

Disclosures (on consolidated basis) under Pillar 3 in terms of New Capital Adequacy Framework (Basel III) of Reserve Bank of India as on 31.12.2017

DF 2. Capital Adequacy

- a. Bank maintains capital to cushion the risk of loss in value of exposure, businesses etc. so as to protect the interest of depositors, general creditors and stake holders against any unforeseen losses. Bank has a well-defined Internal Capital Adequacy Assessment Process (ICAAP) policy to comprehensively evaluate and document all risks and to provide appropriate capital so as to evolve a fully integrated risk/ capital model for both regulatory and economic capital.

In line with the guidelines of the Reserve Bank of India, the Bank has adopted Standardized Approach for Credit Risk, Basic Indicator Approach for Operational Risk and Standardized Duration Approach for Market Risk for computing CRAR.

The capital requirement is affected by the economic environment, regulatory requirement and by the risk arising from bank's activities. Capital Planning exercise of the bank is carried out every year to ensure the adequacy of capital at the times of changing economic conditions, even at the time of economic recession. In capital planning process the bank reviews:

- Current capital requirement of the bank
- The targeted and sustainable capital in terms of business strategy, policy and risk appetite.
- The future capital planning is done on a three-year outlook.

The capital plan is revised on an annual basis. The policy of the bank is to maintain capital as prescribed in the ICAAP Policy (minimum 13.00% Capital Adequacy Ratio or as decided by the Bank from time to time). At the same time, Bank has a policy to maintain capital to take care of the future growth in business so that the minimum capital required is maintained on continuous basis. On the basis of the estimation bank raises capital in Tier-1 or Tier-2 with due approval of its Board of Directors. The Capital Adequacy position of the bank is reviewed by the Board of the Bank on quarterly basis

Consolidated Basis (Amount Rs. in Lakhs)

(b) Capital requirements for credit risk:

- Portfolios subject to Standardized approach: Rs 3827232.33
- Securitizations exposures: NIL

(c) Capital requirements for market risk:

- Interest rate risk: Rs. 186243.40
- Foreign exchange risk (including gold): Rs. 6137.43
- Equity risk: Rs. 94094.78

(d) Capital requirements for operational risk:

- Basic Indicator Approach: Rs. 350492.19

(e) Common Equity Tier 1, and Total Capital ratios:

Bank of Baroda (Consolidated Basis):

Common Equity Tier I capital to Total RWA: 8.95%

Tier I capital to Total RWA: 10.15%

Total Capital to Total RWA: 12.08%

DF 3. General disclosures in respect of Credit Risk

(a) The policy of the bank for classifying bank's loan assets is as under:

PAST DUE AND IMPAIRED ASSETS OF THE BANK:

The Non- Performing Assets (NPA) and Non- Performing Investments (NPI) of the bank as per the IRAC norms of RBI are classified under past due and impaired assets.

THE CREDIT RISK PHILOSOPHY, ARCHITECTURE AND SYSTEMS OF THE BANK:

Credit Risk Philosophy:

- To optimize the risk and return envisaged in order to see that the Economic Value Addition to Shareholders is maximized and the interests of all the stakeholders are protected alongside ensuring corporate growth and prosperity with safety of bank's resources.
- To regulate and streamline the financial resources of the bank in an orderly manner to enable the various channels to achieve the common goal and objectives of the Bank.
- To comply with the national priorities in the matter of deployment of institutional finance to facilitate achieving planned growth in various productive sectors of the economy.

- To instill a sense of credit culture enterprise-wide and to assist the operating staff.
- To provide need-based and timely availability of credit to various borrower segments.
- To strengthen the credit management skills namely pre-sanction, post-sanction monitoring, supervision and follow-up measures so as to promote a healthy credit culture and maintain quality credit portfolio in the bank.
- To deal with credit proposals more effectively with quality assessment, speedy delivery, in full compliance with extant guidelines.
- To comply with various regulatory requirements, more particularly on Exposure norms, Priority Sector norms, Income Recognition and Asset Classification guidelines, Capital Adequacy, Credit Risk Management guidelines etc. of RBI/other Authorities.

Architecture and Systems of the Bank:

- Risk management Committee of Board has been constituted by the Board to specifically oversee and co-ordinate Risk Management functions in the bank.
- Credit Policy Committee has been set up to formulate and implement various credit risk strategy including lending policies and to monitor Bank's Enterprise-wide Risk Management function on a regular basis.
- Formulating policies on standards for credit proposals, financial covenants, rating standards and benchmarks.
- Credit Risk Management cells deal with identification, measurement, monitoring and controlling credit risk within the prescribed limits.
- Enforcement and compliance of the risk parameters and prudential limits set by the Board/regulator etc.,
- Laying down risk assessment systems, developing MIS, monitoring quality of loan portfolio, identification of problems and correction of deficiencies.
- Evaluation of Portfolio, conducting comprehensive studies on economy, industry, test the resilience on the loan portfolio etc.,
- Improving credit delivery system upon full compliance of laid down norms and guidelines.

