Basel III – Pillar 3 disclosures for the period ended Sept 30, 2016

Table DF – 1: Scope of Application

The disclosures and analysis provided herein below are in respect of the Mumbai Branch ('the Bank') of Credit Suisse AG which is incorporated in Switzerland with limited liability and its associate Credit Suisse Finance (India) Private Limited ('CS Finance') a Non-Banking Finance Company. The Bank and CS Finance together constitute "The Consolidated Bank" in line with the Reserve Bank of India ("RBI") guidelines on the preparation of consolidated prudential returns. Also, the disclosures herein below are solely in the context of local regulatory requirements and guidelines prescribed by the Reserve Bank of India (RBI) under Pillar 3 - Market Discipline of the Basel III guidelines. The Pillar 3 disclosures are designed to complement the minimum capital requirements in Pillar 1 and the Supervisory Review and Evaluation Process in Pillar 2. The aim of Pillar 3 is to promote market discipline by allowing market participants access to information of risk exposures and risk management policies and process adopted by the bank.

For the purpose of consolidated prudential regulatory reporting, the consolidated Bank includes unaudited results as at Sept 30, 2016 of the above mentioned NBFC as required by RBI in its circular on "Financial Regulation of Systemically Important NBFC's and Bank's relationship with them" vide circular ref. DBOD.No.FSD.BC.46/24.01.028/2006-07 dated December 12, 2006 read with "Guidelines for consolidated accounting and other quantitative methods to facilitate consolidated supervision" vide circular ref. DBOD. No. BP.BC. 72 /21.04.018/2001-02 dated February 25, 2003.

Presently, the Accounting Standard (AS) 21 on Consolidated Accounting is not applicable to the India operations of Credit Suisse AG since none of its Indian subsidiaries are owned by the Branch in Mumbai. The Bank does not have any interest in insurance entities.

References have been made in this submission to Global practices as the Bank in India is operating as branch of the Global Bank.

(i) Qualitative Disclosure

a. List of entities considered for Consolidation

Name of the entity / Country of incorp-oration	Included under accounting scope of consolidation (yes / no)	Method of consoli-dation	Included under regulatory scope of consolid-ation (yes / no)	Method of consolid-ation	Reasons for difference in the method of consolidation	Reasons if consolidated under only one of the scopes of consolidation
Credit Suisse Finance (India) Private Limited	No	NA	Yes	Line by line consolidation method as per AS-21	NA	As per the RBI circular number DBOD.No.FSD.BC.46/24.01. 028/2006-07 dated December 12, 2006 the Branch is not required to publish consolidated financial statements as per AS-21

b. **List of group entities not considered for Consolidation both under the accounting and regulatory scope of consolidation**

(Rs. in '000)

Name of the entity / country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
Credit Suisse Securities (India) Private Limited	Registered as a stock broker, merchant banker, underwriter and portfolio manager.	6,978,925	-	NA	37,454,994
Credit Suisse Services (India) Private Limited	Information Technology / Information Technology Enabled Services Group companies.	4,720,974	-	NA	12,143,037
Credit Suisse Business Management (India) Private Limited	Business support services to Credit Suisse Trust entities situated outside India	65,663	-	NA	73,555
Credit Suisse Consulting (India) Private Limited	Consultancy services to Group companies	150,424	-	NA	266,377
Credit Suisse Business Analytics (India) Private Limited	Information Technology / Information Technology Enabled Services Group companies.	2,011,052	-	NA	2,557,054

Note: The balances in the table above are based on audited financials of 31 March 2016.

(ii) Quantitative Disclosure

c. List of entities considered for Consolidation

(Rs. in '000s)

Name of the entity / country of incorporation	Principle activity of the entity	Total balance sheet equity *(as stated in the accounting balance sheet of the legal entity)*	Total balance sheet assets *(as stated in the accounting balance sheet of the legal entity)*
Credit Suisse Finance (India) Private Ltd.	NBFC	16,517,798	18,849,806

Note: The balances in the table above are based on audited financials of 31 March 2016.

d. The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted

Not applicable as there are no subsidiaries of the Bank.

e. The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk-weighted:

As of Sept 30, 2016, the Bank does not have investment in any insurance entity.

f. Restrictions or impediments on transfer of funds or regulatory capital within the banking group

There are no restrictions or impediments on transfer of funds within the banking group.

Table DF – 2: Capital adequacy

The Bank needs to maintain sufficient capital to support business activities, in accordance with the regulatory requirements on a standalone and consolidated basis. Currently the main source of the Bank's supply side of its capital is capital infusion by its Head Office and reserves. The Bank currently follows Standardized Approach for Credit Risk, Standardized Duration Approach for Market Risk and Basic Indicator Approach for Operational risk capital charge computation. CS Finance follows capital adequacy guidelines applicable to NBFCs. The Bank also assesses the capital adequacy using Internal Capital Adequacy Assessment Process (ICAAP) approach, as required by local regulation.

The Bank is supervised by the Chief Executive Officer ("CEO") and the Local Management Committee ("LMC") comprising of key senior management in the Bank. The LMC is supported by other committees for specific areas like the Asset Liability Management committee ("ALCO"), Risk Management Committee, Credit committee, Investment committee, Audit committee, Compliance committee, etc. The Branch management is supported by the Regional & Country Management of Credit Suisse on all governance and franchise issues. There are processes and policies in place to support activities planned in the Bank. Apart from local policies, the Bank also adheres to Global Credit Suisse policies and best practices.

As at Sept 30, 2016, the capital of the Bank, both on a standalone and consolidated basis, is higher than the minimum capital requirement as per Basel-III guidelines.

A summary of the Bank's capital requirement for credit, market and operational risk and the capital adequacy ratio as on Sept 30, 2016 is presented below:

(Rs in '000)

Risk area	Standalone	Consolidated
	Sept 30, 2016	Sept 30, 2016
Capital requirements for Credit Risk (A)	**2,660,755**	**4,276,853**
- for portfolio subject to standardised approach	2,660,755	4,276,853
- for securitisation exposures	-	-
Capital requirements for Market risk (B)	**3,413,291**	**3,413,291**
- for interest rate risk	2,986,903	2,986,903
- for foreign exchange risk (including gold)	426,388	426,388
- Equity risk	-	-
Capital requirements for Operational risk (C)	**637,717**	**637,717**
- Basic indicator approach	637,717	637,717
Total capital requirement (A+B+C)	**6,711,763**	**8,327,861**
CET1 CRAR	24.96%	39.16%
Tier 1 CRAR	24.96%	39.16%
Tier 2 CRAR	0.46%	0.44%
Total Capital adequacy ratio	**25.42%**	**39.60%**

Table DF – 3: Credit Risk

Definition

Credit risk can be defined as the risk to earnings or capital arising from an obligor's failure to meet the terms of any contract with the lender or otherwise fail to perform as agreed.

Credit Risk Management / Structure

Within Credit Suisse, the Credit Risk Management ('CRM team') is responsible for managing Credit Suisse's portfolio of credit risk and establishes broad policies and guidelines governing Credit Suisse's credit risk appetite. The Bank has a dedicated Credit Risk officer reporting functionally to the Global CRM group. CRM team is headed globally by the Chief Credit Officer ('CCO') who reports directly to the Chief Risk Officer ('CRO') of Credit Suisse. Credit authority is delegated by the CCO to specific senior CRM team personnel based on each person's knowledge, experience and capability. These delegations of credit authority are reviewed periodically. Credit Risk function along with other risk functions is segregated from the line functions. At Headquarters in Zurich, the Capital Allocation and Risk Management Committee ('CARMC'), in addition to its responsibilities for market risk described below, is also responsible for maintaining credit policies and processes, evaluating country, counterparty and transaction risk issues, applying senior level oversight for the credit review process and ensuring global consistency and quality of the credit portfolio. CARMC annually reviews credit limits measuring country, geographic region and product concentrations, as well as impaired assets and recommended loan loss provisions. All limits are applicable to the bank to the extent they are in conformity with Reserve Bank of India regulations.

