

**Disclosures (on consolidated basis) under Pillar 3 in terms of
Capital Adequacy Framework (Basel III) of Reserve Bank of India as on
30.06.2018**

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 (12.50% 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**(Rs. in Lakhs)**

- b. Capital requirements for Credit Risk:
- Portfolios subject to Standardized approach: 3905415.19
 - Securitizations exposures: NIL
- c. Capital requirements for Market Risk:
- Interest Rate Risk: 166406.36
 - Foreign Exchange Risk (including gold): 7108.74
 - Equity Risk: 84348.98
- d. Capital requirements for Operational Risk:
- Basic Indicator Approach: 395595.99
 - The Standardized Approach (if applicable): NA
- e. Common Equity Tier 1 and Total Capital ratios:
- Common Equity Tier I Capital to Total RWA: 10.09 %
 - Tier I Capital to Total RWA: 11.29 %
 - Total Capital to Total RWA: 12.84 %

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 the 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.
- 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:

Particulars	(Rs. in Lakhs)	
	Fund Based	Non-Fund Based
Total Gross Credit Risk : (Exposure)	54500816.37	9841536.39

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

Particulars	(Rs. in Lakhs)	
	Fund Based	Non-Fund Based
Total Gross Credit Risk : (Exposure) (Domestic Operations + Domestic Subsidiaries)	42847658.24	8659710.10
Total Gross Credit Risk : (Exposure) (Overseas Operations + Overseas Subsidiaries)	11653161.13	1181823.29

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

(Rs. in Lakhs)

Industry	FB Exposure	NFB Exposure	Total
1 A Mining and Quarrying	875981.17	156376.97	1032358.14
2A.1 Coal	162347.15	18258.85	180606.00
3A.2 Other	713634.02	138118.11	851752.14
4B. Food Processing	1333216.67	231393.21	1564609.88
5B.1 Sugar	191542.84	3417.08	194959.92
6B.2 Edible Oils and Vanaspati	147320.38	180107.26	327427.64
7B.3 TEA	22141.11	664.81	22805.92
8B.4 Coffee	1269.80	0.20	1270.00
9B.5 Others	970942.54	47203.86	1018146.40
10C. Beverages	66474.81	4221.68	70696.49

Industry	FB Exposure	NFB Exposure	Total
11C.1 Tobacco and tobacco products	42672.78	3197.55	45870.33
12C.2 Others	23802.03	1024.13	24826.16
13D. Textiles	2338605.90	224081.01	2562686.91
14D.1 Cotton Textile	1131414.77	44358.11	1175772.88
15D.2 Jute Textile	18278.37	2843.63	21122.00
16D.3 Handicraft/Khadi	12371.99	884.16	13256.15
17D.4 Silk	44314.55	4487.45	48802.00
18D.5 Woolen	19301.36	459.64	19761.00
19D.6 Others	1112924.86	171048.02	1283972.88
20Out of D to spinning Mills	0.00	0.00	0.00
21E.Leaner and Leather products	59678.43	3772.74	63451.17
22F.Wood and Wood products products	91232.05	12905.55	104137.60
23G.Paper and Paper products	220693.15	16651.78	237344.93
24H.Petroleum	260303.83	209193.96	469497.79
25I.Chemicals and Chemical Products	3137865.45	504065.33	3641930.78
26I1. Fertilizers	694920.34	188244.59	883164.93
27I.2 Drugs and Pharmaceuticals	695983.84	129423.07	825406.92
28I.3 Petro-Chemicals	690076.27	60670.73	750747.00
29I.4 Other	1056885.00	125726.93	1182611.93
30J.Rubber Plastic and their Products	458834.61	132188.08	591022.69
31K.Glass and Glassware	51904.24	16308.24	68212.48
32L.Cement and Cement Products	160997.71	64896.34	225894.05
33M.Basic Metal and Metal Products	2798843.63	615742.99	3414586.62
34M.1 Iron and Steel	2352411.66	532729.99	2885141.65
35M.2 Other Metal and Metal Products	446431.97	83013.00	529444.97
36N.All Engineering	909526.72	920229.06	1829755.78
37N.1 Electronics	39477.70	65961.74	105439.44
38N.2 Other Engg	870049.02	854267.32	1724316.34
39O.Vehicles,vehicle parts and Transport Equipments	539077.38	23210.24	562287.62
40P.Gems and Jewellery	566835.39	40486.61	607322.00
41Q.Construction	934294.40	1423656.01	2357950.41
42R.Infrastructure	3863571.77	1365116.37	5228688.15
43R.1 Transport	787040.15	126809.68	913849.84
44R.1.1 Railways	76774.05	1770.78	78544.83
45R.1.2 Roadways	651780.77	113917.50	765698.27
46R.1.3 Aviation	0.14	883.14	883.00
47R.1.4 Waterways	31233.00	7610.00	38843.00
48R.1.5 Others Transport	27252.47	2628.26	29880.74
49R.2 Energy	2106308.49	845550.64	2951859.13
50R.2.1 Electricity gen-trans--district	2061347.14	735536.39	2796883.53
51R.2.1.1 of which state electricity Board	0.00	0.00	0.00
52R.2.2 Oil	40235.75	10006.75	50242.50
53R.2.3 Gas/LNG (STORAGE AND PIPELINE	3779.48	100007.50	103786.98

