Barclays Bank PLC – Indian Branches
(Incorporated in the United Kingdom with limited liability)

Basel III - Pillar 3 disclosures of Barclays Bank Plc - Indian Branches for the period ended 31 December 2015

BACKGROUND

The BASEL III – Pillar 3 disclosures contained herein relate to Barclays Bank Plc, India Branches (herein also referred to as the 'Bank') for the period ended December 31, 2015. Barclays Bank Plc – Indian Branches (the **"Bank "**) is a branch of Barclays Bank Plc, which is incorporated in the United Kingdom with limited liability. Barclays Bank Plc. (UK) (the **"Group"**) is regulated by its home regulator, viz. Prudential Regulatory Authority (PRA), in the United Kingdom (UK). The Bank has been operating in India since 1990 and has now 6 branches (excluding 1 service branch). The Bank operations are conducted in accordance with the banking license granted by the Reserve Bank of India (RBI) under the Banking Regulation Act 1949.

These disclosures are compiled in accordance with Reserve Bank of India (the 'RBI') regulations on Pillar 3 as given in 'Master Circular – Basel III Capital Regulations dated July 1, 2015'.

The Basel III framework consists of the following three mutually emphasizing pillars.

1.1. Pillar 1 : Minimum Capital Requirements

The Group and Bank recognize that Basel III is a driver for continuous improvement of risk management practices and believe that adoption of leading risk management practices are essential for achieving its strategic intent. In compliance with the local regulations, the Bank has adopted standardised approaches for local regulatory Pillar 1 purposes.

1.2. Pillar 2 : Supervisory Review and Evaluation Process (SREP)

Pillar 2 requires banks to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks where other suitable mitigants are not available. This risk and capital assessment is commonly referred to as Internal Capital Adequacy Assessment Process (ICAAP). The range of risks that need to be covered by the ICAAP is much broader than Pillar 1 which covers only credit risk, market risk and operational risk.

The Group has developed an ICAAP framework which closely integrates the risk and capital assessment processes and ensures that adequate levels of capital are maintained to support the Group's current and projected demand for capital under expected and stressed conditions. The Bank has developed its ICAAP in line with the RBI's guidelines and aligned the same to the Group's ICAAP framework.

1.3. Pillar 3 : Market Discipline

The Bank has implemented a Pillar 3 framework which seeks to achieve increased transparency through expanded disclosure requirements.

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1. CAPITAL ADEQUACY (Table DF-2)

2.1 Capital Structure / Instruments of the Bank

Tier 1 capital comprises of:

- Capital funds (Interest free funds) injected by Head Office for capital adequacy
- Statutory reserves percentage of net profits retained (currently 25%)
- Remittable surplus in India specifically for capital adequacy purposes
- Capital reserves not eligible for repatriation so long the Bank operates in India.

Tier 2 capital comprises of:

- General provisions created in line with RBI regulations like provision on standard assets, provision on unhedged foreign currency exposure.

Tier 2 capital available for inclusion in regulatory capital will be based on the limits prescribed by RBI from time to time.

As on December 31, 2015 total capital base (Tier1 + Tier2) of the Bank stood at Rs. 54,562,803 ('000s)

Capital Structure

(Rs. in '000s)

No	Description	**December 31,2015**	**March 31,2015**
A.1	Tier 1 Capital	52,841,589	52,383,690
	Common equity tier 1 capital	52,841,589	52,383,690
	of which		
	-Paid-up share capital	52,495,224	52,495,224
	-Reserves and surplus	3,647,153	3,647,154
	Less: Deductions from tier 1 capital		
	-Amount deducted from tier1 capital (deferred tax asset & other intangibles)	(3,099,055)	(3,556,955)
	-Debit balance in HO / unearned credit spreads/ illiquidity premia	(201,733)	(201,733)
A.2	Additional Tier 1 Capital	-	-
B	Tier 2 Capital	**1,721,214**	**1,677,831**
	of which		
	- Investment reserve	267,107	267,107
	- Provision for standard assets	1,278,070	1,278,070
	- Provision for Unhedged Foreign Currency Exposure	134,025	90,643
	- Provision for country risk	42,011	42,011
	- Excess provision on sale of NPA's	-	-
C	Total Eligible Capital (A+B)	**54,562,803**	**54,061,521**

2.2 Capital Management

Barclays' capital management objective is to prudently optimise the level, mix and distribution to businesses of its capital resources whilst maintaining sufficient capital resources, to ensure we are well capitalized to :

- Support business;
- Meet regulatory requirements; and
- Meet rating expectations.

