**Disclosures under Pillar 3 of capital adequacy framework (Basel III guidelines)
for the quarter ended 31 December 2019**

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 December 31, 2019. These are primarily in the context of the disclosure requirements under Annexure 18-Pillar 3 disclosure requirements of the Reserve Bank of India (RBI) Master Circular - Basel III capital regulation dated July 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 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 minimum capital requirements are being phased-in as per the guidelines prescribed by RBI. Accordingly, the Bank is required to maintain a minimum CET1 capital ratio 7.525% (previous year: 7.375%), a minimum Tier I capital ratio of 9.025% (previous year: 8.875%) and a minimum total capital ratio of 10.875% (previous year: 10.875%) as of December 31, 2019. The given minimum capital requirement includes capital conservation buffer of 1.875% (previous year: 1.875%).

The capital to risk weighted asset ratio (CRAR) of the Bank is 42.30% higher than minimum regulatory CRAR requirement of 10.875%.
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 December 31, 2019 is presented below:

(Rs. in '000s)

Quantitative disclosures	**as at 31 Dec 2019**
Capital requirements for credit risk (I):	**737,410**
Portfolios subject to standardised approach	737,410
Securitisation exposures	0
Capital requirements for market risk (II):	**16,496**
Standardised duration approach;	16,496
Interest rate risk	7,869
Foreign exchange risk (including gold)	8,627
Equity risk	0
Capital requirements for operational risk (III):	**46,964**
Basic Indicator Approach	46,964
The Standardised Approach (if applicable)	0
Total capital requirement (I + II + III)	**800,869**
Total capital funds of the Bank (Tier I + Tier II)	3,115,213
Total risk weighted assets	7,364,311
Common Equity Tier I Capital (CET1)	**3,091,218**
Tier I Capital ratio	41.98%
Tier II Capital ratio	0.33%
Total Capital ratio	**42.30%**

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.

Credit Risk [table DF 3]

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.

Quantitative disclosure as per table DF 3 Total

a) Total gross credit exposures including Geographic distribution of exposures

(Rs. in '000s)

Particulars	**Domestic**	**Overseas**	**Total**
Fund Based Exposure	6,426,271	132	6,426,403
Non Fund Based Exposure	823,268	0	823,268

b) Industry type distribution of exposures

(Rs. in '000s)

Type of Industry	**Funded**			**Non Funded**
	Standard	**NPA**	**Total**	**Total**
Auto and Auto components	400,000	0	400,000	0
Banks	170,778	0	170,778	823,268
Electronics & Electrical Equipment	550,000	0	550,000	0
Logistics	650,625	0	650,625	0
NBFCs	2,005,000	0	2,005,000	0
other services	500,000	0	500,000	0
Petroleum products	450,000	0	450,000	0
Pharmaceuticals	10,000	0	10,000	0
Publishing of Books	140,000	0	140,000	0
Textiles	950,000	0	950,000	0
Wholesale trade	600,000	0	600,000	0
Total	**6,426,403**	**0**	**6,426,403**	**823,268**

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 3M	3Mto 6M	6M to 1Y	1 to 3Y	3 – 5Y	Over 5Y	Total
Cash and balance with RBI and other Banks	163,197	0	0	0	0	0	0	0	0	0	**163,197**
Loans and Advances	0	885,000	290,000	1,124,375	1,383,750	1,363,125	296,250	643,125	180,000	90,000	**6,255,625**
Investments	0	0	0	0	0	340,865	671,230	0	0	0	**1,012,095**

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 December 31, 2019, 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	3,789,754
100% risk weight	99,343
More than 100% risk weight	3,570,000
Deducted	0

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 December 31, 2019 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)

Capital requirement for market risk	**As at 30 Sep 2019**	**As at 31 Dec 2019**
Standardized approach	**15,109**	**16,496**
• Interest rate risk	7,240	8,627
• Foreign exchange risk (including Gold)	7,869	7,869
• 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 December 31, 2019 is INR 38,866,382.

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 December 31, 2019 is given below:

Rs. in 000s	**MVE**		**EaR**	
Interest Rate Shock	**Increase**	**Decrease**	**Increase**	**Decrease**
250 bps change in interest rates	12,863.97)	12,863.97	(69,763.67)	69,763.67
300 bps change in interest rates	(15,436.76)	15,436.76	(83,716.41)	83,716.41
400 bps change in interest rates	(20,582.35)	20,582.35	(111,621.88)	111,621.88

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 December 31, 2019, 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)	3,155,720	
2	Retained earnings	-64,502	
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**	3,091,218	
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**	-64,502	
29	**Common Equity Tier 1 capital (CET 1)**	3,091,218	
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)**	3,091,218	
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]	23,995	
51	**Tier 2 capital before regulatory adjustments**	**23,995**	
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**	0	
58	**Tier 2 capital (T2)**	**23,995**	
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)**	3,115,213	
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment		
60	**Total risk weighted assets (60a + 60b + 60c)**	**7,364,311**	
60a	**of which: total credit risk weighted assets**	6,780,779	
60b	**of which: total market risk weighted assets**	151,683	
60c	**of which: total operational risk weighted assets**	431,849	
Capital Ratios			
61	**Common Equity Tier 1 (as a percentage of risk weighted assets)**		
62	**Tier 1 (as a percentage of risk weighted assets)**	**41.98%**	
63	**Total capital (as a percentage of risk weighted assets)**	**42.30%**	
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)	23,995	
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 As on reporting date	Balance sheet under regulatory scope of consolidation As on reporting date
A	**Capital & Liabilities**		
i	Paid-up Capital	3,155,432	3,155,432
	Reserves & Surplus	288	288
	Minority Interest	-	-
	Total Capital	**3,155,720**	**3,155,720**
ii	Deposits	**4,249,707**	**4,249,707**
	of which: Deposits from Banks	3,474	3,474
	of which: Customer deposits	4,246,234	4,246,234
	of which: Other deposits (pl. specify)	-	-
iii	Borrowings	**1,000,000**	**1,000,000**
	of which: From RBI	-	-
	of which: From Banks	1,000,000	1,000,000
	of which: From other institutions & agencies	-	-
	of which: Others (pl. specify)	-	-
	of which: Capital instruments	-	-
iv	Other liabilities & provisions	**355,044**	**355,044**
	Total	**8,760,471**	**8,760,471**
B	**Assets**		