Risk identification, measurement and monitoring

Globally, Credit Suisse utilises an internal counterparty rating scale (ranging from AAA as the best to D as the worst) and applies this grading measure against all counterparties. Credit Suisse takes a proactive approach to rating each of its counterparties and obligors and, as a result, internal ratings may deviate from those assigned by public rating agencies. All counterparties are assigned a credit rating as noted above. The intensity and depth of analysis is related to the amount, duration and level of risk being proposed together with the perceived credit quality of the counterparty/issuer/obligor in question. Analysis consists of a quantitative and qualitative portion and strives to be forward looking, concentrating on economic trends and financial fundamentals. In addition, analysts make use of peer analysis, industry comparisons and other quantitative tools, including a quantitative model based rating system. All final ratings also require the consideration of qualitative factors relating to the company, its industry and management. In addition to the aforementioned analysis, all counterparty ratings are subject to the rating of the country in which they are domiciled. Analysis of key sovereign an economic issues for all jurisdictions is undertaken and these are considered when assigning the rating and risk appetite for individual counterparties.

Each credit facility is approved by the bank's CRM team. Each facility is covered by a legal agreement that is appropriate for the type of transaction. On a case-by-case basis, Credit Suisse mitigates its credit risk associated with lending and credit related activities. This may be accomplished by taking collateral or a security interest in assets and other means.

Country risk is the risk of a substantial, systemic loss of value in the financial assets of a country or group of countries, which may be caused by dislocations in the credit, equity, and/or currency markets. Credit Suisse's major operating divisions all assume country risk in a variety of ways. The setting of limits for this risk is the responsibility of CARMC based on recommendations of CRM team, Market and Liquidity Risk Management ('MLRM') and Credit Suisse's economists. Country limits for emerging markets are approved by the Chairman's Committee of the Board of Directors of Credit Suisse Group, a portion of which is delegated to CARMC. For trading positions, country risk is a function of the notional and mark-to-market exposure of the position, while for loans and related facilities country risk is a function of the amount that Credit Suisse has lent or committed to lend. The day-to-day management of country exposure is assigned to each of the core businesses in accordance with its business authorisations and limit allocations.

The Bank leverages the CRM team expertise and processes within Credit Suisse to manage credit exposures arising from business transactions. The Businesses would be responsible for managing transactions within specified counterparty credit limits like Single Borrower and Group Borrower limits as prescribed by RBI, in consultation with CRM team.

Credit risk management policy:

The credit risk management policies of the bank address the following:

- Credit risk management framework, organisation, mandate & fundamental credit risk taking principles
- Counterparty / borrower/ issuer ratings
- Credit analysis & review frequency
- Credit exposure limits
- Credit limits for trading debt inventory in the secondary market
- Credit limit excess monitoring
- Management of problem assets
- Managing counterparty/borrower/issuer and country events
- Reporting of credit exposures of the bank
- Exposure norms to avoid credit risk concentrations: industry, sector, product and single/group borrower limits
- Loans and advances
- External commercial borrowings & trade credits
- Sale of financial assets to securitisation companies/reconstruction companies
- Purchase/sale of non-performing financial assets
- CS Mumbai branch credit committee
- Roles and responsibilities

Definition of past due and impaired:

The Bank classifies its advances into performing and non-performing loans for accounting purposes in accordance with the extant RBI guidelines given below

A non-performing asset (NPA) is defined as a loan or an advance where:

i) interest and/or installment of principal remain overdue for more than 90 days in respect of a term loan. Any amount due to the bank under any credit facility is ‘overdue’ if it is not paid on the due date fixed by the Bank;
ii) if the interest due and charged during a quarter is not serviced fully within 90 days from the end of the quarter;
iii) the account remains ‘out of order’ in respect of an overdraft/cash credit facility continuously for 90 days.
iv) a bill purchased/discounted by the Bank remains overdue for a period of more than 90 days;
v) interest and/or installment of principal in respect of an agricultural loan remains overdue for two crop seasons for short duration crops and one crop season for long duration crops;

vi) In respect of a securitisation transaction undertaken in terms of the RBI guidelines on securitisation, the amount of liquidity facility remains outstanding for more than 90 days;
vii) In respect of derivative transactions, if the overdue receivables representing positive mark-to-market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.

Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. A sub-standard asset is one, which has remained a NPA for a period less than or equal to 12 months. An asset is classified as doubtful if it has remained in the sub-standard category for more than 12 months. A loss asset is one where loss has been identified by the Bank or internal or external auditors or during RBI inspection but the amount has not been written off fully. In line with RBI directive, CS Finance is subject to 150 days overdue criteria for identification of NPAs.

Quantitative Disclosure

Gross Credit exposures:
Credit risk exposures include all exposures as per RBI guidelines on exposure norms. Bank's credit risk exposure as on Sept 30, 2016 primarily includes loans given to corporates, FX and derivative exposures and inventory positions held. The entire credit risk exposure of the Consolidated Bank as on Sept 30, 2016 is concentrated in India. This includes exposure to branches of Foreign banks in India.
The following table provides details of Bank's fund based and non-fund based exposures as on Sept 30, 2016

(Rs in '000)

Category	Standalone		Consolidated	
	Fund based[1,2]	Non-fund based	Fund based[1,2]	Non-fund based
Domestic	36,953,874	21,258,413	52,634,553	21,268,413
Overseas	-	-	-	-
Total	**36,953,874**	**21,258,413**	**52,634,553**	**21,268,413**

1. Represents loans, investment in non-SLR securities.
2. Excludes cash in hand, balance with RBI and investment in government securities and Bank CD's.

Industry-wise distribution of exposures as on Sept 30, 2016:

(Rs in '000)

Industry	Standalone		Consolidated	
	Fund based	Non-fund based	Fund based	Non-fund based
Banks[1,2]	1,170,343	20,887,352	1,170,343	20,897,352
NBFC[3]	14,967,556	246,912	19,927,756	246,912
Telecom	-	-	-	-
Others[4]	20,815,975	124,149	31,536,454	124,149
Total	**36,953,874**	**21,258,413**	**52,634,553**	**21,268,413**

1. Fund based represents loans and investment in non-SLR securities. Non-fund based includes inter-bank fx and derivative transactions.
2. Excludes cash in hand, balance with RBI and investment in government securities and bank CD's.
3. Includes loans and investment in non-SLR securities.
4. Non-fund based includes fx and derivative transactions.