The Scope and Nature of Risk Reporting and / or Measurement System:

The Bank has in place a robust credit risk rating system for its credit exposures. An effective way to mitigate credit risks is to identify potential risks in a particular asset, maintain healthy asset quality and at the same time impart flexibility in pricing assets to meet the required risk-return parameters as per the bank's overall strategy and credit policy.

The bank's robust credit risk rating system is based on internationally adopted frameworks and global best practices and assists the bank in determining the Probability of Default and the severity of default, among its loan assets and thus allows the bank to build systems and initiate measures to maintain its asset quality.

Quantitative Disclosures in respect of Credit Risk:-

(b) Total Gross Credit Risk Exposure:

(Amt Rs. in Lakhs)

Particulars	Fund Based	Non-Fund Based
Total Gross Credit Risk : (Exposure)	49923036.57	10958448.85

(c) Geographic distribution of exposures, (Fund based and Non-fund based separately)

(Amt Rs. in Lakhs)

Particulars	Fund Based	Non-Fund Based
Total Gross Credit Risk : (Exposure) (Domestic + Domestic Subsidiaries)	36739975.43	9732561.65
Total Gross Credit Risk : (Exposure) (Overseas + Overseas Subsidiaries)	13183061.14	1225887.20

(d) Industry type distribution of exposures (Consolidated) (Fund based and Non-fund based separately):

(Amt Rs. in Lakhs)

Industry	FB Exposure	NFB Exposure	Total
1 A Mining and Quarrying	761658.86	94807.88	856466.74
2A.1 Coal	200322.72	14907.86	215230.58
3A.2 Other	561336.14	79900.02	641236.16
4B. Food Processing	1365553.85	362815.86	1728369.71
5B.1 Sugar	254393.22	5241.44	259634.66
6B.2 Edible Oils and Vanaspati	182530.43	265174.20	447704.63
7B.3 TEA	18258.79	635.75	18894.53
8B.4 Coffee	3914.23	0.00	3914.23
9B.5 Others	906457.18	91764.48	998221.66
10C. Beverages	64414.17	18647.11	83061.27
11C.1 Tobacco and tobacco products	27873.39	11530.75	39404.14
12C.2 Others	36540.78	7116.36	43657.14
13D. Textiles	1978191.67	368800.51	2346992.18

Industry	FB Exposure	NFB Exposure	Total
14D.1 Cotton Textile	1040654.01	79344.93	1119998.94
16D.2 Jute Textile	21716.20	4364.92	26081.12
16D.3 Handicraft/Khadi	29080.96	4955.93	34036.89
17D.4 Silk	68809.49	12522.00	81331.49
18D.5 Woolen	21943.30	1466.27	23409.57
19D.6 Others	795987.71	266146.46	1062134.17
20Out of D to spinning Mills	267567.02	44711.40	312278.43
21E.Leaner and Leather products	79553.51	5218.49	84772.01
22F.Wood and Wood products	81804.29	20995.97	102800.26
23G.Paper and Paper products	219180.80	58521.32	277702.13
24H.Petroleum	212301.17	196708.36	409009.53
25I.Chemicals and Chemical Products	1681310.55	490780.72	2172091.27
26I1. Fertilizers	289547.29	178921.44	468468.72
27I.2 Drugs and Pharmaceuticals	459667.13	50152.64	509819.77
28I.3 Petro-Chemicals	273365.04	93211.91	366576.95
29I.4 Other	658731.09	168494.74	827225.83
30J.Rubber Plastic and their Products	408454.12	132521.13	540975.25
31K.Glass and Glassware	159535.15	65526.72	225061.87
32L.Cement and Cement Products	167346.71	44123.28	211469.99
33M.Basic Metal and Metal Products	2372148.63	710673.76	3082822.40
34M.1 Iron and Steel	1946658.03	553423.10	2500081.13
35M.2 Other Metal and Metal Products	425490.60	157250.66	582741.26
36N.All Engineering	832794.45	928938.15	1761732.60
37N.1 Electronics	58350.30	101684.88	160035.19
38N.2 Other Engg	774444.15	827253.27	1601697.41
39O.Vehicles,vehicle parts and Transport Equipment	354739.02	80846.23	435585.25
40P.Gems and Jewellery	244581.22	5415.81	249997.03
41Q.Construction	1953191.92	130427.55	2083619.47
42R.Infrastructure	4449593.97	1469210.57	5918804.53
43R.1 Transport	829747.44	433865.08	1263612.53
44R.1.1 Railways	38307.24	2346.75	40653.99
45R.1.2 Roadways	720942.84	399255.45	1120198.30
46R.1.3 Aviation	504.46	7379.76	7884.22
47R.1.4 Waterways	31199.49	2603.27	33802.76
48R.1.5 Others Transport	38793.42	22279.85	61073.27
49R.2 Energy	2605808.72	664575.74	3270384.46
50R.2.1 Electricity gen-trans--distribution	2273592.22	653312.78	2926905.00
51R.2.1.1 of which state electricity Board	144366.55	17961.57	162328.13
52R.2.2 Oil	230.00	3.75	233.75
53R.2.3 Gas/LNG (STORAGE AND PIPELINE	517.31	64.71	582.02

