in the following sections for information.

1) Scope of Application and Capital Adequacy (DF-1)

The Basel III disclosure contained herein relates to the Indian branch of Qatar National Bank (Q.P.S.C.) ("the Bank"). The Bank has implemented the requirement laid down by RBI for Pillar 3 disclosure, covering both the quantitative and qualitative items.

The Bank does not have any subsidiary in India which requires to be consolidated in line with AS21 (Consolidated Financial Statements).

2) Capital Adequacy (DF-2)

Qualitative Disclosures

The Bank's capital management approach is to ensure that it maintains a strong capital base to support its business growth and to meet regulatory capital requirements at all times.

The Bank is subject to the capital adequacy norms stipulated by the RBI guidelines on Basel III. The capital to risk weighted asset ratio (CRAR) of the Bank is 96.99%, higher than minimum regulatory CRAR requirement of 10.875% including a capital conservation buffer (CCB) of 1.875%.

The Bank assesses its growth opportunities relative to the capital available to support them, particularly in the light of the economic environment and capital requirements under Basel III. The Bank maintains a strong discipline over capital allocation and ensures returns on investment cover capital costs.

A summary of the Bank's capital requirement for credit, market and operational risk and capital adequacy ratio as on Dec 31, 2018 is presented below:

(Rs. in '000s)

Quantitative disclosures	**as at 31 Dec 2018**
Capital requirements for credit risk (I):	**271,266**
Portfolios subject to standardised approach	271,266
Securitisation exposures	Nil
Capital requirements for market risk (II):	**7,235**
Standardised duration approach;	7,235
Interest rate risk	723
Foreign exchange risk (including gold)	6,512
Equity risk	Nil
Capital requirements for operational risk (III):	**9,204**
Basic Indicator Approach	9,204
The Standardised Approach (if applicable)	Nil
Total capital requirement (I + II + III)	**287,705**
Total capital funds of the Bank (Tier I + Tier II)	3,100,430
Total risk weighted assets	3,196,715
Common Equity Tier I Capital (CET1)	**3,089,697**
Tier I Capital ratio	96.65%
Tier II Capital ratio	0.34%
Total Capital ratio	**96.99%**

3) General Qualitative Disclosures:

As part of overall corporate governance, the Bank has set up a framework which defines approval authority levels, policy structures and risk appetite limits to manage the credit risks.

<u>Credit Risk [table DF 3]</u>

Credit risk is the risk of loss arising out of failure of counterparties to meet their financial or contractual obligations when due. The credit risk that the Bank faces arises mainly from corporate advances, exposure to debt securities, settlement balances with market counterparties and available for sale assets.

Credit risk is managed in accordance with the Bank's comprehensive risk management control framework set out in the QNB Group's - Wholesale and Institutional Banking Credit Policy. Local policy is an addendum to the Group's policy adjusted to align with RBI lending guidelines. The RBI guidelines is complied with by the Bank at all times, however where there is a conflict between RBI guideline and the Bank's credit Policy then the more conservative policy is followed.

Credit Risk Rating

The Bank's Group Credit Committee (GCC) has approved the internal credit risk rating policy for corporate customers, establishing a rating mechanism for identifying and assessing the credit risk against each obligor or transaction. The mechanism considers factors such as management, financial position, macro or micro economic factors and the facility structuring.

The system plays a vital role in the decision making, monitoring and capital adequacy assessment processes relating to credit risk management. QNB India is now utilizing the Bank's MRA system to rate customers.

Credit Risk Mitigation

A sound credit risk mitigation framework is in place in the Bank. The principles for credit risk mitigation have been integrated in the Bank's Wholesale and Institutional Banking Credit Risk Management Policy, risk limits for counterparties, obligors and Bank of obligors and industrial segments, early warning signals, credit administration, collateral and remedial management procedures.

