DISCLOSURE REQUIRED UNDER BASEL III NORMS

Table 1
Scope of Application

Qualitative Disclosure

(a) The Framework applies to BNP Paribas Indian Branches

(b) Subsequent to the stake picked up by Union de Credit Pour Le Batiment SA (UCB) a 100% subsidiary of BNP Paribas SA, France in Sundaram Home Finance Company Limited RBI has instructed us to prepare consolidated prudential returns taking into account the financials of Sundaram Home Finance. As per the instruction received from RBI this will be a full consolidation but since BNP Paribas India does not hold any stake in the said company the same will not be consolidated for accounting purposes (AS-21/27).

(c) Apart from consolidation of Sundaram Home Finance for regulatory purposes, there are no other companies whose financials are consolidated either for regulatory or for accounting purposes.

Quantitative Disclosure

(a) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation i.e, that are deducted -------- **NIL**

(b) The aggregate amount of the bank's total interests in insurance entities which are risk-weighted as well as their name, their country of incorporation or residence, the proportion of ownership interest and, if different, the proportion of voting power in these entities.----**NIL**

Table 2
Capital Structure

Qualitative Disclosure

a) The Capital instruments of the bank are given as below

- Tier I Capital: Being a Foreign bank, the Bank's Tier I Capital consists of interest free deposit received from Head office, Statutory reserve, Capital reserve, General Reserve & Remittable surplus retained in India for capital adequacy purpose. Bank does not have any hybrid debt instruments which are eligible for Tier I capital.

- Tier II Capital: Our Tier II Capital consists primarily of Subordinated debt instrument subscribed by Bank's Head Office, the issuance of these adhere to RBI guidelines. Apart from Subordinated debt instruments, General provision for debts, provision for unhedged foreign currency exposure & Revaluation reserve constitute Tier II Capital. Bank has not issued Hybrid debt instruments which are eligible to be included as Tier II Capital.

Quantitative Disclosure

	Regulatory Capital as at March 31, 2016	**Regulatory minimum % of RWAs as per Basel III**	**Actual Capital Adequacy Ratio (%)**
(i)	Minimum Common Equity Tier 1 Ratio	5.50	9.25
(ii)	Capital Conservation Buffer (comprised of Common Equity)	0.625	0.625
(iii)	Minimum Common Equity Tier 1 Ratio plus Capital Conservation Buffer [(i)+(ii)]	6.125	9.88
(iv)	Additional Tier 1 Capital	1.50	-
(v)	Minimum Tier 1 Capital Ratio [(i) +(iv)]	7.00	9.25
(vi)	Tier 2 Capital	2.00	1.88
(vii)	Minimum Total Capital Ratio (MTC) [(v)+(vi)]	9.00	11.13
(viii)	Minimum Total Capital Ratio plus Capital Conservation Buffer [(vii)+(ii)]	9.625	11.76

(b) The breakup of Tier I Capital is as given below (Figures in INR Crores)

		Current Year	Previous Year
1)	Remittance received from HO:	1,918.69	1,918.69
2)	Statutory Reserve:	502.06	416.97
3)	Capital Reserve:	14.40	14.40
4)	General Reserve:	21.17	18.33
5)	Remittable surplus retained:	1,389.06	910.13
6)	Intangible assets :	(33.51)	(30.87)
	Total:	**3,811.87**	**3,247.65**

(c) The breakup of Tier II Capital is as given below (Figures in INR Crores)

		Current Year	Previous Year
1)	Revaluation Reserve	32.10	33.38
2)	General Provision on Standard Assets	101.62	83.23
3)	Provision for Unhedged Foreign Currency Exposure	47.14	41.11
4)	Subordinated Debt	502.07	190.78
5)	Investment Reserve	42.32	42.32
	Total:	**725.25**	**390.82**

Table 3
Capital Adequacy

Qualitative Disclosure

a) A summary discussion of the bank's approach to assessing the adequacy of capital to support current and future activities:

In order to strengthen the capital base of banks in India, the Reserve Bank of India in April 1992 introduced capital adequacy measure in banks, based on the capital adequacy framework (Basel 1) issued by Basel Committee on Banking Supervision (BCBS). Initially the framework addressed capital for credit risk, which was subsequently amended to include capital for market risk. In line with the guidelines issued by the RBI, the bank has been compliant in regards to maintenance of minimum capital for credit and market risks.

Subsequently, the BCBS has released the "International Convergence of Capital Measurements and Capital Standards: A Revised Framework". In addition, the RBI has issued clarifications on 31st March, 2008 on certain issues relating to the subject. In line with the RBI guidelines, the bank has migrated to the revised framework from 31.03.2008.

Basel 2 framework provides a range of options for determining the capital requirements for credit risk, market risk and operational risk. The framework allows the bank and the supervisors to select approaches that are most appropriate for their operations and financial markets. In accordance with the RBI's requirement, the bank has adopted Standardized Approach (SA) for Credit Risk and Basic Indicator Approach (BIA) for Operational Risk to compute capital from 31.03.2008. Additionally, the bank continues to apply the Standardized Duration Approach (SDA) for computing the capital requirement for Market Risk. As such, in addition to maintaining capital for credit and market risks as hither to, the bank maintains capital for operational risks from 31.03.2008.