Industry	FB Exposure	NFB Exposure	Total
54R.2.4 OTHER	331469.19	11194.50	342663.69
55R.3 TELECOMMUNICATION	498872.36	141325.92	640198.28
56R.4 OTHERS	515165.45	229443.82	744609.27
57R.4.1 WATER SANITATION	68768.96	78026.56	146795.52
58R.4.2 Social and Commercial Infrastructure	96344.40	5888.80	102233.20
59R.4.3 Others	350052.09	145528.46	495580.55
60S Other Industries	554778.08	105270.67	660048.75
All Industries	17941132.16	5290250.09	23231382.25
Residuary other advances	31981904.41	5668198.76	37650103.17
61T.1 Education Loan	221640.00	0.00	221640.00
62T.2 Aviation Sector	533140.48	234254.04	767394.52
T.3 Other residuary Advances	31227123.93	5433944.71	36661068.65
Total Loans & Advances	49923036.57	10958448.85	60881485.42

Credit exposure in industries where exposure is more than 5% of the total credit exposure of the bank (Consolidated) are as follows:

Sr no	Industry	Exposure Amount (Rs. in Lakhs)	% of Total Domestic Exposure
1	Infrastructure	5918804.53	9.72%
2	Basic Metal and Metal Products	3082822.40	5.06%

(e) Residual maturity breakdown of Assets: (Amount Rs. in Lakhs)

Time Bucket	1 D	2-7 D	8-14 D	15-30 D	31-2 M	2-3 M	3 - 6 M	6 - 12 M	1 - 3 Y	3 - 5 Y	Over 5 Y	TOTAL
Cash and Balance with Central Banks	470068	25663	10267	145462	174402	181831	317163	495610	1307389	334434	1028022	4490311
Balances with Banks & Money at call & short notice	860342	518600	210968	436310	626606	735960	772662	433113	16993	3592	22794	4637940
Advances	778155	820627	679516	1157835	2466769	2199177	4703086	4067052	13356575	5243759	5477716	40950268
Investments	3934542	83674	204423	136553	247055	381103	192549	593437	2354562	1916383	7474848	17519129
Fixed assets	0	0	0	0	0	0	0	0	0	0	565163	565163
Other assets	102126	38579	43125	27547	46121	34031	73103	51564	179759	78867	2098859	2773682
Total	6145234	1487144	1148300	1903706	3560953	3532102	6058562	5640775	17215279	7577035	16667402	70936493

Sr. No.	Asset Category	Amount in Rs. in Lakhs (Total)
(f)	Amount of NPAs (Gross)	4909159.77
	Substandard	1074043.35
	Doubtful 1	862069.88
	Doubtful 2	1743169.49
	Doubtful 3	549012.88
	Loss	680864.17
(g)	Amount of NPAs (Net)	2002301.46
(h)	NPA Ratios	
	Gross NPAs to gross advances	11.18%
	Net NPAs to net advances	4.89%
(i)	Movement of NPA(Gross)	
	Opening balance	4338030.87
	Additions	1272866.86
	Reductions	701737.97
	Closing balance	4909159.77
(j)	Specific Provision	
	Opening balance	2495557.34
	Provision made during the year	532353.67
	Write off (Deduction & Exch Diff)	128329.16
	Any Other Adjustments	892.45
	Closing balance	2900474.30
	Write-offs that have been booked directly to income statement	48327.52
	Recoveries that have been booked directly to income statement	30930.55
(k)	General Provision	
	Opening balance	365066.73
	Provision made during the year	53478.97
	Write off (Deduction & Exchange Diff)	1951.85
	Any Other Adjustments	500.12
	Closing Provision	417093.97
(l)	Amount of Non-Performing Investments	100079.28
(m)	Amount of provisions held for non-performing investment	73192.43