Industry	FB Exposure	NFB Exposure	Total
54R.2.4 OTHER	946.12	0.00	946.12
55R.3 TELECOMMUNICATION	589229.86	266942.13	856171.99
56R.4 OTHERS	380993.27	125813.92	506807.19
57R.4.1 WATER SANITATION	67099.70	18290.30	85390.00
58R.4.2 Social and Commercial Infrastructure	43366.96	2565.27	45932.23
59R.4.3 Others	270526.61	104958.35	375484.96
60S Other Industries	652341.78	87735.83	740077.61
All Industries	19320279.10	6052231.99	25372511.09
Residuary other advances	35180537.27	3789304.40	38969841.67
61T.1 Education Loan	295920.68	15626.85	311547.53
62T.2 Aviation Sector	769253.90	381068.10	1150322.00
T.3 Other residuary Advances	34115362.69	3392609.45	37507972.14
Total Loans & Advances	54500816.37	9841536.39	64342352.76

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 Credit Exposure
1	Infrastructure	5228688.15	8.13%
2	Chemicals and Chemical Products	3641930.78	5.66%
3	Basic Metal and Metal Products	3414586.62	5.31%

e. Residual maturity breakdown of Assets: (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	4,52,041	8,162	6,136	92,173	73,470	76,243	1,52,259	2,70,944	6,16,933	1,35,049	5,27,376	24,10,787
Balances with Banks & Money at call & short notice	13,48,591	14,28,530	4,73,664	6,29,527	9,90,612	8,46,062	4,35,356	5,92,736	2,795	-	3,37,064	70,84,937
Advances	16,39,081	13,03,748	6,74,647	9,60,616	18,38,414	11,17,175	17,63,201	26,66,234	1,91,20,693	38,65,290	75,80,783	4,25,29,881
Investments	49,81,478	1,15,626	26,455	1,34,995	1,90,019	2,60,775	3,57,942	9,18,307	23,95,799	19,15,450	74,00,105	1,86,96,952
Fixed assets	-	-	-	-	-	-	-	-	-	-	5,44,865	5,44,865
Other assets	1,24,903	84,261	5,344	23,498	49,752	19,629	20,496	86,034	1,26,622	44,232	24,49,129	30,33,900
Total	85,46,094	29,40,327	11,86,247	18,40,809	31,42,267	23,19,884	27,29,254	45,34,255	2,22,62,842	59,60,022	1,88,39,322	7,43,01,321