The Bank has a process for assessing its overall capital adequacy in relation to the Bank's risk profile and a strategy for maintaining its capital levels. The process provides an assurance that the Bank has adequate capital to support all risks in its business and an appropriate capital buffer based on its business profile.

The Bank's capital management framework includes a comprehensive internal capital adequacy assessment process (ICAAP) conducted annually and which determines the adequate level of capitalization for the Bank to meet regulatory norms, current and future business needs, including those under stress scenarios. The ICAAP encompasses capital planning for a three year time horizon, identification and measurement of material risks and the relationship between risk and capital. These plans are reviewed to assess any capital requirements.

The Basel III guidelines issued by RBI, applied with effect from April 1, 2013 to be fully implemented as on March 31, 2019, provides a transitional arrangement schedule as per the table below . The Bank has taken appropriate steps to ensure adoption of these guidelines within the timeframe stipulated by RBI. An assessment of capital requirements under Basel III has been conducted.

(% of RWAs)

Minimum capital ratios	April 1, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019
Minimum Common Equity Tier 1 (CET1)	4.5	5	5.5	5.5	5.5	5.5	5.5
Capital conservation buffer (CCB)	-	-	-	0.625	1.25	1.875	2.5
Minimum CET1+ CCB	4.5	5	5.5	6.125	6.75	7.375	8
Minimum Tier 1 capital	6	6.5	7	7	7	7	7
Minimum Total Capital*	9	9	9	9	9	9	9
Minimum Total Capital +CCB	9	9	9	9.625	10.25	10.875	11.5
Phase-in of all deductions from CET1 (in %) #	20	40	60	80	100	100	100

As per the guidelines, Barclays Bank is required to maintain CET1 of 5.5%, Minimum Tier1 capital of 7% and Minimum Total Capital is 9% as at December 31, 2015.

2.3 Capital Requirement for Various Risk

(Rs. in '000s)

No.	Description	December 31,2015	March 31,2015
A	**Capital Requirement for Credit Risk**	**19,850,572**	**19,238,094**
	(Standardised Approach)		
	I) On-balance sheet exposures excluding securitisation exposures	8,522,293	6,901,975
	II) Off- balance sheet exposures excluding securitisation exposures	11,328,279	12,329,489
	a) Non-market related	1,299,538	1,531,462
	b) Market-related	10,028,741	10,798,027
	III) On-balance sheet-securitisation exposures	*0*	*0*
	IV) Counterparty Risk as Borrower of funds	*0*	6,630
B	**Capital Requirement for Market Risk**	**3,997,798**	**5,902,196**
	(Standardised Duration Approach)		
	Interest rate related instruments	3,167,313	4,967,900
	Equity	30,485	34,296
	Foreign Exchange and Gold	800,000	900,000
C	**Operational-risk-weighted exposures**	**1,672,230**	**1,672,230**
	(Basic Indicator Approach)		
D	**Capital Adequacy Ratio of the Bank**	**18.72%**	**18.15%**
E	**Tier 1 CRAR (%)**	**18.13%**	**17.59%**

The capital ratios of the Bank are as follows:

Capital ratios	December 31,2015	March 31,2015
CET1 capital ratio	18.13%	17.59%
Tier - 1 capital ratio	18.13%	17.59%
Total capital ratio	18.72%	18.15%

3. RISK EXPOSURE AND ASSESSMENT

As a bank, Barclays is exposed to various risks vis-à-vis credit risk, market risk, liquidity risk, reputational risk. To combat these risks, Barclays has clear risk management objectives and a well established strategy to deliver them through core risk management processes.