i	Cash and balances with Reserve Bank of India	**162,051**	**162,051**
	Balance with Banks and money at call and short notice	**1,070,646**	**1,070,646**
ii	Investments:	**1,012,095**	**1,012,095**
	of which: Government securities	1,012,095	1,012,095
	of which: Other approved	-	-
	securities of which: Shares	-	-
	of which: Debentures & Bonds	-	-
	of which: Subsidiaries / Joint Ventures / Associates	-	-
	of which: Others (Commercial Papers, Mutual Funds etc.)	-	-
iii	Loans and advances	**6,255,625**	**6,255,625**
	of which: Loans and advances to Banks	-	-
	of which: Loans and advances to customers	6,255,625	6,255,625
iv	Fixed assets	**67,597**	**67,597**
v	Other assets	**110,941**	**110,941**
	of which: Goodwill and intangible assets	-	-
	of which: Deferred tax assets	17,013	17,013
vi	Goodwill on consolidation	-	-
vii	Debit balance in Profit & Loss account	**64,502**	**64,502**
	Total Assets	**8,760,471**	**8,760,471**

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	3,155,720	-
2	Retained earnings	(64,502)	-
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	3,091,218	-
7	Prudential valuation adjustments	-	-
8	Goodwill (net of related tax liability)	-	-

Table DF-13: Main features of Regulatory Capital Instruments

QNB India has not issued any regulatory capital instruments.

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	8,695,969
2	Adjustment for investments in Banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	-
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	1,038,483
7	Other adjustments	-
8	**Leverage ratio exposure**	**9,734,452**

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)	8,695,969
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)	8,695,969
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	1,038,483
18	(Adjustments for conversion to credit equivalent amounts)	-
19	**Off-balance sheet items (sum of lines 17 and 18)**	1,038,483
Capital and total exposures		
20	**Tier 1 capital**	3,091,218
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**9,734,452**
Leverage ratio		
22	**Basel III leverage ratio**	**31.76%**

Liquidity Coverage Ratio

(Rs. in 000s)

		As at 31 Dec 2019 (Three months)	
		Total Unweighted Value (average)	Total Weighted Value (average)
High quality liquid assets			
1	**Total High Quality Liquid Assets (HQLA)**		**1,384,756.00**
Cash Outflows			
2	Retail deposits and deposits from small business customers, of which:	-	-
(i)	Stable deposits	-	-
(ii)	Less Stable deposits	-	-
3	Unsecured wholesale funding, of which:	2,345,359	1,131,195
(i)	Operational deposits	-	-
(ii)	Non-operational deposits	2,345,359	1,131,195
(iii)	Unsecured debt	-	-
4	Secured Wholesale Funding		
5	Additional requirements, of which	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	-	-
6	Other Contractual funding obligations	59,908	59,908
7	Other Contingent funding obligations	-	-
8	**TOTAL CASH OUTFLOWS**		**1,191,103**
9	Secured lending	-	-
10	Inflows from fully performing exposures	6,731,343	1,383,427
11	Other cash inflows	59,908	56,674
12	**TOTAL Cash Inflows**	**6,791,251**	**1,440,101**
21	**Total HQLA**		**1,384,756**
22	**Total Net cash outflows***		**367,965**
23	**Liquidity Coverage Ratio (%)**		**376.33%**

Qualitative disclosure on Liquidity Coverage Ratio

The Bank measures and monitors LCR in line with RBI's circular dated 9 June 2014 on "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards", as amended. LCR guidelines aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLAs) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable a bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken.

The Bank has been maintaining HQLA primarily in the form of SLR investments over and above mandatory requirement and regulatory dispensation allowed up to 13% of NDTL. SLR investments of the Bank considered for HQLA consists of Treasury Bills which provides timely liquidity to the Branch. The Branch does not hold any Level 2A or Level 2B Assets. The Bank has been maintaining high LCR primarily due to higher HQLA in the form of SLR investment over and above regulatory requirements.

Outflows majorly comprise of Term Deposits and Interbank Borrowing. The Bank's major source of funding apart from Capital are term deposit and interbank borrowing. Term deposits are mainly from corporates and for borrowing the bank has resorted to the Interbank Money Market.

In line with the RBI guidelines, only committed undrawn limits, if any, have been considered for calculation of outflows. Inflows majorly consist of Loans and Interbank placements in the Money Market.

The Bank has not entered into any Derivative contracts since inception.

The Bank has only one branch in India and all liquidity requirements are monitored on a real time basis.

The Bank does not have any currency mismatch in the LCR.

Overall liquidity management including LCR of the Bank is guided by Asset Liability Committee ('ALCO') which also strategizes the Balance Sheet profile of the Bank. There is no other material inflow or outflow not captured in the LCR common template.

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

Gaurav Gupta
Chief Executive Officer

Place : Mumbai
Date :