Maturity pattern of assets of the bank as at Sept 30, 2016:

(Rs in '000)

Maturity buckets	Cash & balances with RBI	Balances with banks & money at call and short notice	Investments	Loans & advances	Fixed assets	Other assets	Total
Day 1	100,320	17,166,987	23,505,830	-	-	79,567	40,852,704
2 to 7 days	24,518	-	24,333,928	400,000	-	13,941	24,772,387
8 to 14 days	672	-	3,434	1,000,000	-	206,836	1,210,942
15 to 30 days	34,979	-	178,779	-	-	792,328	1,006,086
31days and upto 2 months	102,234	-	522,527	1,150,000	-	1,556,388	3,331,149
More than 2 months and upto 3 months	546,495	-	2,793,199	5,700,000	-	644,306	9,684,000
3 to 6 months	92,511	-	472,834	4,677,199	-	910,342	6,152,886
6 months to 1 year	11,155	-	57,012	2,715,530	-	2,767,367	5,551,064
1 to 3 years	86,685	-	443,057	-	-	1,006,122	1,535,864
3 to 5 years	-	-	-	-	-	394,740	394,740
Above 5 years	588	-	3,005	-	4,258	1,003,523	1,011,374
Total	1,000,157	17,166,987	52,313,605	15,642,729	4,258	9,375,460	95,503,196

Consolidated maturity pattern of assets as at Sept 30, 2016:

(Rs in '000)

Maturity buckets	Cash & balances with RBI	Balances with banks & money at call and short notice	Investments	Loans & advances	Fixed assets	Other assets	Total
Day 1	100,320	17,205,537	24,228,040	-	-	79,567	41,613,464
2 to 7 days	24,518	1,499,251	24,333,928	650,000	-	21,236	26,528,933
8 to 14 days	672	-	3,434	1,295,500	-	236,510	1,536,116
15 to 30 days	34,979	690,000	178,779	2,379,200	-	841,812	4,124,770
31days and upto 2 months	102,234	-	522,527	3,909,100	-	1,893,293	6,427,154
More than 2 months and upto 3 months	546,495	-	2,793,199	6,700,000	-	708,576	10,748,270
3 to 6 months	92,511	-	472,834	7,427,699	-	1,129,702	9,122,746
6 months to 1 year	11,155	-	354,412	7,744,509	-	2,921,641	11,031,717
1 to 3 years	86,685	-	1,363,057	-	-	1,129,679	2,579,421
3 to 5 years	-	-	-	-	-	394,740	394,740
Above 5 years	588	-	3,005	-	4,643	1,043,426	1,051,662
Total	1,000,157	19,394,788	54,253,215	30,106,008	4,643	10,400,182	115,158,993

The Bank has no non-performing advances as on Sept 30, 2016 and hence the disclosures pertaining to non-performing advances are not applicable to the Bank.

For consolidated Bank, the disclosures pertaining to non-performing advances as at Sept 30, 2016 are as below:

Non-performing Advances (Gross)

(Rs in '000)

Category	Amount
Substandard	-
Doubtful 1	-
Doubtful 2	-
Doubtful 3	-

Non-performing Advances (Net)

(Rs in '000)

Category	Amount
Substandard	-
Doubtful 1	-
Doubtful 2	-
Doubtful 3	-

NPA ratios

Particulars	Ratio
Gross NPAs to gross advances	-
Net NPAs to net advances	-

Movement of NPAs (Gross)

(Rs in '000)

Particulars	Amount
Opening balance	-
Additions	-
Reductions	-
Closing balance	-

Movement of provisions for NPAs

(Rs in '000)

Particulars	Amount
Opening balance	-
Provisions made during the period	-
Write-off	-
Write-back of excess provisions	-
Closing balance	-

The Bank (both standalone and consolidated) has no non-performing investments as on Sept 30, 2016 and hence the disclosures pertaining to non-performing investments and provisions for depreciation on investments are not applicable.

Table DF – 4: Credit Risk Standardised Approach

Credit risk: Portfolios subject to the Standardised Approach

The exposures requiring measurement of credit risk as on Sept 30, 2016 are primarily loans, inventory exposures and FX and derivative transaction and balance with banks.

The exposure of the bank as on Sept 30, 2016 subject to the standardised approach by risk weights were as follows

(Rs in '000)

Category	Exposures	
	Standalone	Consolidated
Less than 100% risk weight[1,2]	46,628,027	46,628,027
100% risk weight[2]	74,915	15,765,594
More than 100% risk weight[2]	10,189,649	10,189,649
Deducted from capital	-	-
Total	**56,892,591**	**72,583,270**

1. Excludes cash in hand, balance with RBI and investment in government securities and bank CD's.
2. Represents loans and investment in non-SLR securities. Also includes inter-bank and merchant FX and derivative transactions on which credit RWA is applicable.

Table DF – 5: Credit risk mitigation ('CRM')

According to the Bank's policy, where it has a clean legal opinion on the jurisdictional and transactional enforceability (i.e. based on appropriate legal documents executed with the counterparty) in line with RBI guidelines and approved by credit risk management, the relevant transactions are netted or reduced by eligible credit risk mitigants.

Quantitative Disclosure

Rs in '000

Naure and Category of exposures	Exposure
Exposure covered by eligible financial collateral after application of haircuts	-
Exposure covered by guarantees	6,065,530

Table DF – 6: Securitisation

The Bank has not undertaken any securitisation deals during the reporting period.

Table DF – 7: Market risk

The Bank in its day to day activity takes on market exposures which result in market risk. Market Risk is the risk of loss arising from adverse changes in interest rates, foreign exchange rates, equity prices & other relevant parameters such as market volatility. The Bank defines its market risk as potential change in the fair value of financial instruments in response to market movements. A typical transaction may be exposed to a number of different market risks.

Market risk management framework

Fundamental to the Bank's business is the prudent taking of risk in line with Bank's strategic priorities. The primary objectives of risk management are to protect Bank's financial strength and reputation, while ensuring that capital is well deployed to support business activities and grow shareholder value. Bank's risk management framework is based on transparency, accountability and independent oversight.

The Bank devotes considerable resources to ensuring that market risk is comprehensively captured, accurately modeled and reported, and effectively managed. Trading and non-trading portfolio are managed at various organizational levels, from the overall risk positions at the Group level down to specific portfolios. The Bank uses market risk measurement and management methods designed to meet or exceed industry standards. These include general tools capable of calculating comparable exposures across Bank's many activities and focused tools that can model unique characteristics of certain instruments or portfolios. The tools are used for internal market risk management, internal market risk reporting and external disclosure purposes.

Market risk identification

The Bank bases its business operations on conscious, disciplined, intelligent and prudent risk taking. The Bank believes in independent risk management, compliance and audit processes with proper management accountability for the interests and concerns of its stakeholders. The Market and Liquidity Risk Management (MLRM) group works in partnership with the business segments to identify market risks throughout Credit Suisse to refine and monitor market risk policies and procedures. Market risk management group is also responsible for identifying exposures which may not be large within individual business segments, but which may be large for Credit Suisse in aggregate. The risk management techniques and policies are regularly reviewed to ensure they remain appropriate. Additionally, Bank's market risk exposures are reflected in our regulatory capital calculations. Risks associated with the trading activity are actively monitored and managed on a portfolio basis and is reflected in our various measures.

Market risk measurement

Credit Suisse uses various measurement techniques, both statistical and non-statistical, to measure and reflect all components and all aspects of market risk.

(i) Statistical measures

Credit Suisse's primary statistical risk measure is Value-At-Risk (VaR). VaR measures the potential loss in fair value of financial instruments due to adverse market movements over a defined time horizon at a specified confidence level. VaR as a concept is applicable for all financial risk types with valid regular price histories. Positions are aggregated by risk type rather than by product. For example, interest rate risk includes risk arising from interest rate, foreign exchange, equity and commodity options, money market and swap transactions and bonds. The use of VaR allows the comparison of risk in different businesses, such as fixed income and equity, and also provides a means of aggregating and netting a variety of positions within a portfolio to reflect actual correlations and offsets between different assets.