The RBI prescribes the banks to maintain a minimum Capital to Risk-weighted Assets Ratio (CRAR) of 9.625 percent (including Capital Conservation Buffer of 0.625%) with regard to credit risk, market risk and operational risk on an ongoing basis as against the 8 percent prescribed in the Basel documents. RBI has withdrawn the parallel run and prudential floor between Basel 1 and Basel 2 vide RBI Master Circular on Basel III Capital regulations DBOD.No.BP.BC.2 /21.06.201/2013-14 dated July1, 2013.RBI has vide circular DBOD.No.BP.BC.81/21.06.201/2013-14 dated Dec 31, 2013 made the CVA risk capital charge on OTC derivatives effective from April 1, 2014. Also, on account of significant exposure on account of unhedged foreign currency of entities, RBI vide its circular no DBOD No. BP.BC.85/21.06.200/2013-14 introduced incremental capital requirements for unhedged foreign currency exposure (over and above the present capital requirements) effective April 01, 2014.

The capital adequacy of the Bank is placed before its Management Committee on a monthly basis wherein the same is discussed and the adequacy of the same is elaborated keeping in view the future growth plan of the Bank. Management places a note to the Group office as and when a need is felt for additional capital infusion.

Quantitative Disclosure

(a) Capital requirements for credit risk : (Figures as on 31st March 2016 and in Rs. Crores)

6) Portfolios subject to standardized approach: 2,908.01 (Pillar 1 of Basel III)
7) Securitization exposure: NIL

(b) Capital requirements for Market risk : (Figures as on 31st March 2016 and in Rs. Crores)
Standardized duration approach (Pillar 1 of Basel III):
8) Interest rate risk: 532.65
9) Foreign exchange risk: 93.57
10) Equity risk :0.001

(c) Capital requirements for Operational risk under Basic indicator approach (Pillar1of Basel III) : 179.87 crores
(d) Total & Tier 1 capital ratio:

- For the top consolidated group(Bank): 11.76% (Total) & 9.88% (Tier 1)
- For significant bank subsidiaries: NA

Table 4
Credit risk: General disclosures for all banks

Qualitative Disclosure

a) **Credit Risk**:

Credit risk is the risk of incurring an economic loss on loans and receivables, existing or potential due to prior commitments, resulting from the credit quality migration of the Bank's debtors, which may eventually come to default. The probability of default and the expected recovery on the loan or receivable in the event of default are key components of the credit quality assessment.
Credit risk, measured at portfolio level, takes into account correlations between the values of the loans and receivables making up the portfolio concerned.
Credit risk arises in relation to lending activities as well as market, investment and payment transactions that potentially expose the Bank to the default risk of the counterpart. It is also the same case for Counterparty risk that represents the bilateral credit risk relating to the counterparty with which a transaction is entered into and of which the amount may vary over time, in line with market parameters that impact the value of the instrument.
Concentration risk and diversification effects are embedded within credit risk. When advanced methods are not used, concentration risk is captured through the monitoring of large exposures.

Credit risk Management Policies:

The Bank has put in place a well structured Credit Risk Management Policy duly approved by the Board. The policy document defines organizational structure, role and responsibilities and the processes whereby the Credit Risks carried by the Bank can be identified, quantified and managed within the framework that Bank considers consistent with its mandate and risk tolerance.

Credit Rating and Appraisal Process:

The Bank manages its Credit Risk through continuous measuring and monitoring of risks at each obligor and portfolio level. The Bank has robust internal Credit rating framework and well established standardized Credit appraisal / approval processes. Credit Rating is a facilitating process that enables the Bank to assess the inherent merits and demerits of a proposal. It is a decision enabling tool that helps the Bank to take a view on acceptability or otherwise of any Credit proposal.

The internal rating factors, quantitative and qualitative issues relating to management risk, business risk, industry risk, financial risk and project risk besides, such ratings consider transaction specific Credit enhancement features while assessing the overall ratings of the borrower. The data on industry risk is constantly updated based on market conditions.

Additionally, the Bank has in place a Board approved detailed policy on Credit Risk Mitigation and management.

Definitions of Non - Performing assets:

The bank follows the prudential guidelines issued by the RBI on classification of Non – Performing Assets as under:
1. Interest and/or installment of principal remain overdue for a period of more than 90 days in respect of term loan.
2. The account remains 'out of order' if the outstanding balance remains continuously in excess of sanctioned limits/DP for more than 90 days in respect of overdraft or cash credit
3. The bill remains overdue for a period of more than 90 days in case of bills purchased and discounted

Where the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter, the asset is classified as non-performing. A non-performing asset ceases to generate income of the bank.

Quantitative Disclosure

a) Gross Credit exposure (Rs in crore)

Fund based: 20,001.61 (Gross advances)
Non Fund based: 8,106.88 (Guarantees, LCs, Endorsement and Acceptances)

b) Geographic distribution of exposures

Domestic
Fund based: 20,001.61
Non Fund based: 8,106.88

International
Fund based: NIL
Non Fund based: NIL

c) Industry wise distribution of exposure

(Rs in crore)