Credit Reporting

An effective early warning system is in place which enables the business units, credit managers and credit administration personnel to identify and report problem loans on a prompt basis. Reports are received from business units on a regular basis, which are escalated to senior credit authorities for taking necessary action.

<u>**Quantitative disclosure as per table DF 3 Total**</u>

a) Total gross credit exposures including Geographic distribution of exposures

(Rs. in '000s)

Particulars	**Domestic**	**Overseas**	**Total**
Fund Based Exposure	4,259,551	135	4,259,686
Non Fund Based Exposure	174,554	-	174,554

b) Industry type distribution of exposures

(Rs. in '000s)

Type of Industry	**Funded**			**Non Funded**
	Standard	**NPA**	**Total**	
Banks	1,831,663	-	1,831,663	174,554
NBFCs	1,124,898	-	1,124,898	-
Logistics	403,125	-	403,125	-
Textiles	450,000	-	450,000	-
Electronics & Electrical Equipment	450,000	-	450,000	-

c) Residual contractual maturity breakdown of assets

(Rs. in 000s)

Maturity Pattern	Day 1	2 - 7 days	8 - 14 days	15 - 28 days	29 days to 3 mnths	3 mnths to 6 mnths	6 mnths to 1 year	1 to 3 yrs	3 - 5 yrs	Over 5 yrs	Total
Cash and balance with RBI and other Banks	21,806	110,000	-	620,000	-	-	1,100,000	-	-	-	1,851,806
Loans and Advances	-	375,000	-	9,375	468,648	928,125	131,250	450,000	65,625	-	2,428,023
Investments	-	-	-	348,975	-	-	96361	-	-	-	445,336

d) Amount of NPAs (Gross) - *NIL*
e) Net NPAs – *NIL*
f) NPA Ratios – *NIL*
g) Movement of NPAs (Gross) - *NIL*
h) Movement of provisions for NPAs – *NIL*
i) Amount of Non-Performing Investments - *NIL*
j) Amount of provisions held for non-performing investments - *NIL*
k) Movement of provisions for depreciation on investments - *NIL*

Credit Risk: Disclosures for Portfolios subject to Standardised Approach: DF-4

External Ratings

The Bank has adopted the standardized approach of the new capital adequacy framework for computation of capital for credit risk. The Bank has assigned risk weights to different classes of assets as prescribed by RBI.

As at Dec 31, 2018, the Bank has not considered external rating of claims of any Borrower counterparty.

(Rs. in 000s)

Quantitative disclosures	Amount
a) For exposure amounts after risk mitigation subject to the standardised approach, amount of a Bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted:	
• Below 100% risk weight	2,296,896
• 100% risk weight	2,428,023
• More than 100% risk weight	-
• Deducted	-

Credit Risk Mitigation: Disclosures for Standardised Approaches: DF-5

Taking collateral enables the Bank to manage and mitigate its credit exposure to a counterparty. Collateral refers to assets in which the Bank has legally enforceable right in order to mitigate losses in case of a default.

The comprehensive assessment of collateral is performed in which certain qualitative & quantitative factors are considered, including:

- Nature;
- Quality;
- Liquidity;
- Market value;
- Exposure of collateral to other risks such as market risk and operational risk;
- Quality of charge;
- Legal status of rights;
- Legal enforceability; and
- Time required to dispose off.

As at Dec 31, 2018 the Bank had no collateral eligible as credit risk mitigant.

(Rs. in 000s)

Quantitative disclosures	**Amount**
a) For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts.	-
b) For each separately disclosed portfolio the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI)	-

Securitisation Exposures: Disclosure for Standardised Approach: DF-6

The Bank does not have any securitization exposure.

Market Risk in Trading Book: DF-7

Qualitative Disclosures

Market risk is the risk that changes in financial market prices, interest rates, exchange rates, market volatilities and correlations will adversely impact the financial condition of the Bank. Market risk consists of traded market risk and Banking book interest rate risk.