Historical financial market rates, prices and volatilities serve as the basis for the statistical VaR model underlying the potential loss estimation. The Bank uses a one-day holding period and a confidence level of 98% to model the risk in its trading portfolios for internal risk management purposes and a ten-day holding period and a confidence level of 99% for regulatory capital purposes. These assumptions are compliant with the standards published by the Basel Committee on Banking Standards (BCBS) and other related international standards for market risk management. For some purposes, such as back-testing, disclosure and benchmarking with competitors, the resulting VaR figures are calculated based on a one-day holding period level or scaled down from a longer holding period.

The Bank uses a historical simulation model for the majority of risk types and businesses within our trading portfolios. The model is based on the profit and loss distribution resulting from historical changes in market rates, prices and volatilities applied to evaluate the portfolio. Bank uses the same VaR model for risk management and regulatory capital purposes, except for the confidence level and holding period used. The Bank regularly review its VaR model to ensure that the model remains appropriate given evolving market conditions and the composition of bank’s trading portfolio and in 2011 significantly enhanced its VaR methodology, including use of exponential weighting and expected shortfall equivalent measures, for both risk management VaR and regulatory VaR. The revised VaR methodology captured extreme events more completely and improved the responsiveness of the model to market volatility.

For risk management VaR, the Bank uses a one-day holding period and a 98% confidence level. This means there is a 1-in-50 chance of incurring a daily mark-to-market trading loss at least as large as the reported VaR.

(ii) Non-statistical measures

Non-statistical risk measures include net open positions, dollar values of basis points; credit spreads sensitivities, option sensitivities, market values and position concentrations and scenario analysis. These measures provide granular information on Credit Suisse's market risk exposure.
Scenario analysis complements statistical-based risk measures such as VaR and Economic Capital. For example, scenarios are customized with longer horizons than the ones used in statistical based risk measures to capture market liquidity. Scenarios are also customized to run against agreed limits where the materiality of stressed exposures warrants closer monitoring.

The Bank’s scenario analysis also enhances periodic exposure reporting by providing a view of how risk could change under severe market conditions. For example, sensitivities are computed post a large market shock scenario. Scenarios are also used to capture the cross impacts between risk factors under stressed market conditions to complement basis risks captured by other risk measures. Scenarios are further used to assess the impact of more extreme parameters used by other risk measures. For example, market volatility and credit default parameters in risk-weighted asset models are stressed to assess capital requirements under extreme conditions.

Market risk monitoring

The Bank has a risk appetite framework that establishes key principles for managing its risks to ensure a balance of return and assumed risk, stability of earnings and appropriate capital levels. The key aspect of the Bank's risk appetite framework is a sound system of integrated risk limits to control overall risk taking capacity and serve as an essential decision-making tool for senior management.

Risk appetite is annually reviewed and determined by the Board, taking into account strategic and business planning, and enforced by a detailed framework of portfolio and position limits, guidelines and targets at both the Group and divisional levels as well as for certain legal entities. Risk appetite is defined in quantitative terms using risk limits and tolerance levels, capital ratios and scenario results.

At the local level, the Asset Liability Management Committee (ALCO) under supervision of the Local Management Committee is responsible for the overall management of risk limits and review of the risk reports at the Branch. The Market Risk Management group ensures that the market risks are effectively identified, measured, monitored and controlled, consistent with the Bank's business strategy and appetite for risk. For the Branch, Stress tests are done on a daily basis and monitored against stress limits. The market risk exposures and limits are discussed at the ALCO meetings.

Quantitative Disclosure

Risk area	Standalone	Consolidated
	Sept 30, 2016	**Sept 30, 2016**
Capital requirements for Market risk (B)	**3,413,291**	**3,413,291**
- for interest rate risk	2,986,903	2,986,903
- for foreign exchange risk (including gold)	426,388	426,388
- Equity risk	-	-

Table DF – 8: Operational risk

Definition

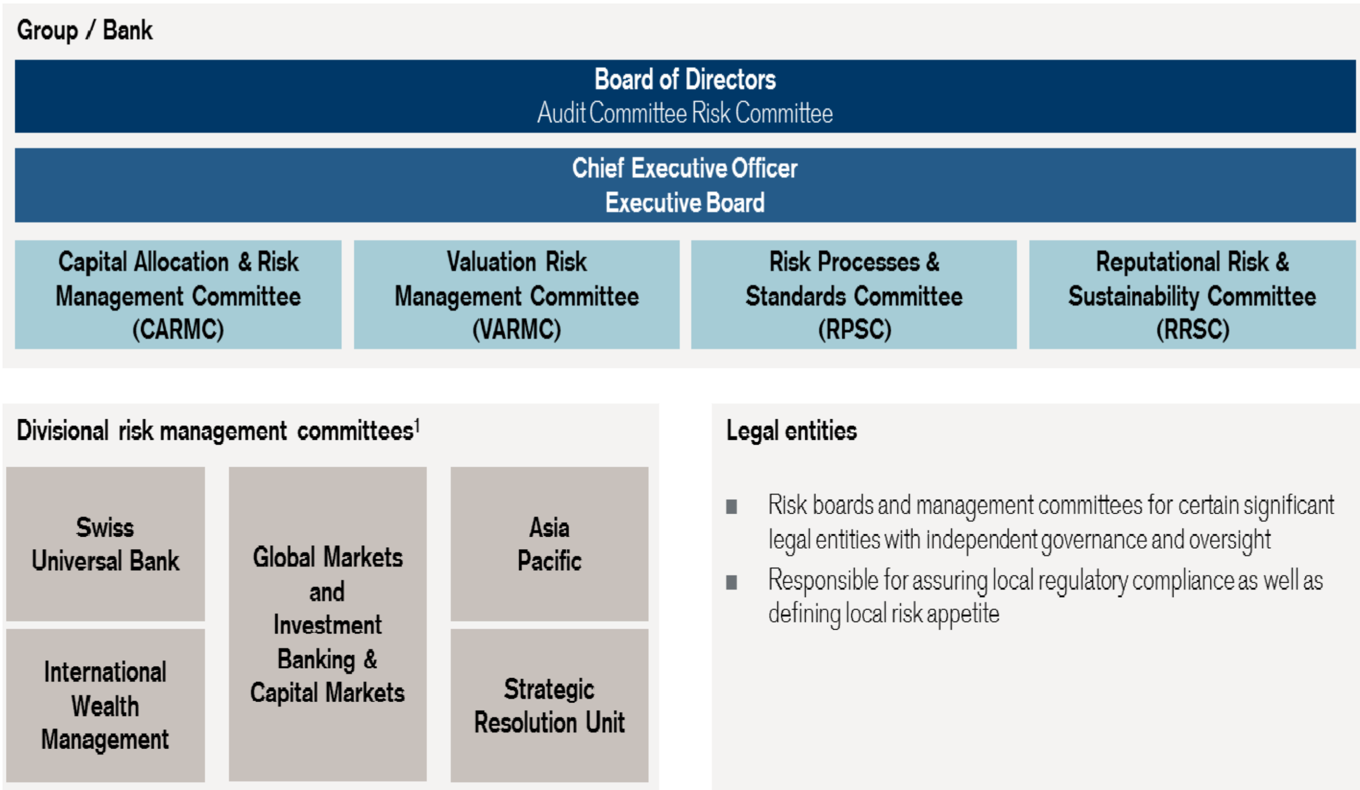
Operational risk is the risk of gain or loss resulting from inadequate or failed internal processes, people or systems or from external events.
Credit Suisse (CS) primary aim is the early identification, recording, assessment, monitoring, prevention and mitigation of operational risks, as well as timely and meaningful management reporting.

