

Bank of India, Johannesburg Branch

PILLAR 3 DISCLOSURE AS ON 31.12.2017

COMPOSITION OF CAPITAL DISCLOSURE

Name of bank/controlling company – Bank of India, Johannesburg
As on 2017-12-31

(Amount in ZAR'000)

Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from 1 June 2013 to 1 January 2018)		AMOUNTS SUBJECT TO PRE – BASEL III TREATMENT	
Common Equity Tier 1 capital : Instruments and reserves			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	250000	250000
2	Retained earnings	49060	
3	Accumulated other comprehensive income (and other reserves)	0	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	0	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0	0
6	Common Equity Tier 1 capital before regulatory adjustments	299060	
Common Equity Tier 1 capital : regulatory adjustments			
7	Prudential valuation adjustments	0	0
8	Goodwill (net of related tax liability)	0	0
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	0	0
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	0	0
11	Cash-flow hedge reserve	0	0
12	Shortfall of provisions to expected losses	0	0
13	Securitisation gain on sale	0	0
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0	0
15	Defined-benefit pension fund net assets	0	0
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	0	0
17	Reciprocal cross-holdings in common equity	0	0
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)	0	0
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)	0	0
20	Mortgage servicing rights (amount above 10% threshold)	0	0
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0	0
22	Amount exceeding the 15% threshold	0	0
23	of which : significant investments in the common stock of financials	0	0
24	of which : mortgage servicing rights	0	0
25	of which : deferred tax assets arising from temporary differences	0	0
26	National specific regulatory adjustments	0	0
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	0	0

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	OF WHICH :		
	OF WHICH		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	0	
28	Total regulatory adjustments to Common equity Tier 1	0	
29	Common Equity Tier 1 capital (CET1)	299060	
	Additional Tier 1 capital : instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	0	
31	of which : classified as equity under applicable accounting standards	0	
32	of which : classified as liabilities under applicable accounting standards	0	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	0	
34	Additional Tier 1 instruments (and CET1 instruments not included in line 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	0	
35	of which : instruments issued by subsidiaries subject to phase out	0	
36	Additional Tier 1 capital before regulatory adjustments		
	Additional Tier 1 capital : regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	0	0
38	Reciprocal cross-holdings in Additional Tier 1 instruments	0	0
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)	0	0
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)	0	0
41	National specific regulatory adjustments	0	0
	REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	0	
	OF WHICH :	0	
	OF WHICH :	0	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	0	
43	Total regulatory adjustments to Additional Tier 1 capital	0	
44	Additional Tier 1 capital (AT1)	0	
45	Tier 1 capital (T1 = CET1 + At1)	299060	
	Tier 2 capital and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0	
47	Directly issued capital instruments subject to phase out from Tier 2	0	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in lines 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	0	
49	of which : instruments issued by subsidiaries subject to phase out	0	
50	Provisions	0	
51	Tier 2 capital before regulatory adjustments	0	
	Tier 2 capital : regulatory adjustments		
52	Investments in own Tier 2 instruments	0	0
53	Reciprocal cross-holdings in Tier 2 instruments	0	0
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 10% threshold)	0	0
55	Significant investments in the capital of banking, financial and	0	0

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	insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
56	National specific regulatory adjustments	0	
	REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	0	
	OF WHICH :	0	
	OF WHICH :	0	
57	Total regulatory adjustments to Tier 2 capital	0	
58	Tier 2 capital (T2)	0	
59	Total capital (TC = T1 + T2)	299060	
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	0	
	OF WHICH :	0	
	OF WHICH :	0	
60	Total risk weighted assets	306040	
	Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	97.30%	
62	Tier 1 (as a percentage of risk weighted assets)	97.30%	
63	Total capital (as a percentage of risk weighted assets)	97.30%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	6.125%	
65	of which : capital conservation buffer requirement	1.2500%	
66	of which : bank specific countercyclical buffer requirement	0%	
67	of which : G-SIB buffer requirement	0%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	106.07%	
	National Minima (if different from Basel 3)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	7.3750%	
70	National Tier 1 minimum ratio	8.6875%	
71	National total capital minimum ratio	11.000%	
	Amounts below the threshold for deductions (before risk weighting)		
72	Non-significant investments in the capital of other financials	0	
73	Significant investments in the common stock of financials	0	
74	Mortgage servicing rights (net of related tax liability)	0	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	0	
	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)	0	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	0	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	0	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	0	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	0	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0	
82	Current cap on AT1 instruments subject to phase out arrangements	0	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	0	
84	Current cap on T1 instruments subject to phase out arrangements	0	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0	