Industry Name	Funded Credit	Non Funded Credit	Total Credit Outstanding
Mining	50.33	0.21	50.54
Food Processing	457.34	33.68	491.02
Beverages (excluding Tea & Coffee) and Tobacco	312.72	12.63	325.35
Textiles	46.78	3.57	50.35
Leather and Leather Products	0.00	0.00	0.00
Wood and wood products	0.00	0.01	0.01
Paper and Paper Products	100.00	24.72	124.72
Petroleum (non-infra), Coal products (non-mining) and Nuclear Fuels	58.20	0.00	58.20
Chemicals and chemical products (Dyes, Paints, etc.)	**1,546.66**	**329.40**	1,876.06
of which Fertilizers	127.55	6.97	134.52
of which Drugs and Pharmaceuticals	807.59	284.68	1,092.27
of which Petro- chemicals(excluding under Infrastructure)	0.00	1.61	1.61
of which others	611.52	36.14	647.66
Rubber and Rubber Products	643.73	46.70	690.43
Glass & Glassware	44.00	0.30	44.30
Cement and Cement Products	327.10	298.66	625.76
Iron and Steel	659.93	15.79	675.72
Other Metal and Metal Products	625.56	15.21	640.77
All Engineering	1,460.62	417.73	1,878.35
Vehicles, vehicle Parts and Transport Equipment's	1,299.18	52.03	1,351.21
Construction	489.40	42.40	531.80
Infrastructure	**1,305.90**	**73.65**	1,379.55
Of which Transport	0.00	70.68	70.68
Of which Energy	429.14	0.00	429.14
Of which Telecommunication	872.13	2.97	875.10
Of which Others	4.63	0.00	4.63
Other Industries	66.13	24.30	90.43
Other Residuary Advances	10,508.03	6,715.89	17,223.92
Total Loans and advances	**20,001.61**	**8,106.88**	**28,108.49**

d) Residual Maturity of assets

(Rs in crore)

Bucket	Cash & Balances with RBI	Balances with other Banks	Investments	Advances	Fixed asset & Other assets	Total
1 Day	443.33	158.60	2,555.47	170.13	0.49	3,328.02
2-7 Days	675.00	-	610.17	1,069.46	138.29	2,492.92
8 to 14 days	-	-	1,572.78	968.14	18.05	2,558.97
15 to 28 days	207.93	-	559.96	1,410.74	21.92	2,200.55
29days and up to 3 months	246.45	-	788.83	2,942.05	5,458.80	9,436.13
Over 3 months and up to 6 months	46.31	-	248.92	2,703.75	122.83	3,121.81
Over 6 months and up to 1 year	42.85	-	824.45	5,300.67	186.52	6,354.49
Over 1 year and up to 3 years	84.28	0.06	719.80	4,793.26	32.13	5,629.53
Over 3 years and up to 5 years	0.45	-	373.04	628.58	78.37	1,080.44
Over 5 years	15.43	-	82.92	2.74	457.16	558.25
Total	**1,762.03**	**158.66**	**8,336.34**	**19,989.52**	**6,514.56**	**36,761.11**

e) Amount of Gross NPAs (Rs. in crore)

- Substandard: 0.00
- Doubtful 1 0.00
- Doubtful 2 0.00
- Doubtful 3 0.00
- Loss 12.08

f) Net NPAs – 0.00

g) NPA Ratios
- Gross NPAs to Gross Advances: 0.06%
- Net NPAs to Net Advances: 0.00%

h) Movement of Gross NPAs (Rs. in crore)
- Opening balance: 12.17
- Additions: 0.00
- Reduction: 0.09
- Write off: 0.00
- Closing balance 12.08

All of the above NPAs are Micro Finance Institution under NBFC category.

i) Movement of provisions for NPAs (Rs. in crore)
- Opening balance: 12.17
- Additions: 0.00
- Reduction: 0.09
- Write off: 0.00
- Closing balance: 12.08

j) Movement in General Provision for standard advances (Rs. in crore)
- Opening balance: 124.33
- Provisions made during the period 24.43
- Write-off 0.00
- Write back of excess provision 0.00
- Closing balance: 148.76

(k) Amount of Non-performing investments: 7.33 crores

(l) Amount of provision held for Non-performing investments: 7.33 crores

(m) Movement of provisions for depreciation on investments (Rs. in crore)
- Opening balance: 0.01
- Provisions made during the period: 0.09
- Write off: 0.00
- Write back of provisions during the period: 0.00
- Closing balance: 0.10

(n) Breakup of General provision by major Counterparty type (Rs. in crore)

Corporates	107.12
Banks	41.56
Individuals	0.08
Total	148.76

Table 5
Credit risk: disclosure for portfolios subject to the standardized approach

Qualitative Disclosure

a) **General Principle**:

In accordance with the RBI guidelines, the bank has adopted Standardized Approach of the New Capital Adequacy Framework (NCAF) for computation of capital for credit risk with effect from 31.03.2008. In computation of capital, the bank has assigned risk weights to different asset classes as prescribed by the RBI.

External Credit Ratings (ECRA):

Ratings of borrowers by External Credit Rating Agencies (ECRA) assume importance in the light of guidelines for implementation of the New Capital Adequacy Framework (Basel 2). Exposures on Corporates / PSEs / Primary Dealers are assigned with risk weights based on the external ratings. For this purpose, the RBI has permitted banks to use the ratings of four domestic ECRAs namely Credit Analysis and Research Ltd. (CARE), CRISIL Ltd., FITCH India Ltd. and ICRA Ltd. In consideration of the above guidelines, the bank has decided to accept ratings assigned by all these ECRAs.