At a strategic level, our risk management objectives are to:

- Identify the Group's significant risks;
- Formulate the Group's risk appetite and ensure that business profile and plans are consistent with it;

- Optimize risk/return decisions by taking them as closely as possible to the business, while establishing strong and independent review and challenge structures;
- Ensure that business growth plans are properly supported by effective risk infrastructure;
- Manage risk profile to ensure that specific financial deliverables remain possible under a range of adverse business conditions; and
- Help executives improve the control and co-ordination of risk taking across the business.

Risk Appetite

Risk appetite is defined as the level of risk Barclays is prepared to accept whilst pursuing its business strategy, recognising a range of possible outcomes as business plans are implemented. Risk appetite sets the 'tone from the top' and provides a basis for on-going dialogue between management and Board with respect to Barclays current and evolving risk profile, allowing strategic and financial decisions to be made on an informed basis.

Barclays risk appetite framework consists of two parts: 'Financial Volatility', which is the level of potential deviation from expected financial performance Barclays is prepared to sustain, and 'Mandate and Scale', which ensures the Group stays within appetite. The strategy and business activities are reflected in key performance metrics, which are dependent in large part on risk performance.

Financial Volatility

Financial volatility is defined as the level of potential deviation from expected financial performance that Bank is prepared to sustain at relevant points on the risk profile. To assess Financial Volatility, the risk profile is examined at following points:

- Expected loss ("through-the-cycle")
- Worst case/stress loss, as laid out under the stress testing framework i.e.
    - in 7 (moderate) loss: the worst level of losses out of a random sample of 7 years; and
    - 1 in 25 (severe) loss: the worst level of losses out of a random sample of 25 years.

Mandate & Scale

The second element to the setting of risk appetite in Barclays is an extensive system of Mandate & Scale limits, which is a risk management approach that seeks to formally review and control business activities to ensure that they are within Barclays mandate and are of an appropriate scale (relative to the risk and reward of the underlying activities).

This is achieved by using limits and triggers to avoid concentrations which would be out of line with external expectations, and which may lead to unexpected losses of a scale that would be detrimental to the stability of the relevant business line or of the Bank. These limits are set by independent risk functions and will include any prudential limits set forth by Reserve Bank of India for any risk.

Bank uses the Mandate and Scale framework to:

- Limit concentration risk;
- Keep business activities within Bank's business mandate;
- Ensure activities remain of an appropriate scale relative to the underlying risk and reward;
- Ensure risk-taking is supported by appropriate expertise and capabilities.

The overall market risk appetite for the bank is defined as the 95% DVaR limit, since it is good representative of the bounds of P&L movements that occur under normal market conditions. The DVaR limit is currently set at £5m and a granular level market risk limit structure is formulated around it. The detailed limits are set out in the risk appetite statement of the Bank.

Stress testing

Stress Testing is performed by the Bank and helps to ensure that our medium term plan has sufficient flexibility to remain appropriate during times of stress. Stress testing allows us to analyse a potential economic scenario or event using defined macro and market based parameters.

Bank runs detailed analysis to assess the impact of the stress on their P&L, balance sheet and RWAs for the Bank. As part of the stress test process, Bank also identifies possible management actions to mitigate the impact of stress. The bottom-up approach ensures all levels of management are informed of the impact of the stress scenarios and are aware of appropriate management actions to be taken when a stress event occurs.

The stress results are reviewed and challenged by their local risk managers and senior management and by Local Risk Committee as part of detailed review meetings. The results are agreed with senior management in Barclays Risk and Barclays Treasury, and then reviewed and agreed by ALCO and ExCO.

Governance Structure at Group Level

Responsibility for risk management resides at all levels within the Group, from the Board and the Executive Committee down through the organisation to each business manager and risk specialist. Barclays distributes these responsibilities so that risk/return decisions are taken at the most appropriate level; as close as possible to the business, and subject to robust and effective review and challenge. The responsibilities for effective review and challenges reside with senior managers, risk oversight committees, Barclays Internal Audit, the Independent Group Risk function, the Board Risk Committee and, ultimately, the Board.