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MAIN FEATURES DISCLOSURE TEMPLATE

Name of banks/controlling company – Bank Of India, Johannesburg
As on 2017-12-31

Disclosure template for main features of regulatory capital requirements		
1	Issuer	NA
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	NA
Regulatory treatment		
4	Transitional Basel III rules	NA
5	Post-transitional Basel III rules	NA
6	Eligible at solo/group/group & solo	NA
7	Instrument type (types to be specified by each jurisdiction)	NA
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	NA
9	Par value of instrument	NA
10	Accounting classification	NA
11	Original date of issuance	NA
12	Perpetual or dated	NA
13	Original maturity date	NA
14	Issue call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
Coupons/dividends		
17	Fixed or floating dividend/coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially, discretionary or mandatory	NA
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NA



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31	If write-down, write-down trigger (s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	NA

Capital Adequacy

(i) Qualitative Disclosures

The Bank has put in place a robust Risk Management Architecture with due focus on Capital/Profit optimization, i.e. to do maximum business out of the available capital which in turn optimise profit or return on equity. Bank is benchmarking on globally accepted sound risk management system, conforming to Basel III framework, enabling a more efficient equitable and prudent allocation of resources.

(ii) Quantitative disclosures

(a) Capital Requirement

Sl No	Items	Amount (in ZAR'000)
		31.12.2017
	Common equity tier 1 capital and reserve funds	
	Paid in capital	250000.00
	Retained earnings	62609
	Less : unappropriated profits	13549
	Less : Accumulated other comprehensive income	0
	Total CET 1 capital and unimpaired reserve funds prior to regulatory adjustments	299060
	Specified adjustments to an deductions from CET 1	0
	Less : Intangible assets, other than goodwill, net of related deferred tax liability	0
	Qualifying common equity tier 1 capital and reserve funds	299060

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Sl No	Items	Amount (in ZAR'000)
		31.12.2017
(a)	Capital requirements for Credit Risk	
	Portfolios subject to Standardized Approach	29755
	Securitization Exposures	-
(b)	Capital requirements for Market Risk	-
	Standardized Duration Approach	
	- Equity Risk	-
(c)	Capital requirements for Operational Risk	3276
	Basic Indicator Approach	-
(d)	Capital required for other Assets	226
(e)	Common Equity Tier 1, tier 1 and Total Capital:	
	- CET 1 Capital	299060
	- Tier 1 Capital	299060
	- Tier 2 Capital	-
	- Total Capital	299060
(f)	Common Equity Tier 1, Tier 1 and Total Capital ratios:	
	- CET 1 Ratio	97.30%
	- Tier 1 Ratio	97.30%
	- Tier 2 Ratio	-
	- CRAR	97.30%

(b) Risk Weighted Assets and Capital Requirement

Sl No.	Type of Risk	(Amount in ZAR'000)	
		RWA	Capital requirement
		31.12.2017	31.12.2017
1.	Credit Risk	270502	29755
2	Market Risk	0	0
3	Operation Risk	34481	3793
4	Others	1057	261
5	Total	280683	31014

Credit Risk

(i) Qualitative Disclosures

The Bank's policies primary objective is to strike a proper balance among the 3 core principles of liquidity, profitability and safety of assets and provide a holistic approach to risk management. This policy aims at achieving these objectives by applying the following broader principles: -



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- Ensure credit growth, both quantitatively and qualitatively, confining to the types of lending, which by and large matches Branch liability profile for maximization of profits by augmenting interest and non-interest income.
- Maintaining the quality of assets at satisfactory level through proper appraisal, review and monitoring.
- Control various risks in lending through caps on per borrower/ group exposures, sectorial exposures, delegation of sanctioning powers to various levels, counter party risk and country risk exposure level etc and monitor the same to ensure balanced and diversified growth of credit.
- Proper classification of loans and advances and loan loss provisioning so as to reflect a true and fair view of profit/loss and assets/ liabilities.

Strategies and processes:

In order to realize the above objectives of Credit Risk Management, the Bank prescribes various methods for Credit Risk identification, measurement, grading and aggregation techniques, monitoring and reporting, risk control/ mitigation techniques and management of problem loans/ credits. The Bank has also defined target markets, risk acceptance criteria, credit approval authorities, and guidelines on credit origination/ maintenance procedures.