Sr. No.	Asset Category	Amount Rs. in Lakhs (Total)
(f)	Amount of NPAs (Gross)	5649169.43
	Substandard	1154033.02
	Doubtful 1	1221144.19
	Doubtful 2	734816.31
	Doubtful 3	1743723.27
	Loss	795452.64
(g)	Amount of NPAs (Net)	2260350.35
(h)	NPA Ratios	
	Gross NPAs to gross advances	12.31%
	Net NPAs to net advances	5.31%
(i)	Movement of NPA (Gross)	
	Opening balance	5706024.22
	Additions	445391.43
	Reductions	539756.18
	Any other adjustments due to Exchange Difference	37510.00
	Closing balance	5649169.47
(j)	Specific Provision	
	Opening balance	3335727.86
	Provision made during the year	284554.02
	Write off (Deduction & Exchange Diff)	262290.29
	Any Other Adjustments	(+) 32112.32
	Closing balance	3390103.91
	Write-offs that have been booked directly to income statement	64338.52
	Recoveries that have been booked directly to income statement	9565.46
(k)	General Provision	
	Opening balance	330123.92
	Provision made during the year	1103.62
	Write off / Write-back of excess provisions	20959.25
	Any Other Adjustments	(+) 753.25
	Closing Provision	311021.54
(l)	Non Performing Investments	
	Amount of Non-Performing Investments	215946.21
	Amount of provisions held for non-performing investment	176609.84

Sr. No.	Asset Category	Amount Rs. in Lakhs (Total)
(m)	Movement of provisions for depreciation on investments	
	Opening balance	184676.18
	Provisions made during the period	45640.57
	Write off/ Write-back of excess provisions	0.00
	Any Other Adjustments	(+) 514.87
	Closing balance	230831.62
(o)	By major Industry or Counter party type	
	NPA amount of top 5 industries	
	Infrastructure	17.70% 1011385.08
	Basic Metal and Metal Products	15.07% 861417.77
	Textiles	5.89% 336343.20
	Construction	5.30% 303144.89
	Mining and Quarrying	4.24% 242327.90
	ii) Specific provision of the above mentioned 5 industries	1320038.20
	iii) a- Specific provisions during the current period	148329.91
(p)	Amt. of Gross NPAs provided separately by significant geographical areas including specific provisions	
		Gross NPA
	Domestic	4661330.30
	Domestic Subsidiary	19560.14
	International	926151.00
	International Subsidiary	42127.99
	Specific Provisions	Specific Provisions
	Domestic	2662345.44
	Domestic Subsidiary	9706.72
	International	686721.00
	International Subsidiary	31330.75

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, Acuite Ratings

(Formerly SMERA), Brickwork India Pvt Ltd and Infomerics 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 (Rs. in Lakhs)
Below 100% risk weight	3,45,23,643.61
100% risk weight	1,82,91,053.82
More than 100 % risk weight	52,88,183.19
CRM Deducted*	62,39,472.13
Total Exposure (FB+NFB)	6,43,42,352.76

**In case of NPA account, provisions made is also considered*

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

LEVERAGE RATIO AS ON 30.06.2018		
BANK OF BARODA (GROUP)		
DF-17 Summary Comparison of Accounting Assets Vs. Leverage Ratio Exposure Measure		
Sr. No.	Item	(In Rs. Millions)
1	Total Consolidated Assets as per published financial statements	74,30,132.13
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.	22,352.91
4	Adjustments for derivative financial instruments	54,078.77
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)	5,38,839.99
7	Other adjustments	
8	Leverage ratio exposure	80,00,697.99

DF-18 - Leverage Ratio Common disclosure template

		(Rs. in Millions)
	Leverage Ratio Common Disclosure Template	June-18
	Item	Leverage Ratio Framework

		(Rs. in Millions)
Leverage Ratio Common Disclosure Template		June-18
On-Balance sheet Exposures		
1	On-Balance sheet items (excluding derivatives and SFTs, but including collateral)	74,30,132.13
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-22,352.91
3	Total On-balance sheet exposures	74,07,779.23
Derivative Exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	17,625.30
5	Add-on amounts for PFE associated with all derivatives transactions	36,453.47
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	54,078.77
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	18,08,838.69
18	(Adjustments for conversion to credit equivalent amounts)	-12,69,998.70
19	Off-Balance sheet items	5,38,839.99
Capital and total exposures		
20	Tier 1 capital	4,73,181.31
21	Total Exposures	80,00,697.99
Leverage ratio		
22	Basel III leverage ratio	5.91%