In addition, each business unit has an embedded risk management function, headed by a business risk director. Business risk directors and their teams are responsible for assisting business heads in the identification and management of their business risk profiles and for implementing appropriate controls. These teams also assist Group Risk in the formulation of Group policies and their implementation across the businesses.

At the Bank level, Enterprise Risk Management Framework (ERMF) operating within the broad policy framework reviews and monitors various aspects of risk arising from the business. Independent Committee(s) like Executive Committee (ExCO), Operations Committee (OPCO), Risk and Control Committee (R&CC), Assets and Liabilities Management Committee (ALCO) have been constituted across the Bank to facilitate independent evaluation, monitoring and reporting of various risks.

4. CREDIT RISK : General disclosures for all the Banks (Table DF- 3)

Credit risk is the risk of suffering financial loss should any of the customers, clients or market counterparties fail to fulfill their contractual obligations. The credit risk that the Bank faces arises mainly from wholesale loans and advances together with the counterparty credit risk arising from derivative contracts entered into with clients. Other sources of credit risk arise from trading activities, including debt securities; settlement balances with market counterparties, available for sale assets and reverse repurchase loans.

4.1 Credit Risk Management Objectives and Policies:

In managing credit risk, the Group applies the five-step risk management process. Credit risk management objectives are:

- To establish a framework of controls to ensure credit risk-taking is based on sound credit risk management principles
- To identify, assess and measure credit risk clearly and accurately across the Group and within each separate business, up to the total portfolio
- To control and plan credit risk-taking in line with external stakeholder expectations and avoiding undesirable concentrations
- To monitor credit risk and adherence to agreed controls
- To ensure that the risk reward benefits are met

4.1.1 Strategies and Processes

At a strategic level, our risk management objectives are to:

- Identify significant risks
- Formulate the risk appetite and ensure that business profile and plans are consistent with it
- Optimize risk/return decisions by taking them as closely as possible to the business, while establishing strong and independent review and challenge structures
- Ensure that business growth plans are properly supported by effective risk infrastructure
- Manage risk profile to ensure that specific financial deliverables remain possible under a range of adverse business conditions, and
- Help executives improve the control and co-ordination of risk taking across the business.

4.1.2 Structure and Organization of the Relevant Risk Management Function

The Group has structured the responsibilities of credit risk management so that decisions are taken as close as possible to the business, whilst ensuring robust review and challenge of performance, risk infrastructure and strategic plans. The credit risk management teams in each business are accountable to the relevant business Chief Risk Officer who in turn reports to the CRO.

Credit risk approval is undertaken by experienced credit risk professionals operating within a clearly defined delegated authority framework, with only the most senior credit officers entrusted with the higher levels of delegated authority. The largest credit exposures are approved at the Credit Committee which is managed by the central risk function. In the wholesale portfolios, credit risk managers are organized in sanctioning team by geography, industry and / or product.

4.1.3 Risk reporting and / or measurement

This process for clear and accurate reporting of credit risk is summarised in four broad stages:

- Measuring exposures and concentrations
- Monitoring weaknesses in portfolios
- Raising allowances for impairment and other credit provisions; and
- Returning assets to a performing status or writing off assets when the whole or part of a debt is considered irrecoverable.

The principal objective of credit risk measurement is to produce the most accurate possible quantitative assessment of the credit risk to which the Barclays is exposed, from the level of individual facilities up to the total portfolio. Integral to this is the calculation of internal ratings, which are used in numerous aspects of credit risk management and in the calculation of regulatory and economic capital.

The key building blocks in this quantitative assessment are:

- Probability of default (PD)
- Exposure in the event of default (EAD)
- Loss given default (LGD)

4.1.4 Credit Concentration Risk

A risk concentration is any single exposure or a group of exposures with the potential to produce losses large enough (relative to a bank's capital, total assets, or overall risk level) to threaten a bank's health or ability to maintain its core operations.