The assets in the banking book are identified as those with pari passu clause/ seniority clause or otherwise. Where the claim is senior or pari passu, issue ratings available from rating agencies are migrated to our exposures provided the conditions mentioned in the RBI circular are met, where the rating available pertains to unsecured exposure then the Bank has used the same for its exposures. The Bank has purchased the CRISIL package to perform the rating migration and credit risk computation under the new framework.

Quantitative Disclosure

a) For exposure amounts after risk mitigation subject to the standardized approach, amount of a bank's outstanding in the following three major risk buckets as well as those that are deducted.
(Amounts – Rs in crore)

- Below 100% risk weight: 32,651.74
- 100% risk weight: 15,226.56
- More than 100% risk weight: 116.99
- Deducted from capital - Nil

Table 6
Credit risk: disclosure for portfolios subject to the standardized approach

Qualitative Disclosure

a) **Policy on credit risk mitigation**:

In line with the regulatory requirements, the bank has put in place a well articulated policy on Collateral Management and Credit Risk Mitigation Techniques, duly approved by the bank's Board. The policy lays down the types of securities normally accepted by the bank for lending and administration / monitoring of such securities in order to safeguard / protect the interest of the bank so as to minimize the risks associated with it.

The main type of securities (both prime and collateral) accepted by the bank includes bank's own deposits, Gold / Ornaments, National Savings Certificate, Indira Vikas Patra, Kisan Vikas Patras, 10 Year Social Security Certificates, Shares and Debentures, Central and State Government securities, Life Insurance Policies, Mutual Fund units, Immovable Properties, Plant and Machinery, Goods and Merchandise, Documents of Title to Goods, Book Debts, Vehicles and other moveable assets. The bank has also framed well defined policy on valuation of immovable properties, Plant and Machineries, duly approved by the Board.

Credit Mitigation under Standardized Approach:

As advised by the RBI, the bank has adopted the comprehensive approach relating to credit risk mitigation under Standardized Approach, which allows fuller offset of securities (prime and collateral) against exposure, by effectively reducing the exposure amount by the value ascribed to the securities. Thus, the eligible financial collaterals are fully made use of to reduce the credit exposure in computation of credit risk capital. In doing so, the bank has recognised specific securities namely, Bank Deposits, Gold / Ornaments, Life Insurance Policies, Kisan Vikas Patras (after a lock-in of 2.5 years), Government securities, Units of Mutual Funds, in line with the RBI guidelines on the matter.

Besides, other approved forms of credit risk mitigation are 'On Balance Sheet netting' and availability of 'Eligible Guarantees'. On balance sheet nettings have been reckoned to the extent of the deposits available against the loans / advances of the borrower (to the extent of exposure) as per the RBI guidelines. Further, in computation of credit risk capital, the types of guarantees recognised for taking mitigation, in line with RBI guidelines are Central Government Guarantee (0%), State Government (20%), CGTSI (0%), ECGC (20%), Bank Guarantee in the form of Bill purchased / discounted under Letter of Credit (20% or as per rating of foreign banks), Corporate Guarantee (AA- or better) (as per external rating). The bank has ensured compliance of legal certainty as prescribed by the RBI in the matter of credit risk mitigation.

Concentration Risk in Credit Risk Mitigation:

All types of securities eligible for mitigation are easily realizable financial securities. As such, presently no limit / ceiling have been prescribed to address the concentration risk in credit risk mitigants recognised by the bank.

Quantitative Disclosure

A) Under the standardized Approach, the total credit exposure covered by eligible financial collaterals after application of haircuts as on 31st March 2016 is Rs.2,262.37 crores.

B) Under the standardized Approach, the total credit exposure covered by guarantee / credit derivative as on 31st March 2016 is Rs. 346.70 crores.

Table 7
Securitisation disclosure - NA

Table 8 :Market risk in trading book

Qualitative Disclosure

a) **Market Risk**:
Market risk is defined as the risk of incurring an economic loss as a result of adverse changes in market parameters, those ones being directly tradable or not. Tradable market parameters include, but are not limited to, foreign exchange rates, security and commodity prices, derivatives prices, as well as related factors such as interest rates, credit spreads, implied volatility or implied correlation. Non-tradable market parameters are derived from assumptions based on models or statistical analysis, such as correlations. Liquidity is an important component of market risk. In situations of scarce liquidity or absence of liquidity, goods or instruments may not be tradable at their estimated value. This may arise, for example, due to low transaction volumes, legal restrictions, or a one-way market.

Market risk primarily arises in trading portfolios, but may also exist in other portfolios containing assets held in connection with the banking business, such as:
- Equity holdings; or
- Some other assets: for very specific activities it also encompasses properties held for sale, real estate or cars to be leased, the risk of which is indirectly impacted by changes in the market value of these assets.

Risk Strategy and Measurement:
The Market Risk positions subject to capital charge requirement are:
• The risks pertaining to interest rate related instruments in the Banking as well as in Trading books.
• Foreign exchange risk throughout the Bank in both Banking and Trading books.

The Bank has a robust risk management system in place. Market Risk is continuously monitored and assessed by the Risk – Investment & Markets (R-IM) department. R-IM works as a part of the Group Risk Management Department. Market & Liquidity Risk for Indian books is monitored by India R-IM department who sits in Indian dealing room, in co-ordination with regional and global R-IM departments. R-IM contributes to the definition of the Bank's risk appetite, its risk decision making process and the optimisation of capital allocation

To maintain the neutrality in operations of the R-IM department for unbiased controls of Market Risk, the R- IM department is independent of front office and operations (back office & middle office) functions.