- Interest rate risk is the exposure of the Bank's financial condition to adverse movements in interest rates.
- Foreign exchange risk is the exposure of the Bank's financial condition to adverse movements in foreign exchange rates.
- Fixed income trading risk is the exposure of the Bank's financial condition to adverse movement in bond prices.

The following portfolios are covered for measuring market risk:

1. Securities held under Available for Sale (AFS) category; and
2. Foreign exchange spot trading.

The Bank's market risk management philosophy is to ensure that risks are identified, measured, monitored and reported on a timely basis and in a professional manner.

The Group Risk Committee (GRC) defines limits in terms of FX positions, interest rate positions, VaR and stop loss. The Bank's appetite for market risk is low and its minimal tolerance for market risk is reflected in the conservative market risk limits approved by the Board.

The Board of Directors (HO-Doha) review and approve market risk policies and limits annually. The Group's Asset Liability Committee (GALCO) reviews and recommends strategy, policies and procedures relating to Asset Liability Management across the Group to the Executive Committee and the Board of Directors, including Group reporting as and when required.

Strategic Risk Management (SRM) facilitates the following for all the international branches including India:

1. Determining appropriate risk limits and obtain GRC approval of these limits;
2. Ensuring both the proper implementation of the market risk policies approved by Board and/or ALCO/GRC especially the risk identification, measurement and reporting policies and processes;
3. Monitoring and reporting the market risk positions and limit compliance to GRC and ALCO. Limit breach escalation;
4. Recommending market risk management strategies to ALCO; and
5. Ensuring compliance with the regulatory guidelines relating to market risk management.

Local ALCO meets on a monthly basis to review the liquidity, interest rate risk, asset/liability position, FX position, NFSR, VAR, stress testing etc. Group Treasury and SRM have oversight on the local ALCO.

Quantitative Disclosures

The Bank is following the standardized duration approach for calculating capital requirements for market risk. The Bank in India currently does not have any exposure to capital markets.

(Rs. in 000s)

	As at 30 Sep 2018	**As at 31 Dec 2018**
Capital requirement for market risk		
Standardized approach		
• Interest rate risk	1,844	723
• Foreign exchange risk (including Gold)	6,512	6,512
• Equity risk	Nil	Nil

Operational Risk: DF-8

Qualitative Disclosures

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, systems, control or external events. Internal and External Fraud, IT failure, Cyber-attacks, regulatory, information security, staff errors, and business Continuity risks would be typical sources of operational risk for QNB India.

QNB India utilises three key tools for identifying, managing and monitoring operational risks namely:

1. Incident reporting;
2. Risk and Control Self-Assessment (RCSA) whereby each business unit identifies, assesses and designs controls against potential or existing operational risks; and
3. Key Risk Indicators which are pre-set to help monitor status of operational risks.

The Bank's approach to operational risk is to contain risks within the Bank's risk appetite boundaries. As part of building a risk culture, all Bank staff are regularly required to undergo various training & awareness programmes on Operational Risk Management & Compliance through workshops and online e-learning modules supported by the head office.

Approach for Operational risk Capital Assessment

As per RBI guidelines, the Bank has adopted Basic Indicator Approach (BIA) for assessing capital for operational risk. As per BIA, the capital requirement as at Dec 31, 2018 is INR 9,202,717.

Interest Rate Risk in the Banking Book (IRRBB): DF-9

Qualitative Disclosures

Interest rate risk refers to the potential for the Bank's earnings or capital being reduced due to fluctuations in interest rates. The main source of the interest rate risk in the Banking book is the re-pricing risk, which reflects the fact that the QNB India's interest rates for its assets and liabilities are of different repricing maturities and are priced at different interest rates.

The Bank manages its Banking book interest rate risk by limiting the use of fixed rate assets, and by generating fixed rate term liabilities where possible. The Bank controls the amount of risk it is prepared to accept by the use of defined limits for interest rate risk in the Banking book. The limits are approved by the Board annually, or more frequently if appropriate, and limit compliance and risk exposures are reported monthly and communicated to India ALCO.