OpRisk Management/Structure

The objective of Credit Suisse India Operational Risk Management is to manage and control operational risk within the CS risk appetite. To ensure that the Operational Risk is managed within CS each individual business area takes responsibility for its operational risks and the provision of adequate resources and procedures for the management of those risks. Businesses are supported by designated operational risk teams who are responsible for the implementation of the operational risk management framework, methodologies, tools and reporting within their areas as well as working with management on any operational risk issues that arise. In 2013, Credit Suisse consolidated the operational risk teams in the independent risk management function into a single department Operational Risk Management, reporting to the CRO. As part of India bank ORM structure, an independent Operational risk function is in place led by the local head of Operational risk, who reports to the India CRO and to the APAC Head of Operational Risk.
The Operational Risk Management department is responsible for independent oversight and challenge of risk due to inadequate / failed processes, people, systems and external events. ORM provides review and challenge to the businesses and corporate functions through effective design and implementation of the Operational Risk Framework – including incident reviews, challenge of Risk and Control Self-Assessment (RCSA), thematic reviews, engagement in strategic decision making (including new business), appropriate governance and policies and meaningful and timely management reporting.
ORM is also part of various local control committees where Operational risk issues are discussed which ensures appropriate management oversight. Credit Suisse group uses an AMA model for operational risk regulatory capital requirement.

Risk governance

Effective risk management begins with effective risk governance. Our risk governance framework is based on a “three lines of defense” governance model, where each line has a specific role and defined responsibilities and works in close collaboration to identify, assess and mitigate risks. First line of defense owns its risks and is responsible for managing them; the second line is responsible for setting risk and control standards and challenging the first line’s risk management activities; and the third line provides independent assurance over the effectiveness of the entire risk and control framework. Our operations are regulated by authorities in each of the jurisdictions in which we conduct business. Central banks and other bank regulators, financial services agencies, securities agencies and exchanges and self-regulatory organizations are among the regulatory authorities that oversee our businesses. The Swiss Financial Market Supervisory Authority FINMA (FINMA) is our primary regulator providing global supervision.



Our governance includes a committee structure and a comprehensive set of corporate policies which are developed, reviewed and approved by the Board, the Executive Board, their respective committees and the Group Chief Risk Officer (CRO) in accordance with their respective authority.

The Capital Allocation & Risk Management Committee (CARMC) is responsible for supervising and directing our risk profile, recommending risk limits at the Group level to the Risk Committee and the Board, establishing and allocating risk limits among the various businesses, and for developing measures, methodologies and tools to monitor and manage the risk portfolio.
The Valuation Risk Management Committee (VARMC) is responsible for establishing policies regarding the valuation of certain material assets and the policies and calculation methodologies applied in the valuation process.
The Risk Processes & Standards Committee (RPSC) reviews major risk management processes, issues general instructions, standards and processes concerning risk management, approves material changes in market, credit and operational risk management standards, policies and related methodologies, and approves the standards of our internal models used for calculating regulatory capital requirements.
The Reputational Risk & Sustainability Committee (RRSC) sets policies and reviews processes and significant cases relating to reputational risks and sustainability issues. It also

ensures compliance with our reputational and sustainability policies and oversees their implementation.
Divisional and legal entity risk management committees review risk, legal, compliance and internal control matters specific to the divisions and individual legal entities, respectively.

OpRisk Identification

Operational risk is inherent in most aspects of our activities and is comprised of a large number of disparate risks. While market and credit risk are often chosen for the prospect of gain, operational risk is normally accepted as a necessary consequence of doing business. In comparison to market or credit risk, the sources of operational risk are difficult to identify comprehensively and the amount of risk is also inherently difficult to measure. Credit Suisse believes that effective management of operational risk requires a common Group-wide framework, with ownership of these risks residing with the management responsible for the relevant business process.

OpRisk Measurement and Reporting

CS branch in India is in the process of adopting the global Operational Risk Framework which utilizes a number of tools for identification, measurement and reporting of operational risk. These includes

- risk appetite tolerance levels, which is based on self-imposed constraints which define the level of risk (considering all controls in place) the bank is willing to take in pursuit of the bank's business activities. It articulates the motivations for taking, accepting or avoiding certain types of risks, products or exposures. Operational Risk Appetite is translated into a system of operational risk tolerance levels and qualitative tolerance statements which are measured against relevant risk and control indicators and which guide the businesses in order to achieve their objectives. Breaches of Operational Risk Appetite triggers action under the Operational Risk Responses Framework;
- reporting on top operational risks, which are defined as most significant residual operational risks that require executive level management oversight to avoid occurrence or prevent re-occurrence of Significant incidents, Significant regulatory scrutiny, enforcement or legal action, Substantial damage to the Bank's reputation or franchise and Significant unmitigated risk in excess of Risk Appetite. Top Operational Risks (TORs) are identified using a combination of top-down and bottom-up processes. TORs are identified bottom-up through an analytical ranking of risk data points against the Operational Risk Register. The top-down process is a qualitative assessment conducted by senior management and includes forward looking items and emerging risks. The output of the top-down and bottom-up processes are considered together to derive the final TORs.
- risk and control indicators, provides information on the level of exposure to an operational risk at a particular point in time. A Control Indicator is defined as an indicator that assesses and monitors the effectiveness of one or several controls;

- risk and control self-assessments (RCSA), is a systematic process that reviews the inherent operational risks in each Business Division and Shared Services function, assesses the effectiveness of the controls in place to mitigate these risks, and produces an evaluation of the residual risks. The RCSA process takes inputs from several other Framework components, and its results feed into many of the Framework's key processes. At a minimum, Business Divisions and Shared Services functions, and legal entities/locations, where required, must conduct a RCSA within each calendar year;
- RCSA reverse stress testing is a tool to existing process that allows us to assume a known adverse outcome of an identified risk, such as very large operational risk loss, and then deduce the circumstances that could lead to such an outcome. This allows for the consideration of risks beyond the normal business expectations and challenge common assumptions about the risk profile, the emergence of new risks or interactions between existing risks as well as the performance of expected control and mitigation strategies;
- Internal and external operational risk incident data, Credit Suisse uses the output of investigations into internal and relevant external incidents to inform its risk measurement and management processes. Internal and external incidents are subject to separate review and assessment processes that reflect differences in the amounts of available information and degree of applicability to Credit Suisse;
- Operational risk scenarios, by using FINMA-approved risk model to annually calculate the amount of capital required in relation to its operational risks profile. The risk model is used for both internal Economic Risk Capital (ERC) purposes and regulatory capital under the Advanced Measurement Approach (AMA). Irrespective of specific use the risk model utilizes a common and therefore consistent methodology.

Credit Suisse aims at continuously enhancing its operational risk management practices and have an ongoing program to roll out improvements to each of the components of the operational risk framework and to ensuring that the links between individual components work effectively.

OpRisk measurement

The India bank branch uses Basic Indicator Approach for Operational Risk regulatory capital requirement.

Table DF – 9: Interest rate risk in banking book (IRRBB)

Treasury desk manages the interest rate risk arising from the banking book. For the period ended March 31, 2016, the Bank has primarily invested in Central Government bonds, corporate bonds, and has interest rate swaps and forex transactions. The Bank, to manage the interest rate risk exposures arising from the asset-liability positions from the banking book would use Interest Rate Swaps, FCY Currency Swaps, and Forward Rate Agreements. These risk exposures are separate from the trading/market making positions.