Mechanism for market Risk monitoring:
To ensure that the Market Risk is properly monitored and in line with the capital adequacy of the Bank, stringent market limits are placed on each business line within Fixed Income and ALM. The same include Cumulative Gapping limits, OYE limits, PV01 limits, VaR limits, Spread limits, Issuer Risk Limits etc. In addition to this, the limits as prescribed by the RBI are enforced. The Bank has various limits in place for monitoring of Market Risk.

The Market Risk of trading transactions in terms of sensitivities and VaR are system generated with no manual intervention. R-IM monitors the actual positions vis-à-vis the limits on a daily basis and report the same to the concerned heads of the business lines and regional R-IM departments.

In case of any excess, R-IM staffs will follow-up for the approval of the excess with the relevant approving authority or will instruct the business to reduce the position. R-IM will report any such excess to the regional business heads as well as to the Bank's management.

The Bank believes in strong assessment and estimation of the capital required to cover Market Risks arising from the business. The Bank has robust stress testing and back testing mechanisms to ensure that the capital adequacy is maintained.

Bank has a detailed Stress Testing Policy.

Quantitative Disclosure

a) Capital requirements for Market risk : (Figures as on 31st March 2016 and in Rs. Crore)
Standardized duration approach:
1) Interest rate risk: 532.65
2) Foreign exchange risk: 93.57
3) Equity risk: 0.001

Table 9
Operational risk

Qualitative Disclosure

a) **Operational Risk**:

Operational risk is the risk of incurring an economic loss due to inadequate or failed internal processes, or due to external events, whether these events are deliberate, accidental or natural occurrences. The management of operational risk is underpinned by an analysis of the cause - event - effect chain.
The internal processes may involve issues including human resources and systems. External events include but are not limited to floods, fire, earthquakes and terrorist attacks. Credit or market events such as default or a change in value that affects credit and market risks do not fall within the scope of operational risk.
Operational risk encompasses legal risk, tax risk, information system risk and compliance risks. However, due to its importance and connection with the reputation risk, compliance risk is addressed through a specific process.
According to the French regulation, the compliance risk is defined as the risk of legal, administrative or disciplinary sanctions, or financial loss that a bank may suffer as a result of its failure to comply with all the laws, regulations, codes of conduct, standards of good practice applicable to banking and financial activities or instructions given by the executive body, particularly the ones in application of guidelines issued by the Board of Directors.
By definition, this risk is a sub-category of operational risk. However, certain consequences of a compliance failure may imply more than a pure financial loss and harm the institution's reputation. The Bank has therefore set up a specific organization and process to manage the compliance risk.

Policies on Management of Operational Risks:

The Bank has framed Operational Risk Management Policy duly approved by the Board. Other policies adopted by the Bank which deal with management of Operational Risk are Know Your Customers (KYC) and Anti Money Laundering Procedures, IT Business Continuity and Disaster Recovery Plan (IT – BC DRP).

The Operational Risk management policy adopted by the Bank outlines organization structure and detail processes for management of Operational Risk. The basic objective of the policy is to closely integrate Operational Risk management system into day-to-day risk management processes of the Bank by clearly assigning roles for effectively identifying, assessing, measuring, monitoring and controlling / mitigating Operational Risks and by timely reporting of Operational Risk exposures, including material Operational losses. Operational Risks in the Bank are managed through comprehensive and well articulated internal control frameworks.

As per BIA, the capital requirement as on March 31, 2016, is Rs. 179.87 crores

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

Qualitative Disclosure

a) **Interest Rate Risk in the Banking Book:**

Interest Rate Risk in the Banking Book (IRRBB) is the risk of incurring an economic loss as a result of mismatches in interest rates, maturities or nature between assets and liabilities. For banking activities, IRRBB is measured in non-trading portfolios. For insurance activities, it also includes the risk of changes in the value of securities and other assets, particularly real-estate, held by the general investment fund of the company.

Interest Rate Risk in the Banking Book (IRRBB) is managed by the Bank on an ongoing basis. The Bank has identified the critical risks associated with the changing interest rates for its on and off-balance sheet items in the Banking book from a short-medium-long term perspective. In order to assess IRRBB, the Bank takes into account the impact of changes due to parallel shifts in yield curve, yield curve twists, yield curve inversions, changes in the relationships of rates (better known as basis risk) and other relevant scenarios. The Bank adequately supports its assumptions about the base characteristics of its non-maturity deposits and other assets / liabilities, especially those exposures characterised by embedded options. Given the uncertainty in such assumptions, stress testing is used as prime tool for assessing the impact of IRRBB.

The Bank has a detailed ALM policy. The ALM policy specifically deals with Liquidity Risk management and Interest Rate Risk management framework. As envisaged in the policy, liquidity is managed through the gapping module, based on residual maturity of assets and liabilities, on a daily basis The Bank has put in place mechanism of short-term dynamic liquidity management and contingent funding plan. Prudential limits are prescribed for different residual maturity time buckets for efficient asset liability management. Liquidity profile of the Bank is evaluated through various liquidity ratios. The Bank has also drawn various contingent measures to deal with any kind of stress on liquidity position. Bank ensures adequate liquidity managed on a real time basis by domestic treasury through systematic and stable funds planning.