Sr. No.	Asset Category	Amount in Rs. in Lakhs (Total)										
(n)	Movement of provisions for depreciation on investments											
	Opening balance	109271.11										
	Provisions made during the period	48042.95										
	Write-off	0.00										
	Write-back of excess provisions	6005.96										
	Closing balance	151308.10										
(o)	By major Industry or Counter party type											
	NPA amount of top 5 industries											
	Basic Metal & Metal products	Rs. 976648.03										
	Infrastructure	Rs. 461780.03										
	Construction	Rs. 287979.67										
	Textiles	Rs. 252913.92										
	All Engineering	Rs. 243549.35										
	ii) Specific provision of the above mentioned 5 industries	1032723.47										
	iii) a- Specific provisions during the current period	158325.69										
	iii)b- Write offs during the current period	69467.69										
(p)	Amt. of Gross NPAs provided separately by significant geographical areas including specific provisions											
		<table border="1"> <thead> <tr> <th></th> <th>Gross NPA</th> </tr> </thead> <tbody> <tr> <td>Dom</td> <td>4164859.91</td> </tr> <tr> <td>Dom subsidiary</td> <td>19569.47</td> </tr> <tr> <td>Intl</td> <td>683184.50</td> </tr> <tr> <td>Intl subsidiary</td> <td>41545.89</td> </tr> </tbody> </table>		Gross NPA	Dom	4164859.91	Dom subsidiary	19569.47	Intl	683184.50	Intl subsidiary	41545.89
	Gross NPA											
Dom	4164859.91											
Dom subsidiary	19569.47											
Intl	683184.50											
Intl subsidiary	41545.89											
	Specific Provisions	<table border="1"> <thead> <tr> <th></th> <th>Specific Provision</th> </tr> </thead> <tbody> <tr> <td>Dom</td> <td>2329620.92</td> </tr> <tr> <td>Dom subsidiary</td> <td>10296.26</td> </tr> <tr> <td>Intl</td> <td>533199.00</td> </tr> <tr> <td>Intl subsidiary</td> <td>27358.12</td> </tr> </tbody> </table>		Specific Provision	Dom	2329620.92	Dom subsidiary	10296.26	Intl	533199.00	Intl subsidiary	27358.12
	Specific Provision											
Dom	2329620.92											
Dom subsidiary	10296.26											
Intl	533199.00											
Intl subsidiary	27358.12											

DF 4. Credit Risk : Disclosures for Portfolios Subject to the Standardized Approach

Under Standardized Approach the bank accepts rating of all RBI approved ECAI (External Credit Assessment Institution) namely CARE, CRISIL, Fitch (India), ICRA, SMERA (SME Rating Agency of India Ltd.) and Brickwork India Pvt Ltd for domestic credit exposures. For overseas credit exposures the bank accepts rating of Standard & Poor, Moody's and Fitch.

The bank encourages Corporate and Public Sector Entity (PSE) borrowers to solicit credit ratings from ECAI and has used these ratings for calculating risk weighted assets wherever such ratings are available. The exposure amounts after risk mitigation subject to Standardized Approach (rated and unrated) in the following three major risk buckets are as under:

Category of Risk Weight	TOTAL (Amt Rs. in Lakhs)
Below 100% risk weight	3,16,01,792.21
100% risk weight	2,09,30,177.18
More than 100 % risk weight	54,32,249.12
CRM DEDUCTED	29,17,266.91
Total Exposure (FB+NFB)	6,08,81,485.42

DF-17- Summary Comparison of accounting assets vs Leverage Ratio exposure measure

LEVERAGE RATIO AS ON 31.12.2017		
BANK OF BARODA (GROUP)		
DF-17 Summary Comparison of Accounting Assets Vs. Leverage Ratio Exposure Measure		
Sr. No.	Item	Rs. (in million)
1	Total Consolidated Assets as per published financial statements.	70,93,649.32
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 recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure.	16,898.42
4	Adjustments for derivative financial instruments	68,025.11
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 exposure)	4,82,176.09
7	Other adjustments	
8	Leverage ratio exposure	76,26,952.10

DF-18 - Leverage Ratio Common disclosure template

		(In Rs. Millions)
Leverage Ratio Common Disclosure Template		Dec-17
	Item	Leverage Ratio Framework
On-Balance sheet Exposures		
1	On-Balance sheet items (excluding derivatives and SFTs, but including collateral)	70,93,649.32
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-16,898.42
3	Total On-balance sheet exposures	70,76,750.89
Derivative Exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	24,194.21
5	Add-on amounts for PFE associated with all derivatives transactions	43,830.90
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 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 deduction for written credit derivatives)	-
11	Total derivative exposures	68,025.11
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 exposure	-
Other off-balance sheet exposures		

17	Off-balance sheet exposure at gross notional amount	13,29,793.83
18	(Adjustments for conversion to credit equivalent amounts)	-8,47,617.73
19	Off-Balance sheet items	4,82,176.09
Capital and total exposures		
20	Tier 1 capital	4,41,914.53
21	Total Exposures	76,26,952.10
Leverage ratio		
22	Basel III leverage ratio	5.79%