The strategies are framed keeping in view various measures for Credit Risk Mitigation, which includes identification of thrust areas and target markets, fixing of exposure ceiling based on regulatory guidelines and risk appetite of the Bank, minimizing concentration Risk, and pricing based on rating.

Bank from time to time would identify the potential and productive sectors for lending, based on the performance of the segments and demands of the economy. The Bank carefully restricts its exposures in sectors which have limiting growth potentials, based on the Bank's evaluation of industries/ sectors based on the prevailing economic scenario prospects, etc.

The operational processes and systems of the Bank relating to credit are framed on sound Credit Risk Management Principles and are subjected to periodical review.

The Bank has comprehensive credit risk identification processes as part of due diligence on credit proposals.

The scope and nature of risk reporting and / or measurement systems:

Bank has an appropriate credit risk measurement and monitoring processes. The measurement of risk is through a pre-sanction exercise of credit risk rating and scoring models put in place by the Bank. The Bank has adopted 'Standardized Approach' for entire credit portfolio for credit risk measurement.

Policies for mitigating risk and strategies and processes for monitoring the continuing effectiveness of the mitigants :

Bank primarily relies on the borrower's financial strength and debt servicing capacity while approving



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credits. Bank does not excessively rely on collaterals or guarantees as a source of repayment or as a substitute for evaluating borrower's creditworthiness.

In order to manage the Bank's credit risk exposure, the Bank has adopted credit appraisal and approval policies and procedures that are reviewed and updated by the Risk Management Wing at Head office in consultation with other functional wings. The credit appraisal and approval process is broadly divided into credit origination, appraisal, assessment and approval, and dispensation.

The Bank's policy is to ensure portfolio diversification and evaluate overall exposure in a particular industry / sector in the light of forecasts of growth and profitability for that industry, and the risk appetite of the Bank. The Bank monitors exposures to major sectors of the economy and specifically exposure to various industries and sensitive sectors. The Bank's exposures to single and group borrowers as also substantial exposure is fixed as per the risk rating of the borrowers and monitored periodically in order to keep the exposure level within the prudential ceiling norms prescribed by host and home country regulators.

The credit approval process is a critical factor and commences with the mandatory credit risk rating of the borrower as a pre sanction exercise. The measurement of Credit Risk associated with the borrower evaluates indicative factors like; borrowers' financial position, cash flows, activity, current market trends, past trends, management capabilities, experience with associated business entities, nature of facilities etc. Bank has set up Credit Approval Committee for sanction of loans.

Loans Past due and Impaired: The Bank has policy based on the prudential norms applied for income recognition, asset classification and provisioning, to classify an exposure as Overdue, Special mention and Non Performing/Impaired.

(ii) Quantitative Disclosures

(a) Total Gross Credit Risk Exposure

Particulars	Amount (in ZAR'000)
	31.12.2017
Fund Based Exposures	467438
Non-fund Based Exposures	100
Total Gross Credit Exposures	467538



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(b) Geographic Distribution of Exposures:

Exposures	Amount (in ZAR'000)	
	Fund Based Exposures	Non-fund Based Exposures
	31.12.2017	31.12.2017
Domestic operations*	467438	100
Overseas operations	-	-
Total	467438	100

* Exposure in Republic of South Africa



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(c) Industry Type Distribution of Exposures

(in ZAR'000)			
SL NO.	INDUSTRY	Fund Based Outstanding	Non Fund Based Outstanding
		31.12.2017	31.12.2017
1.1	Mining and Quarrying	10581	-
1.2	Food Processing	-	-
	1.2.1 Sugar	-	-
	1.2.2 Edible Oils and Vanaspati	-	-
	1.2.3 Tea	-	-
	1.2.4 Others	-	-
1.3	Beverage & Tobacco	-	-
1.4	Textiles	-	-
	1.4.1 Cotton Textiles	-	-
	1.4.2 Jute Textiles	-	-
	1.4.3 Other Textiles	-	-
1.5	Leather & Leather Products	-	-
1.6	Wood and Wood Products	-	-
1.7	Paper & Paper Products	-	-
1.8	Petroleum, Coal Products and Nuclear Fuels	-	-
1.9	Chemicals and Chemical Products	-	-
	1.9.1 Fertilizer	-	-
	1.9.2 Drugs & Pharmaceuticals	-	-
	1.9.3 Petro Chemicals	-	-
	1.9.4 Others	-	-
1.10	Rubber, Plastic & their Products	-	-
1.11	Glass and Glassware	-	-
1.12	Cement and Cement Products	-	-
1.13	Basic Metal and Metal Products	-	-
	1.13.1 Iron and Steel	-	-
	1.13.2 Other Metal and Metal Products	-	-
1.14	All Engineering	-	-
	1.14.1 Electronics	-	-
	1.14.2 Electricity	-	-
	1.14.3 Others	-	-