Interest rate risk is measured in terms of DV01 (sensitivity to 1 basis point movement) and VaR (value at risk metric) by Market Risk Management group. The Interest Rate Risk in Banking Book (IRRBB) is calculated by the Bank in accordance with DBOD. No. BP.BC.59/ 21.04.098/ 2010-11 dated 4 November 2010. The change in the market value of equity after applying a 200 bps shock comes out to be Rs 284.37 crore as on 30th September, 2016.

Table DF – 10: General Disclosure for Exposures Related to Counterparty Credit Risk

Credit Risk Management (CRM):

Responsible for approving all global counterparty and issuers limits and for establishing any discretionary or more prudent limits than what is prescribed by the Reserve Bank of India for Industry, Sector, Product and Single/Group Counterparty/Borrower/Issuer of the Branch. CRM is responsible for approving each credit facility extended to borrowers of the Bank. Credit Control are responsible for monitoring and managing any exposure excesses for counterparty and issuer limits set in accordance with global CRM policy (i.e. the global credit limits set for each counterparty and issuer). CRM are responsible for performing periodical credit reviews and for internally rating all counterparties in accordance with global CRM policy and for assigning all local asset classifications used for local regulatory reporting purposes.

All credit exposure is approved, either by approval of an individual transaction/facility (e.g., lending facilities), or under a system of credit limits (e.g., OTC derivatives). All credit limits must be approved by the appropriate CRM authority holder based on the size and duration of the exposure and the rating of the counterparty/borrower/issuer. Credit exposure is monitored daily to ensure it does not exceed the approved credit limit. These credit limits are set either on a potential exposure basis or on a notional exposure basis. Potential exposure means the possible future value that would be lost upon default of the counterparty on a particular future date, and is taken as a high percentile of a distribution of possible exposures computed by our internal exposure models. The use of a universal measurement unit of pre-settlement credit risk (i.e. "Potential Exposure" or "PE") allows CRM to reallocate limits between different credit limit types (i.e. product types) of a counterparty/borrower or within the relevant supported entities of a counterparty/borrower group. Secondary debt inventory positions are subject to separate limits that are set at the issuer level.

Economic Capital

The Counterparty ERC component measures the credit risk arising from OTC trading counterparties including when the counterparty is a sovereign country.

The Total Counterparty ERC is evaluated including four credit risk types:

EC Default Risk Capital: the Default component measures the default risk for the Credit Suisse's counterparties to OTC derivative contracts.

It is defined as the 99th percentile of the loss distribution minus the average loss due to defaults over a 1-year time horizon, taking into account systematic risk and unsystematic risk.
This default risk is evaluated using the Credit Risk+ EC Spread Risk: the Spread Risk component measures the losses due to change in fair value due to spread widening.
It is defined the 99th percentile worst loss in fair value over 1-year time horizon due to adverse credit spread movements. In principle, the credit spread is evaluated as credit spread DV01 multiply by the worst case credit spread move for a rating class.
EC Credit Migration Risk: the Migration Risk component measures the credit rating migration risk beyond one year for the counterparty portfolio.
It is the 99th percentile worst loss in fair value over 1-year time horizon due to adverse rating migration. In principle, the migration credit spread is evaluated as credit spread DV01 multiply by the worst case migration for a rating class.
ERC for Default assets: ERC = Max (0, Z x [Notional – Current Provision]) where: Z = 20% if the transaction rating is Senior Secured, and Z = 35% otherwise.

Wrong-way exposures
Correlation risk arises when Credit Suisse enters into a financial transaction where market rates are correlated to the financial health of the counterparty. In a wrong-way trading situation, our exposure to the counterparty increases while the counterparty's financial health and its ability to pay on the transaction diminishes. Capturing wrong-way risk requires the establishment of basic assumptions regarding correlations for a given trading product. Credit Suisse has multiple processes that allow it to capture and estimate wrong-way risk.

Concentration Risk
As per Credit Policy, the Bank's concentration risk is monitored via i). Single/group borrowing limits applicable to all counterparties excl. banks; ii). Cap on exposures to individual industries/sectors (currently 25% of the branch's networth); iii). Cap on exposure to NBFCs (currently INR 30bn); iv). Cap on exposure to Capital Markets. These are monitored/tracked on a daily basis within the Bank.

Counterparty/Borrower/Issuer Rating Policy
Credit Suisse uses the S&P style letter grading (i.e. AAA to D) for its counterparty/borrower/issuer rating system. For local regulatory reporting and accounting purposes of the Bank, CRM also assign local rating classifications in accordance with the prescribed asset classification definitions. Due to the different methodologies used between the CS and local asset classifications, Credit Suisse avoids the use of a ratings mapping and instead individually classify each in-scope asset at the time of reporting in accordance with the local definitions so as to ensure the accuracy of the local asset classifications.

Descriptions of the rating processes
All counterparties that Credit Suisse is exposed to are assigned an internal credit rating. At the time of initial credit approval and review, relevant quantitative data (such as financial statements and financial projections) and qualitative factors relating to the

counterparty are used by CRM in the models and result in the assignment of a credit rating or PD, which measures the counterparty's risk of default over a one-year period.

Where rating models are used, the models are an integral part of the rating process, and the outputs from the models are complemented with other relevant information by credit officers via a robust model-override framework where information not captured by the models is taken into account by experienced credit officers. In addition to the information captured by the rating models, credit officers make use of peer analysis, industry comparisons, external ratings and research and the judgment of credit experts to complement the model ratings. This analysis emphasizes a forward looking approach, concentrating on economic trends and financial fundamentals. Where rating models are not used the assignment of credit ratings is based on a well-established expert judgment based process which captures key factors specific to the type of counterparty.

Use of internal ratings

Internal ratings play an essential role in the decision-making and the credit approval processes. The portfolio credit quality is set in terms of the proportion of investment and non-investment grade exposures. Investment/non-investment grade is determined by the internal rating assigned to a counterparty.

Internal counterparty ratings (and associated PDs), transaction ratings (and associated LGDs) and CCF for loan commitments are inputs to risk-weighted assets and Economic Risk Capital (ERC) calculations. Model outputs are the basis for risk-adjusted-pricing or assignment of credit competency levels.

The internal ratings are also integrated into the risk management reporting infrastructure and are reviewed in senior risk management committees. These committees include the Chief Executive Officer, Chief Credit Officer (CCO), Regional CCO, RPSC and Capital Allocation Risk Management Committee (CARMC).

To ensure ratings are assigned in a robust and consistent basis, the Credit Risk Review Function (CRR) performs periodic portfolio reviews which cover, amongst other things:

- accuracy and consistency of assigned counterparty/transaction ratings
- transparency of rating justifications (both the counterparty rating and transaction rating);
- quality of the underlying credit analysis and credit process;
- adherence to Credit Suisse policies, guidelines, procedures, and documentation checklists.

The CRR function is an independent control function and reports functionally to Board of Directors Risk Committee.

Credit Rating downgrade

Credit Risk Management (CRM) has a Watchlist process to closely monitor counterparties that have a higher risk of not performing to expectations, in instances like a credit rating downgrade. The Watchlist serves to identify counterparties where there are negative factors requiring enhanced monitoring, that are not severe enough to indicate impairment. The Watchlist is reviewed each month in the Surveillance/Watchlist meeting. The meeting is attended by the Chief Credit Officer (CCO), Credit officers, Recovery Management International, CRM approvers and the responsible Front Office personnel. Each name is discussed and the Chief Credit Officer and Recovery Management International will determine if any names on the Watch List should be transferred to Recovery Management International for their direct management.

When a counterparty or transaction is added to the Watchlist, documentation and static data should be reviewed and updated as follows:

- The relevant credit officer is required to review all relevant security documentation (ISDA, CSA, loan docs, etc.) and refer any potential shortcomings to Legal & Compliance Department (LCD).
- Credit Control updates the static data in INSIGHT (Global credit risk system) to flag as watchlist and add relevant comments as requested by the credit officers.