Quantitative Disclosures

The Bank identifies and assesses interest rate risk in the Banking book exposures via interest rate sensitivity analysis. This analysis is included in the monthly report to Group Strategic Risk Management.

The potential change in Market Value of Equity (MVE) and Earnings at Risk (EaR) for different interest rate shocks as on Dec 31, 2018 is given below:

Rs. in 000s	**MVE**		**EaR**	
Interest Rate Shock	**Increase**	**Decrease**	**Increase**	**Decrease**
250 bps change in interest rates	(40,832)	40,832	63,238	(63,238)
300 bps change in interest rates	(48,998)	48,998	75,886	(75,886)
400 bps change in interest rates	(65,331)	65,331	101,181	(101,181)

General Disclosure for Exposures Related to Counterparty Credit Risk: DF 10

Qualitative disclosures

As per the Master Circular - Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) of RBI dated Jul 31, 2015, Banks are expected to use the standardised method for computation of counterparty credit exposure using the Current Exposure Method (CEM) for market related off balance sheet exposures. The Bank has not carried out any derivative transactions during the year, also there were no derivative contract outstanding as of Mar 31, 2018, which required any capital allocation

(Rs. in 000s)

Particulars	**Notional Amount**	**Current Exposure**
Foreign Exchange Contract	-	-
Total	**-**	**-**

Table DF-11: Composition of Capital

(Rs. in 000s)

			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 received from Head Office)		3,155,432	
2	Retained earnings		(65,735)	
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[1])			
	Public sector capital injections grandfathered until January 1, 2018			
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)			
6	**Common Equity Tier 1 capital before regulatory adjustments**		3,089,697	
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)			
10	Deferred tax assets [2]			
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-in 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)[3]			
20	Mortgage servicing rights[4] (amount above 10% threshold)			
21	Deferred tax assets arising from temporary differences[5] (amount above 10% threshold, net of related tax liability)			
22	Amount exceeding the 15% threshold[6]			
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[7] (26a+26b+26c+26d)			
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries			
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries[8]			
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the Bank[9]			
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:			
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**		(65,735)	
29	**Common Equity Tier 1 capital (CET 1)**		3,089,697	
	Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (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)[10]			
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[11]**		**-**	
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)**		**3,089,697**	
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[12]		10,733	
51	**Tier 2 capital before regulatory adjustments**		**10,733**	
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 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			
57	**Total regulatory adjustments to Tier 2 capital**		-	
58	**Tier 2 capital (T2)**		10,733	
58a	**Tier 2 capital reckoned for capital adequacy**[14]		-	
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 + T2) (45 + 58c)**		3,100,430	
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment			
60	**Total risk weighted assets (60a + 60b + 60c)**		**3,196,716**	
60a	**of which: total credit risk weighted assets**		3,014,067	
60b	**of which: total market risk weighted assets**		80,385	
60c	**of which: total operational risk weighted assets**		102,264	
	Capital Ratios			
61	**Common Equity Tier 1 (as a percentage of risk weighted assets)**			
62	**Tier 1 (as a percentage of risk weighted assets)**		96.65%	
63	**Total capital (as a percentage of risk weighted assets)**		96.99%	
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)		10,733	
77	Cap on inclusion of provisions in Tier 2 under standardised approach			
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)			
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach			
Capital instruments subject to phase-out arrangements *(only applicable between March 31, 2017 and March 31, 2022)*				
80	Current cap on CET1 instruments subject to phase out arrangements			
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82	Current cap on AT1 instruments subject to phase out arrangements			

83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84	Current cap on T2 instruments subject to phase out arrangements			
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			