The Bank monitors the Exposure norms as prescribed by Reserve Bank of India vide its Master circular on Exposure norms DBOD.No.Dir.BC.12/13.03.00/2014-15 on a periodic basis. The exposure ceiling limits is 15 percent of capital funds in case of a single borrower and 40 percent of capital funds in the case of a borrower group. Credit exposure to a single borrower may exceed the exposure norm of 15 percent of the bank's capital funds by an additional 5 percent (i.e. up to 20 percent) provided the additional credit exposure is on account of extension of credit to infrastructure projects. Credit exposure to borrowers belonging to a group may exceed the exposure norm of 40 percent of the bank's capital funds by an additional 10 percent (i.e., up to 50 percent), provided the additional credit exposure is on account of extension of credit to infrastructure projects. In addition to the exposure permitted above, bank may, in exceptional circumstances, with the approval of its EXCO Executive Committee, consider enhancement of the exposure to a borrower up to a further 5 percent of capital funds.

The Bank controls and limits concentration risk of its commercial and liability businesses by:

- Maximum holding caps for individual borrowers
- Defining industry / sectoral caps as a percentage of total portfolio
- Caps/ limits for certain sectors which are identified as higher risk

4.2 Definition of Non-Performing Assets

Assets (Loans and credit substitutes in the nature of advances) are identified as performing or non-performing assets (NPAs) based on the management's periodic internal assessment or in accordance with RBI guidelines, whichever is earlier. An asset becomes non-performing when it ceases to generate income for the bank. A payment obligation (principal/interest/positive MTM) which remains unpaid for more than 90 days past due is classified as NPA. NPAs are further classified into sub-standard, doubtful and loss assets based on the days past due criteria stipulated by RBI.

4.2.1 Definition of Impairment

At periodic intervals, the Bank ascertains if there is any impairment in its assets. If such an indication is detected, the Bank estimates the recoverable amount of the asset. If the recoverable amount of the asset or the cash generating unit, which the asset belongs to, 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.

Provisions are made to reflect the risk tendency of the portfolio. Specific provisions are made based on management's assessment of the degree of impairment of the advances/derivative transactions subject to minimum prevailing provisioning norms laid down by RBI

4.2.2 Restructured Assets

As per RBI guidelines, a viable account facing financial difficulty due to economic/legal reasons can be restructured by grant of concessions including rescheduling and/or resetting principal repayments and/or the interest element, etc. Such restructuring must be separately disclosed as a restructured loan in the year of restructuring and the restructured asset would be subject to the applicable asset classification and provisioning criteria as prescribed by RBI from time to time. A non performing asset, which has been restructured, will become eligible for upgrading to standard category only after satisfactory performance of the terms of restructuring over a specified period of time of minimum one year from the commencement of the first payment of interest or principal installment whichever is later.

4.2.3 Credit Risk exposures

Total gross credit risk exposure including geographic distribution of exposure

(Rs. In 000's)

		December 31, 2015			March 31, 2015		
		Domestic	Overseas#	Total	Domestic	Overseas#	Total
A)	Fund based exposure	175,463,710	-	175,463,710	136,459,698	-	136,459,698
B)	Non fund based exposure*	17,632,331	-	17,632,331	27,125,837	-	27,125,837
	Total	**193,096,041**	**-**	**193,096,041**	**163,585,535**	**-**	**163,585,535**

*Non-fund based exposures are guarantees given on behalf of constituents, letters of credit and acceptances and endorsements and does not include exposures arising on the derivative contracts.
Advances/ bills discounted in India against letters of credit issued by banks outside India are considered under domestic exposure.

Industry classification

	December 31, 2015 (Rs. In 000's)	
Industry classification	**Fund based**	**Non fund based (non derivatives)**
Mining	680,000	-
Iron and Steel	250,000	-
Other Metal and Metal products	175,000	-
All Engineering	1,450,810	1,826,981
Electricity	-	-
Cotton Textiles	14,939	-
Tea	27,451	490,209
Food Processing	233,019	-
Tobacco and Tobacco Products	31,966	-
Paper and Paper Products	90,000	-
Rubber and Rubber Products	995,369	-
Chemicals, Dyes, Paints etc.	1,506,042	175,812
Leather and Leather Products	32,214	-
Gems and Jewellery	103,449	-
Construction	27,500	-
Petroleum	3,307,750	-
Automobiles including trucks	526,770	8,635
Computer Software	6,120,583	155,028
Infrastructure	32,423,827	4,993,758
NBFCs & Trading	10,553,157	6,794
Other Industries	1,280,761	1,770,322
Banking Sector	89,171,178	6,393,570
Retail Loans	8,118	-
Residual exposures	19,262,710	554,918
Total	**175,463,710**	**17,632,331**