Securing Collateral

Where collateral is to be used as a form of credit risk mitigation for a counterparty, it is the responsibility of Credit Risk Management to define and approve the appropriate credit terms for the collateral arrangement. The terms of any collateral arrangement should take into account:

- The appetite for credit risk that Credit Suisse has for the counterparty
- The use of an agreed strategy for managing the collateral arrangement with the counterparty and for the particular situation
- The counterparty's ability to post collateral
- Credit Suisse's collateral policy requirements

From a credit risk management standpoint, the risk elements that should be considered when deciding to establish a collateralized arrangement include:

- The level of unsecured thresholds which should be approved
- Upfront collateral requirements
- Frequency of valuations and collateral calls
- The characteristics of the assets to be posted as collateral (e.g. quality, liquidity) and the haircuts for that collateral
- Creditworthiness of the counterparty
- Level of risk of the underlying transactions
- The standard collateral terms.

Quantitative Disclosure

Counterparty credit risk for the bank:

Rs in '000

Row Labels	Notional	Positive MTM	Exposure
Foreign Exchange Contracts	671,298,650	2,657,057	17,519,615
Interest Rate Derivate Contracts	247,665,823	1,292,025	3,611,289
Currency Swaps	4,765,384	32,201	127,509
Repo-style transactions	1,104,874	-	1,104,874
Grand Total	**924,834,731**	**3,981,283**	**22,363,287**

Table DF – 11: Composition of Capital

Part II: Template to be used before March 31, 2017 (i.e. during the transition period of Basel 3 regulatory adjustments)

Table DF-11 : Composition of Capital				
Part II : Template to be used before March 31, 2017 (i.e. during the transition period of Basel III regulatory adjustments)				
				(Rs. in thousands)
Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)			**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)	23,315,305		a1+a2+b1
2	Retained earnings	10,833,645		b2+c2+c3
3	Accumulated other comprehensive income (and other reserves)			
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies[1])			
	Public sector capital injections grandfathered until January 1, 2018			
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)			
6	Common Equity Tier 1 capital before regulatory adjustments	34,148,950		
Common Equity Tier 1 capital : regulatory adjustments				
7	Prudential valuation adjustments			
8	Goodwill (net of related tax liability)			
9	Intangibles other than mortgage-servicing rights (net of related tax liability)			
10	Deferred tax assets[2]	212,660	53,165	d1
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-up capital on reported balance sheet)			
17	Reciprocal cross-holdings in common equity			

18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)			
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)3			
20	Mortgage servicing rights4(amount above 10% threshold)			
21	Deferred tax assets arising from temporary differences5(amount above 10% threshold, net of related tax liability)			
22	Amount exceeding the 15% threshold6			
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 adjustments7 (26a+26b+26c+26d)			
26a	of which : Investments in the equity capital of unconsolidated insurance subsidiaries			
26b	of which : Investments in the equity capital of unconsolidated non-financial subsidiaries8			
26c	of which : Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank9			
	of which : Unamortised pension funds expenditures			
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment			
	of which : [INSERT TYPE OF ADJUSTMENT] For example: filtering out of unrealised losses on AFS debt securities (not relevant in Indian context)			
	of which : [INSERT TYPE OF ADJUSTMENT]			
26d	of which : [INSERT TYPE OF ADJUSTMENT]			
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	53,165		
28	**Total regulatory adjustments to Common equity Tier 1**	265,825	53,165	
29	**Common Equity Tier 1 capital (CET1)**	33,883,125		
Additional Tier 1 capital : instruments				

30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)			
31	of which : classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)			
32	of which : classified as liabilities under applicable accounting standards (Perpetual debt Instruments)			
33	Directly issued capital instruments subject to phase out from Additional Tier 1			
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)			
35	of which : instruments issued by subsidiaries subject to phase out			
36	**Additional Tier 1 capital before regulatory adjustments**			
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instruments			
38	Reciprocal cross-holdings in Additional Tier 1 instruments			
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)			
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)10			
41	National specific regulatory adjustments (41a+41b)			
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries			
	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank			
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment			
	of which : DTAs	53,165		
	of which : [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 1 at 50%]			
41b	of which : [INSERT TYPE OF ADJUSTMENT]			

42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	- 53,165		
43	**Total regulatory adjustments to Additional Tier 1 capital**			
44	**Additional Tier 1 capital (AT1)**	-		
44a	Additional Tier 1 capital reckoned for capital adequacy11	-		
45	**Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44a)**	33,883,125		
Tier 2 capital : instruments and provisions				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus			
47	Directly issued capital instruments subject to phase out from Tier 2			
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)			
49	of which : instruments issued by subsidiaries subject to phase out			
50	Provisions12	379,341		c1+c4
51	**Tier 2 capital before regulatory adjustments**			
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 investments13in 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 insurance subsidiaries			
	of which : Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank			
56b	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment			

	of which : [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]			
	of which : [INSERT TYPE OF ADJUSTMENT			
57	**Total regulatory adjustments to Tier 2 capital**			
58	**Tier 2 capital (T2)**	379,341		
58a	Tier 2 capital reckoned for capital adequacy14	379,341		
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**			
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	379,341		
59	**Total capital (TC = T1 + Admissible T2) (45 + 58c)**	34,262,466		
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment			
	of which : [INSERT TYPE OF ADJUSTMENT]			
	of which : …			
60	**Total risk weighted assets (60a + 60b + 60c)**	86,523,229		
60a	of which : total credit risk weighted assets	44,434,834		
60b	of which : total market risk weighted assets	35,462,761		
60c	of which : total operational risk weighted assets	6,625,634		
Capital ratios				
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	39.16%		
62	Tier 1 (as a percentage of risk weighted assets)	39.16%		
63	Total capital (as a percentage of risk weighted assets)	39.60%		
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	6.125%		
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)	30.16%		
National minima (if different from Basel III)				
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%		
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%		
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%		

Amounts below the thresholds for deduction (before risk weighting)				
72	Non-significant investments in the capital of other financial entities			
73	Significant investments in the common stock of financial entities			
74	Mortgage servicing rights (net of related tax liability)			
75	Deferred tax assets arising from temporary differences (net of related tax liability)			
Applicable caps on the inclusion of provisions in Tier 2				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	379,341		c1+c4
77	Cap on inclusion of provisions in Tier 2 under standardised approach	555,435		60a*1.25%
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)			
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach			
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements			
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82	Current cap on AT1 instruments subject to phase out arrangements			
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84	Current cap on T2 instruments subject to phase out arrangements			
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			

Not to the template		
Row No. of the template	**Particular**	**(Rs.in million)**
	Deferred tax assets associated with accumulated losses	
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	265,825
10	Total as indicated in row 10	265,825
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		
	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	
26b	(ii)	Increase in risk weighted assets	
	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)		
44a	of which : Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b		
	Eligible Provisions included in Tier 2 capital		379,341
	Eligible Revaluation Reserves included in Tier 2 capital		-
50	Total of row 50		379,341
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)		