The Asset Liability Management Committee (ALCO) monitors adherence of prudential norms fixed by the Bank and ALCO will decide, the interest rate structure of the asset & liability products. However, the individual pricing for any product may be determined by the respective heads of the business, within the framework of the structure determined by the ALCO & ALM Policy. The back office Group at the Treasury & Local Finance monitors adherence of prudential limits on continuous basis

Quantitative Disclosure

Under the Pillar III norms, the increase / decline in earnings and economic value for an upward / downward rate shock of 100 basis points and 200 basis points respectively as on March 31, 2016, broken down by currency is as follows:

Earnings Perspective

(Rs. crores)

Currency	Interest Rate Shock	
	1% Increase	1% Decrease
Rupees	(3.19)	3.19
US Dollar	6.07	(6.07)

Economic Value Perspective

(Rs. 'crores)

Currency	Interest rate shock	
	2% increase	2% decrease
Rupees	23.41	(23.41)
US Dollar	(2.86)	2.86

Table 11
Counterparty Credit Risk

A counterparty risk, also known as a default risk, is a risk that a counterparty will not meet it's obligation before the final settlement of a contract (e.g. derivatives, securities finance transactions etc.). Bank enters into hedge transactions to offset counterparty risk to the extent possible taking into consideration liquidity and long term systemic reasons.

Counterparty risk is the translation of the credit risk embedded in the market, investment and/or payment transactions. Those transactions include bilateral contracts (i.e. Over-The-Counter - OTC) which potentially expose the Bank to the risk of default of the counterparty faced. The amount of this risk may vary over time in line with market parameters which impact the value of the relevant market transactions.

The bank manages Counterparty Credit Risk (CCR) through continuous measuring and monitoring of risks at each obligor and portfolio level. Capital for CCR exposure is assessed based on Standardized Approach. The Bank does not have bilateral netting arrangements with other counterparties.

The outstanding balance as on March 31, 2016 and the derivative exposure calculated using Current Exposure Method (CEM) is provided below.

(Rs. Crore)

Particulars	Notional Amounts	Current Exposure
Foreign Exchange Contracts	205,525	7,754
Interest Rate Swaps	410,477	4,632
Cross Currency Swaps	44,883	6,451
Currency Options	15,991	860
Forward Rate Agreement	3,313	17
Total	680,189	19,714

Table 16
Equities – Disclosure for Banking Book Positions

The Bank, as a matter of prudence and as guided under its investment policy, does not invest or take position in equities. However, the Bank does hold equity and Optionally Convertible Preference Shares (OCPS) which were received as a part of settlement of debt under CDR. These equities & OCPS are not listed and the Bank does not expect any capital gains out of it.

Instrument	Book Value (Rs Crores)
Equity shares	0.01
Optionally Convertible Preference Shares	7.33
Total	7.34
Provisions for NPI	7.33

(Rs in million)

DF 11 - Composition of Capital as at March 31, 2016			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)	19,187		a
2	Retained earnings	19,267		b+c+d+e
3	Accumulated other comprehensive income (and other reserves)	-		
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-		
	Public sector capital injections grandfathered until 1 January 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**	**38,454**		
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)	2	0.42	j
10	Deferred tax assets	266	66.61	k
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)	-		
20	Mortgage servicing rights (amount above 10% threshold)	-		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-		
22	Amount exceeding the 15% threshold	-		
23	of which : significant investments in the common stock of financial entities	-		
24	of which : mortgage servicing rights	-		
25	of which : deferred tax assets arising from temporary differences	-		
26	National specific regulatory adjustments (26a+26b+26c+26d)	-		
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	-		
26b	of which: Investments in the equity capital of the unconsolidated non financial subsidiaries	-		
26c	of which: Shortfall in the equity capital of the majority owned financial entities which have not been consolidated with the bank.	-		
26d	of which: Unamortised pension fund expenditures	-		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	67		
28	**Total regulatory adjustments to Common equity Tier 1**	**335**		
29	**Common Equity Tier 1 capital (CET1)**	**38,119**		

(Rs in million)

DF 11 - Composition of Capital as at March 31, 2016			Amounts Subject to Pre-Basel III Treatment	Ref No.
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)	-		
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	67		
	of which : Other intangibles	0.4		j
	of which : Net deferred tax assets	66.6		k
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**	**67**		
44	**Additional Tier 1 capital (AT1)**	**(67)**		
44a	**Additional Tier 1 capital reckoned for capital adequacy**	-		
45	**Tier 1 capital (T1 = CET1 + AT1) (row 29 + row 44a)**	**38,119**		
Tier 2 capital : instruments and provisions				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	4,033		h
47	Directly issued capital instruments subject to phase out from Tier 2	988		h
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 II)	-		
49	of which : instruments issued by subsidiaries subject to phase out	-		
50	Provisions	2,232		f+g+i
51	**Tier 2 capital before regulatory adjustments**	**7,253**		