	March 31, 2015 (Rs. In 000's)	
Industry Classification	**Fund Based**	**Non Fund Based (Non Derivatives)**
Mining	680,000	-
Iron and Steel	354,329	-
Other Metal and Metal products	2,023,217	74,118
All Engineering	1,157,703	542,449
Cotton Textiles	14,114	-
Tea	18,702	463,125
Food Processing	22,209	-
Tobacco and Tobacco Products	90,000	-
Paper and Paper Products	22,713	-
Rubber and Rubber Products	3,244,869	386,692
Chemicals, Dyes, Paints etc.	7,656,065	1,320,313
Leather and Leather Products	31,250	-
Gems and Jewellery	201,250	-
Construction	6,573,964	309,375
Automobiles including trucks	585,445	4,395
Computer Software	4,566,883	292,768
Infrastructure	29,361,519	19,100,667
NBFCs & Trading	10,931,278	6,547
Other Industries	1,323,103	1,551,932
Banking Sector	63,279,677	2,877,578
Retail Loans	14,180	-
Residual exposures	4,307,227	195,878
Total	**136,459,698**	**27,125,837**

Exposure to industries in excess of 5% of the total exposure

	December 31, 2015 (Rs. In 000's)	
Industry Classification	**Fund Based**	**Non Fund Based (Non Derivatives)**
Banking Sector	89,171,178	6,393,570
Infrastructure	32,423,827	4,993,758
NBFCs & Trading	10,553,157	6,794

	March 31, 2015 (Rs. In 000's)	
Industry Classification	**Fund Based**	**Non Fund Based (Non Derivatives)**
Banking Sector	63,279,677	2,877,578
Infrastructure	29,361,519	19,100,667
NBFCs & Trading	10,931,278	6,547
Chemicals, Dyes, Paints etc.	7,656,065	1,320,313

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Residual contractual maturity breakdown of net loans & advances

(Rs. In 000's)

Maturity buckets	December 31, 2015	March 31, 2015
1 day	2,540,625	1,459,385
2 to 7 days	6,645,209	1,063,640
8 to 14 days	5,243,053	6,714,861
15 to 28 days	8,499,378	6,872,269
29 days to 3 months	21,320,146	18,811,381
3 to 6 months	36,929,435	31,756,335
6 to 12 months	68,967,969	37,331,366
1 to 3 years	15,680,511	21,558,989
3 to 5 years	7,503,107	7,633,320
Over 5 years	102,115	174,723
Total Net loans and advances	**173,431,548**	**133,376,269**

Movement of NPAs and provision for NPA (loans and advances portfolio)

(Rs. In 000's)

Particulars	December 31, 2015	March 31, 2015
Amount of NPAs (Gross)	**2,000,772**	**3,110,591**
- Substandard		34,847
-Doubtful	1,999,213	3,074,185
- Doubtful 1	264,452	1,281,568
- Doubtful 2	1,734,761	1,792,617
- Doubtful 3	37,479	-
- Loss	1,559	1,559
Net NPAs	**6,089**	**31,574**
NPA Ratios		
- Gross NPAs to gross advances	1.14%	2.28%
-Net NPAs to Net advances	0.35%	0.02%
Movement of NPAs (Gross)		
-Opening balance	3,110,591	4,638,547
-Additions	51,490	91,639
-Reductions	(1,123,830)	(1,619,595)
-Closing balance	2,038,251	**3,110,591**
Movement of provision for NPAs		
-Opening balance	**3,079,017**	**3,751,328**
-Provision made during the period	74,817	886,047
-Write –offs / write back of excess provisions	(1,121,672)	(1,558,358)
-Closing balance	**2,032,162**	**3,079,017**

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Movement in provision as of December 31, 2015

(Rs. In 000's)

	General Provision*	Specific Provision
-Opening balance	**1,368,713**	**3,079,017**
-Provision made during the period	67,382	74,817
-Write –offs / write back of excess provisions	-	(1,121,672)
-Closing balance	**1,436,095**	**2,032,162**

*Movement in General Provision is only on account of provision on unhedged foreign currency exposure.