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1.15	Vehicles, Vehicle Parts and Transport Equipment	27531	-
1.16	Gems & Jewellery	54095	-
1.17	Construction	8882	-
1.18	Infrastructure	-	-
	1.18.1 Power	-	-
	1.18.2 Telecommunications	-	-
	1.18.3 Roads	-	-
	1.18.4 Airports	-	-
	1.18.5 Ports	-	-
	1.18.6 Railways (other than Indian Railways)	-	-
	1.18.7 Other Infrastructure	-	-
1.19	Other Industries	366349	100
	INDUSTRY (Total of Small, Medium and Large Scale)	467438	100



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Amount of Non-Performing Assets (Gross)

Sl No	Items	Amount (in ZAR'000)
		31.12.2017
a)	Gross NPAs	1559
	▪ Sub-Standard	
	▪ Doubtful 1	1559
	▪ Doubtful 2	-
	▪ Doubtful 3	-
	▪ Loss	-
b)	Net NPAs	750-
c)	NPA Ratios	
	▪ Gross NPAs to Gross Advances (%)	0.52
	▪ Net NPAs to Net Advances (%)	0.26
d)	Movement of NPAs (gross)	
	▪ Opening balance	1555
	▪ Additions	3.87
	▪ Reductions	-
	▪ Closing Balance	1559-
e)	Movement of Provisions for NPAs	
	▪ Opening Balance	750
	▪ Adjustment towards Exchange Fluctuations	-
	▪ Provisions made during the period	
	▪ Write-off	-
	▪ write back of excess provisions	-
	▪ Closing Balance	750-
f)	Amount of Non-Performing Investments	-
g)	Amount of Provisions held for Non-Performing Investments	-
h)	Movement of Provisions for Depreciation on Investments	
	▪ Opening Balance	-
	▪ Provisions made during the period	-
	▪ Write-off	-
	▪ Write Back of excess Provisions	-
	▪ Closing Balance	-



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LCR Disclosure

(Amount in ZAR'000)			
		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
HIGH QUALITY LIQUID ASSETS			
1	Total high quality liquid assets (HQLA)		15835
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which :	2237	223
3	Stable deposits		
4	Less stable deposits	2237	223
5	Unsecured wholesale funding, of which :	15826	6330
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7	Non-operational deposits (all counterparties)	23703	21689
8	Unsecured debt		
9	Secured wholesale funding		
10	Additional requirements, of which :	20721	2072
11	Outflows related to derivative exposures and other collateral requirements		
12	Outflows related to loss of funding on debt products		
13	Credit and liquidity facilities	20721	2072
14	Other contractual funding obligations		
15	Other contingent funding obligations		
16	TOTAL CASH OUTFLOWS		23984
CASH INFLOWS			
17	Secured lending (eg reverse repos)		
18	Inflows from fully performing exposures	281621	
19	Other cash inflows		
20	TOTAL CASH INFLOWS	281621	
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		15835
22	TOTAL NET CASH OUTFLOWS		5996
	LIQUIDITY COVERAGE RATIO (%)		264%



Inter-Office Memorandum	
From The Assistant General Manager Johannesburg Branch	To The Chief Executive, Kenya Centre.
Ref.No.: JHB: MV:17-18: 304	Date 20.02.2018

Quarterly Basel III Disclosure as on 31.12.2017

We require uploading of quarterly Basel III disclosure as on 31.12.2017 on the Bank's website for our South African Operations as per South African Reserve Bank (SARB) regulations 43.

We enclose the prepared documents for uploading of the same on our website www.bankofindia.co.za under regulatory disclosure section.

Kindly approve.


(Pravakar Dash)
Assistant General Manager



Inter-Office Memorandum	
From The Assistant General Manager Johannesburg Branch	To The Chief Executive, Kenya Centre.
Ref.No.: JHB: MV:17-18: 304	Date 20.02.2018

Quarterly Basel III Disclosure as on 31.12.2017

We require uploading of quarterly Basel III disclosure as on 31.12.2017 on the Bank's website for our South African Operations as per South African Reserve Bank (SARB) regulations 43.

We enclose the prepared documents for uploading of the same on our website www.bankofindia.co.za under regulatory disclosure section.

Kindly approve.


(Pravakar Dash)
Assistant General Manager