Table DF-12: Composition of Capital – Reconciliation Requirements

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

Step 2

(Rs. in 000s)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date	**As on reporting date**
A	**Capital & Liabilities**		
i	Paid-up Capital	3,155,432	3,155,432
	Reserves & Surplus	-	-
	Minority Interest	-	-
	Total Capital	**3,155,432**	**3,155,432**
ii	Deposits	**1,272,713**	**1,272,713**
	of which: Deposits from Banks	-	-
	of which: Customer deposits	1,272,713	1,272,713
	of which: Other deposits (pl. specify)	-	-
iii	Borrowings	**300,000**	**300,000**
	of which: From RBI	-	-
	of which: From Banks	300,000	300,000
	of which: From other institutions & agencies	-	-
	of which: Others (pl. specify)	-	-

	of which: Capital instruments	-	-
iv	Other liabilities & provisions	**230,410**	**230,410**
	Total	**4,958,555**	**4,958,555**
B	**Assets**		
i	Cash and balances with Reserve Bank of India	**20,144**	**20,144**
	Balance with Banks and money at call and short notice	**1,831,662**	**1,831,662**
ii	Investments:	**445,336**	**445,336**
	of which: Government securities	445,336	445,336
	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	**2,428,125**	**2,428,125**
	of which: Loans and advances to Banks	-	-
	of which: Loans and advances to customers	2,428,125	2,428,125
iv	Fixed assets	**79,315**	**79,315**
v	Other assets	**88,239**	**88,239**
	of which: Goodwill and intangible assets	-	-
	of which: Deferred tax assets	11,429	11,429
vi	Goodwill on consolidation	-	-
vii	Debit balance in Profit & Loss account	**65,734**	**65,734**
	Total Assets	**4,958,555**	**4,958,555**

Step 3

Common Equity Tier 1 capital: instruments and reserves			
		Component of regulatory capital reported by Bank	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	3,155,432	-
2	Retained earnings	(65,735)	-
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)	-	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-
6	Common Equity Tier 1 capital before regulatory adjustments	3,089,697	-
7	Prudential valuation adjustments	-	-
8	Goodwill (net of related tax liability)	-	-

Table DF-13: Main features of Regulatory Capital Instruments
Not Applicable to the Bank.

Table DF-14: Full terms & conditions of Regulatory Capital Instruments
QNB India has not issued any regulatory capital instruments.

Table DF- 15: Disclosure Requirements for Remuneration
In accordance with the requirements of the RBI Circular No. DBOD.NO.BC. 72/29.67/001/2011-12 dated Jan 31, 2012, the Head Office of the Bank has submitted a declaration to RBI that the Bank's compensation policies including that of the CEO's, is in compliance of the RBI regulations.

Table DF-16: Equities - Disclosure for Banking Book Positions
QNB India does not have any investments in shares.

DF-17: Summary Comparison of accounting assets and leverage ratio exposure

(Rs.in 000s)

Sr. No.	Particulars	Amount
1	Total consolidated assets as per published financial statements	4,892,573
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)	174,554
7	Other adjustments	-
8	**Leverage ratio exposure**	**5,067,127**

DF-18: Leverage ratio common disclosure template

(Rs.in 000s)

Sr. No.	Leverage ratio framework	Amount
	On-Balance sheet exposure	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	4,892,573
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-
3	**Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of lines 1 and 2)	4,892,573
	Derivative exposure	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	-
5	Add-on amounts for PFE associated with all derivatives transactions	-

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)**	**-**
	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	174,554
18	(Adjustments for conversion to credit equivalent amounts)	-
19	**Off-balance sheet items (sum of lines 17 and 18)**	**174,554**
	Capital and total exposures	
20	**Tier 1 capital**	**3,089,697**
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**5,067,127**
	Leverage ratio	
22	**Basel III leverage ratio**	**60.98%**

For **Qatar National Bank (Q.P.S.C.), India Branch**

SD/-
Gaurav Gupta
Chief Executive Officer

Place : Mumbai