Table DF – 12: Composition of Capital – Reconciliation Requirements

			Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
Table DF-12 : Composition of Capital- Reconciliation Requirements				
				(Rs. in thousand)
			As on reporting date	As on reporting date
A	Capital & Liabilities			
	i.	Paid-up Capital	11,350,000	12,400,131
		Reserves & Surplus	7,590,816	23,623,108
		Minority Interest	-	-
		Total Capital	18,940,816	36,023,239
	ii.	Deposits	64,913,679	64,913,679
		of which : Deposits from banks	-	-
		of which : Customer deposits	64,913,679	64,913,679
		of which : Other deposits (pl. specify)	-	-
	iii.	Borrowings	119,987	2,537,921
		of which : From RBI	-	-
		of which : From banks	-	-
		of which : From other institutions & agencies	119,987	2,537,921
		of which : Others (pl. specify)	-	-
		of which : Capital instruments	-	-
	iv.	Other liabilities & provisions	11,528,712	12,545,453
	Total		**95,503,194**	**116,020,292**
B	**Assets**			
	i.	Cash and balances with Reserve Bank of India	1,000,156	1,000,156
		Balance with banks and money at call and short notice	17,166,987	17,895,537
	ii.	Investments :	52,313,605	54,253,215
		of which : Government securities	28,104,991	28,827,201
		of which : Other approved securities	-	-
		of which : Shares		

			-	-
		of which : Debentures & Bonds	20,078,921	21,296,321
		of which : Subsidiaries / Joint Ventures / Associates	-	-
		of which : Others (Commercial Papers, Mutual Funds etc.)	4,129,693	4,129,693
	iii.	Loans and advances	15,642,729	30,106,008
		of which : Loans and advances to banks	-	-
		of which : Loans and advances to customers	15,642,729	30,106,008
	iv.	Fixed assets	4,258	4,643
	v.	Other assets	9,375,459	12,760,733
		of which : Goodwill and intangible assets	-	-
		of which : Deferred tax assets	228,424	265,825
	vi.	Goodwill on consolidation	-	-
	vii.	Debit balance in Profit & Loss account	-	-
Total Assets			**95,503,194**	**116,020,292**

(Rs. in thousand)

			Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference No
			As on reporting date	As on reporting date	
A	**Capital & Liabilities**				
	i.	Paid-up Capital	11,350,000	12,400,131	
		of which :			
		Funds from HO	11,350,000	11,350,000	a1
		Equity Share Capital	-	1,050,131	a2
		Reserves & Surplus	7,590,816	23,623,108	a3
		of which :			
		Share Premium	-	10,915,174	b1
		Statutory Reserves	1,592,565	2,611,382	b2
		Other Revenue Reserves	9,320	9,320	
		of which:			
		Investment Reserve Account	9,320	9,320	c1

		General Reserve	-	-	
		Surplus- Unallocated & Carried Over	4,688,588	8,222,263	c2
		Operating Surplus (in current year)	1,300,343	1,864,969	c3
		Minority Interest	-	-	
		Total Capital	18,940,816	36,023,239	
	ii.	Deposits	64,913,679	64,913,679	
		of which : Deposits from banks	-	-	
		of which : Customer deposits	64,913,679	64,913,679	
		of which : Other deposits (pl. specify)	-	-	
	iii.	Borrowings	119,987	2,537,921	
		of which : From RBI	-	-	
		of which : From banks	-	-	
		of which : From other institutions & agencies	119,987	2,537,921	
		of which : Others (pl. specify)	-	-	
		of which : Capital instruments	-	-	
	iv.	Other liabilities & provisions	11,528,712	12,545,453	
		of which : General Provisons and loss Reserves	309,891	370,021	c4
		Total	**95,503,194**	**116,020,292**	
B	**Assets**				
	i.	Cash and balances with Reserve Bank of India	1,000,156	1,000,156	
		Balance with banks and money at call and short notice	17,166,987	17,895,537	
	ii.	Investments :	52,313,605	54,253,215	
		of which : Government securities	28,104,991	28,827,201	
		of which : Other approved securities	-	-	
		of which : Shares	-	-	
		of which : Debentures & Bonds	20,078,921	21,296,321	
		of which : Subsidiaries / Joint Ventures / Associates	-	-	
		of which : Others (Commercial Papers, Mutual Funds etc.)	4,129,693	4,129,693	
	iii.	Loans and advances	15,642,729	30,106,008	
		of which : Loans and advances to banks	-	-	

		of which : Loans and advances to customers	15,642,729	30,106,008	
	iv.	Fixed assets	4,258	4,643	
	v.	Other assets	9,375,459	12,760,733	
		of which : Goodwill and intangible assets	-	-	
		Deferred tax assets	228,424	265,825	d1
	vi.	Goodwill on consolidation	-	-	
	vii.	Debit balance in Profit & Loss account	-	-	
Total Assets			**95,503,194**	**116,020,292**	

Table DF – 13: Main Features of Regulatory Capital Instruments

A. Main features of Equity Capital (Common Equity Tier 1) are given below

S No.	Particulars	Equity	
1	Issuer	Credit Suisse Finance (India) Private Limited	
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N.A. (As securities are not marketable)	
3	Governing law(s) of the instrument	Indian Laws	
	Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1	
5	Post-transitional Basel III rules	Common Equity Tier 1	
6	Eligible at solo / group / group & solo	Group	
7	Instrument type	Common Shares	
8	Amount recognised in regulatory capital (Rs. in thousand, as of most recent reporting date)		11,965,305
9	Par value of instrument	Rs 100/-	
10	Accounting classification	Shareholders' equity	
11	Date of issuance	Date of Issuance	Number of Shares issued
		08-12-2008	1 share
		08-12-2008	285,183 shares
		26-10-2009	8,749,457 shares
		12-04-2010	1,466,670 shares

		Total	10,501,311 shares
12	Perpetual or dated	Perpetual	
13	Original maturity date	no maturity	
14	Issuer 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	Floating	
18	Coupon rate and any related index	NA	
19	Existence of a dividend stopper	No	
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	No	
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	No

Table DF – 14: Full Terms and Conditions of Regulatory Capital Instruments

Instruments	Full Terms and Conditions
Credit Suisse Finance (India) Private Limited	
Equity Share Capital	The Company has only one class of equity shares having a face value of Rs 100 per share. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Table DF – 15: Disclosure Requirements for Remuneration

Bank has complied with the Compensation Guidelines issued by RBI vide DBOD No.BC. 72 /29.67.001/2011-12 dated January 13, 2012, hence this disclosure is not applicable.

Table DF 16 - Equities – Disclosure for Banking Book Positions.

The Bank has not traded any equities during the reporting period.

Table DF 17 - Summary comparison of accounting assets vs. leverage ratio exposure measure.

	Item	(Rs. in '000)
1	Total consolidated assets as per published financial statements	116,020,291
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	17,287,129
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	1,097,787
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	406,006
7	Other adjustments	(265,825)
8	Leverage ratio exposure	134,545,388

Table DF 18 – Leverage ratio common disclosure template **(Rs. in '000)**

	Item	Leverage ratio framework
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	110,006,838
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(265,825)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	109,741,013
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	3,981,284
5	Add-on amounts for PFE associated with all derivatives transactions	17,820,049
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-

9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	Total derivative exposures (sum of lines 4 to 10)	21,801,333
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	2,597,038
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	2,597,038
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	406,006
18	(Adjustments for conversion to credit equivalent amounts)	-
19	Off-balance sheet items (sum of lines 17 and 18)	406,006
Capital and total exposures		
20	Tier 1 capital	33,883,126
21	Total exposures (sum of lines 3, 11, 16 and 19)	134,545,389
Leverage ratio		
22	Basel III leverage ratio	25.18%

Leverage Ratio disclosure as per Para 16.6.5.3 of Basel III Circular.

Tier 1 capital	33,883,126
Leverage ratio exposure	134,545,389
Basel III leverage ratio	25.18%