DF 11 - Composition of Capital as at March 31, 2016

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 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	-		
57	**Total regulatory adjustments to Tier 2 capital**	-		
58	**Tier 2 capital (T2)**	7,253		
58a	**Tier 2 capital reckoned for capital adequacy**	7,253		
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	-		
58c	**Total Tier 2 capital admissible for capital adequacy (row 58a + row 58b)**	7,253		
59	**Total capital (TC = T1 + T2) (row 45+row 58c)**	45,371		
	Risk Weighted Assets in Respect of Amounts Subject to Pre-Basel III Treatment	-		
	of which : [Insert Name of Adjustment]	-		
	of which : [Insert Name of Adjustment]	-		
60	**Total risk weighted assets (row 60a +row 60b+row 60c)**	385,880		
60a	of which total credit risk weighted assets	302,131		
60b	of which : total market risk weighted assets	65,061		
60c	of which total operational risk weighted assets	18,688		
Capital ratios				
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	9.25		
62	Tier 1 (as a percentage of risk weighted assets)	9.25		
63	Total capital (as a percentage of risk weighted assets)	11.76		
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	0.625		
65	of which : capital conservation buffer requirement	0.625		
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)	3.75		

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)	9.625		

(Rs in million)

DF 11 - Composition of Capital as at March 31, 2016			Amounts Subject to Pre-Basel III Treatment	Ref No.
Amounts below the thresholds for deduction (before risk weighting)				
72	Non-significant investments in the capital of other financials	-		
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)	1,911		g + i
77	Cap on inclusion of provisions in Tier 2 under standardised approach	3,777		
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 April 1, 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	2,476		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-		
Notes to the Template				
Row # of template	**Particular**	**Rs. in millions**		
10	Deferred tax associated with accumulated losses	-		
	Deferred tax assets (excluding those associated with accumulated losses) net of deferred tax liability	333		k
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-		
	of which: Increase in Common Equity Tier 1 capital	-		
	of which: Increase in Additional Tier 1 capital	-		
	of which: Increase in Tier 2 capital	-		
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	-		
	(i) Increase in Common Equity Tier 1 capital	-		
	(ii) Increase in risk weighted assets	-		
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	-		
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	-		
50	Eligible provisions included in Tier 2 capital	1,911		g + i
	Eligible revaluation reserves included in Tier 2 capital	321		f
	Total of row 50	2,232		
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	-		

DF 12 - Composition of Capital - ReconciliationRequirements

(Rs in million)

		Balance sheet as in financial statements	Reference
		As on 31-Mar-16	
A	**Capital and Liabilities**		
i	Capital (CET1)	19,187	a
	Reserves & surplus	20,404	
	of which Statutory Reserves	5,021	b
	of which Capital Reserve	144	c
	of which Capital Retained in India for CRAR	13,891	d
	of which General Reserve	212	e
	of which Revaluation Reserve (eligible for Capital)	321	f
	of which Investment Reserve	423	g
	Minority interest	-	
	Total capital	**39,590**	
ii	**Deposits**	**220,873**	
	of which: Deposits from banks	10,232	
	of which: Customer deposits	210,641	
	of which: Other deposits	-	
iii	**Borrowings**	**28,635**	
	of which: from RBI	12,500	
	of which: From banks	7,505	
	of which: From other institutions & agencies	-	
	of which: Others (Capital instruments not eligible for T2)	3,610	
	of which: Capital instruments eligible for T2	5,021	h
iv	**Other liabilities & provisions**	**78,512**	
	of which: Provision against standard assets	1,488	i
	Total Capital and Liabilities	**367,611**	
B	**Assets**		
i	Cash and balances with RBI	17,620	
	Balance with banks and money at call and short notice	1,587	
ii	**Investments**	**83,363**	
	of which: Government securities	74,682	
	of which: Other approved securities	-	
	of which: shares	0	
	of which: Debentures & Bonds	2,499	
	of which: Subsidiaries, Joint Ventures, Associates	-	
	of which: Others (Commercial Paper)	6,182	
iii	**Loans and advances**	**199,895**	
	of which: to banks	9,938	
	of which: to customers	189,957	
iv	**Fixed assets**	**1,063**	
v	**Other assets**	**64,083**	
	of which: (a) intangible assets	2	j
	of which : (b) deferred tax assets	333	k
vi	**Goodwill on consolidation**	-	
vii	**Debit balance in Profit & Loss account**	-	
	Total Assets	**367,611**	