(Rs. In 000's)

Write-off that have been booked directly to the income statement	**NIL**
Recoveries that have been booked directly to the income statement	**6,883**

NPIs and movement of provision for depreciation on investments

(Rs. In 000's)

	December 31, 2015	March 31, 2015
Amount of non-performing investments	-	-
Amount of provision held for non – performing investments	-	-
Movement of provisions for depreciation on investments		
-Opening balance	34,026	95,924
-Provision made during the period	21,651	-
-Write –offs	-	-
-Write back of excess provisions	-	(61,898)
-Closing balance	**55,676**	**34,026**

Major Industry-wise NPAs, provisions and write-off as of December 31, 2015

(Rs. In 000's)

Industry Classification	NPA	Provisions	Write-off
Rubber & Rubber Products	116,786	116,785	
Chemicals Dyes & Paints	603,737	603,737	
Computer Software	200,000	200,000	332,023
Infrastructure	514,700	514,700	247,106
NBFC & Trading	94,912	94,911	432,805
Paper & Paper Products	-	-	22,713
Retail Sector	8,116	2,029	160
Other Industries	500,000	500,000	47,616
TOTAL	**2,038,251**	**2,032,162**	**1,082,423**

5. **CREDIT RISK: Disclosure of portfolio subject to standardised approach (Table DF-4)**

The Bank is using issuer ratings and short-term and long-term instrument ratings which are assigned by the accredited rating agencies viz. assigned by CRISIL, CARE, ICRA and Fitch and Brickworks and published in the public domain to assign risk-weights in terms of RBI guidelines. In respect of claims on non-resident corporate and foreign bank, ratings assigned by international rating agencies i.e. S&P, Moody's and Fitch are used for assigning the risk weights.

- With respect to short term exposures, short term ratings are assigned wherever available for the facilities extended by the Bank.
- In case, ratings are not available for the facilities extended, ratings as applicable for the other facilities of the counterparty are assigned. The applicable risk weight would be one notch higher. However, mingling of fund based and non-fund based facilities is not permitted.
- Similarly for derivative trades with original maturity equal to or less than one year, and where issue-specific short term rating is not available, the applicable risk weight would be one notch higher as would be applicable for issue-specific short term rated facility.
- In case of long term exposures, ratings of the facilities, if available is assigned, else the rating of other facilities of the same counterparty is applied. Further, if facilities ratings are not available, then counterparty rating is applied.
- Cash Credit / Overdraft/ Short Term Loan exposures shall be considered as long term exposures and treatment applicable to long term exposures shall be applied. Since short term loans typically get rolled over on a conservative basis the same would be assigned long term ratings even though their original maturity is less than one year.

Details of credit risk exposure based on risk- weight

(Rs. In 000's)

Description	**December 31, 2015**	**March 31, 2015**
Outstanding net loans and advances (rated and unrated) :	**173,431,548**	**80,999,740**
-Below 100% risk weight	114,624,111	41,173,999
-100% risk weight	47,546,457	36,381,362
-More than 100% risk weight	11,260,980	3,444,379
-Deductions	NIL	NIL
* The above comprises of Net loans and advances as reported to RBI in regulatory filings		

6. LEVERAGE RATIO

The leverage ratio act as a credible supplementary measure to the risk based capital requirement. The Basel III leverage ratio is the capital measure (Tier-1 capital) divided by the exposure measure, with this ratio expressed as a percentage. As per RBI guidelines, the Basel III leverage for the Bank as at December 31, 2015 is as follows.

(Rs. In 000's)

Tier 1 Capital (A)	52,841,589
Exposure Measure (B)	414,906,241
Leverage Ratio (A/B)	**12.74%**