DF 13 - Main Features of Regulatory Capital Instruments

Item #	Particulars	Head Office Capital	Capital Retained in India for CRAR	Statutory Reserves	Head Office Borrowings in the nature of Subordinated debt	Head Office Borrowings in the nature of Subordinated debt	Head Office Borrowings in the nature of Subordinated debt	Head Office Borrowings in the nature of Subordinated debt	Head Office Borrowings in the nature of Subordinated debt	Head Office Borrowings in the nature of Subordinated debt	Head Office Borrowings in the nature of Subordinated debt
1	Issuer	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas
2	Unique identifier	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
3	Governing laws of the instrument	Applicable regulatory	Applicable regulatory	Applicable regulatory	Applicable regulatory	Applicable regulatory	Applicable regulatory	Applicable regulatory	Applicable regulatory	Applicable regulatory	Applicable regulatory
	Regulatory Treatment										
4	Transitional Basel III rules	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Tier 2	Tier 2	Tier 2	Tier 2	Not applicable	Not applicable	Not applicable
5	Post- transitional Basel III rules	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Ineligible	Ineligible	Ineligible	Ineligible	Tier 2	Tier 2	Tier 2
6	Eligible at solo/group/group & solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo
7	Instrument type	Others - Interest free funds from Head Office	Others - Profit retained in India for CRAR	Others - Statutory Reserves	Tier 2 Debt Instruments	Tier 2 Debt Instruments	Tier 2 Debt Instruments	Tier 2 Debt Instruments	Tier 2 Debt Instruments	Tier 2 Debt Instruments	Tier 2 Debt Instruments
8	Amount recognised in the regulatory capital (₹ in million as of March 31, 2016)	19,187	13,891	5,021	-	224	227	537	1,450	1,912	671
9	Par value of instrument (₹ in million)	Not applicable	Not applicable	Not applicable	999	1,122	1,135	1,342	1,450	1,912	671
10	Accounting classification	Shareholders' equity	Shareholders' equity	Shareholders' equity	Liability	Liability	Liability	Liability	Liability	Liability	Liability
11	Original date of issuance	At various times since inception	At various times since inception	In various financial years subject to Profits	31/10/2006	26/09/2007	20/12/2007	26/06/2008	08/01/2016	10/02/2016	29/03/2016
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	No Maturity	No Maturity	No Maturity	31/10/2016	26/09/2017	20/12/2017	26/06/2018	08/01/2026	10/02/2026	29/03/2026
14	Issuer call subject to prior supervisory approval	No	No	No	No	No	No	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	after 08/01/2021 or Tax Event or Regulatory Event	after 10/02/2021 or Tax Event or Regulatory Event	after 29/03/2021 or Tax Event or Regulatory Event
16	Subsequent call dates, if applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Coupons/ dividends										
17	Fixed or floating dividend/coupon	Not applicable	Not applicable	Not applicable	Floating	Floating	Floating	Floating	Floating	Floating	Floating
18	Coupon rate and any related index	Not applicable	Not applicable	Not applicable	6month Euribor + 40bps	6month Euribor + 50bps	6month Euribor + 60bps	6month Euribor + 110bps	6month Euribor + 275bps	6month Euribor + 310bps	6month Euribor + 310bps
19	Existence of a dividend stopper	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
20	Fully discretionary, partially discretionary or mandatory	Not applicable	Not applicable	Not applicable	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step-up or other	No	No	No	No	No	No	No	No	No	No
22	Non-cumulative or cumulative	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
23	Convertible or non-convertible	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Yes	Yes	Yes
24	If convertible, conversion trigger(s)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	On occurrence of Non Viability Event	On occurrence of Non Viability Event	On occurrence of Non Viability Event
25	If convertible, fully or partially	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Both	Both	Both
26	If convertible, conversion rate	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	on the day of occurrence of Non Viability Event	on the day of occurrence of Non Viability Event	on the day of occurrence of Non Viability Event
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Mandatory	Mandatory	Mandatory
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Common Equity Tier1 Capital	Common Equity Tier1 Capital	Common Equity Tier1 Capital
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
30	Write-down feature	No	No	No	No	No	No	No	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	On occurrence of Non Viability Event	On occurrence of Non Viability Event	On occurrence of Non Viability Event
32	If write-down full or partial	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Both	Both	Both
33	If write-down permanent or temporary	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
35	Position in subordination heirarchy in liquidation (specify instrument type immediately senior to instrument)	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank
36	Non-compliant transitioned features	No	No	No	Yes	Yes	Yes	Yes	No	No	No
37	If yes, specify non-compliant features	Not applicable	Not applicable	Not applicable	No loss absorption feature	No loss absorption feature	No loss absorption feature	No loss absorption feature	Not applicable	Not applicable	Not applicable

DF 14 - Full Terms and Conditions of Regulatory Capital Instruments

Instrument	Head Office Borrowings in foreign currency in the nature of Subordinated debts						
Issuer	BNP Paribas						
Principal	EUR 17,500,000	EUR 20,000,000	EUR 20,000,000	EUR 20,000,000	EUR 20,000,000	EUR 25,000,000	EUR 9,000,000
Maturity Period	10 years	10 years	10 years	10 years	10 years	10 years	10 years
Loan date	31-Oct-2006	26-Sep-2007	20-Dec-2007	26-Jun-2008	8-Jan-2016	10-Feb-2016	29-Mar-2016
Maturity Date	31-Oct-2016	26-Sep-2017	20-Dec-2017	26-Jun-2018	8-Jan-2026	10-Feb-2026	29-Mar-2026
Interest Rate	EUR Euribor 6 months + 40 bp	EUR Euribor 6 months + 50 bp	EUR Euribor 6 months + 60 bp	EUR Euribor 6 months + 110 bp	EUR Euribor 6 months + 275 bp	EUR Euribor 6 months + 310 bp	EUR Euribor 6 months + 310 bp
Interest payment frequency	Semi annually, at the end of the period, on the interest payment dates as defined above						
Repayment of Principal	on Maturity date						
Subordination	The loan given will be unsecured and subordinated to the claims of all creditors of BNP Paribas India						
Jurisdiction	The loan agreement will be governed by and construed in accordance with the Indian Law.						

DF 15 - Disclosure for Remuneration

In terms of guidelines issued by RBI vide circular no. DBOD No. BC. 72/29.67.001/2011-12 dated 13th Jan 2012 on "Compensation of Whole Time Directors / Chief Executive Officers / Risk takers and Control function staff, etc.", the Bank has submitted a declaration received from its Head Office to RBI to the effect that the compensation structure in India, including that of CEO's, is in conformity with the FSB principles and standards