BASEL III – PILLAR 3 DISCLOSURES AS ON MARCH 31, 2023

SCOPE OF APPLICATION AND CAPITAL ADEQUACY

I. TABLE DF- 1 SCOPE OF APPLICATION

The Basel III capital adequacy norms are applicable to The Federal Bank Limited as the top consolidated entity in the group in line with the Reserve Bank of India (RBI) guidelines on the preparation of consolidated prudential reports.

Qualitative Disclosures

a) List of group entities considered for consolidation

Name of the entity / Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
Fedbank Financial Services Limited India	Yes	AS 21	Yes	AS 21	NA	NA
Ageas Federal Life Insurance Company Limited India	Yes	AS 23	No	NA	NA	Ageas Federal is an insurance entity and has been risk weighted for capital adequacy purpose
Equirus Capital Private Limited	Yes	AS 23	Yes	AS 23	NA	NA
Federal Operations and Services Limited	Yes	AS 21	Yes	AS 21	NA	NA

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

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)
NIL					

Quantitative Disclosures

c) List of group entities considered for consolidation

(Amount in ₹ Million.)

Name of the entity / country of incorporation (as indicated in (i)a. above)	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)
Fed bank Financial Services Limited India	Marketing of Bank's own products and lending against gold and property.	13,140.24	89,791.38
Equirus Capital Private Limited	The Company is engaged in investment banking. The Company caters to both domestic and international market.	1176.64	1525.68

(Amount in ₹ Million.)

Name of the entity / country of incorporation (as indicated in (i)a. above)	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)
Federal Operations and Services Limited	FedServ will carry out all the operational activities of the Bank including but not limited to accounts service division, payment settlement division, trade finance division, treasury back end section, contact centre operations, IT support etc	206.23	260.73

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:**

Name of the subsidiaries / 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	Capital deficiencies
NIL				

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

(Amount in ₹ Million)

Name of the insurance entities / 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 / proportion of voting power	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
Ageas Federal Life Insurance Company Limited India	Insurance	11,211.12	26%	CRAR will be reduced by 0.08% under deduction method

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 or regulatory capital within the banking group.

TABLE DF -2: CAPITAL ADEQUACY

1 Qualitative disclosures

1.1 A summary discussion of the Bank's approach to assess the adequacy of its capital to support current and future activities

1. Policy on Internal Capital Adequacy Assessment Process has been put in place and the assessment of capital commensurate to the risk profile is reviewed on a quarterly basis.
2. Capital requirement for current business levels and estimated future business levels are assessed on a periodic basis.
3. The minimum capital required to be maintained by the Bank (including CCB) for the period ended March 31,2023 is 11.50%. The given minimum capital requirement includes capital conservative buffer of 2.50%. Bank's CRAR is above the regulatory minimum as stipulated in Based III Capital Regulations.

2	**Quantitative disclosures** (Solo Bank)	(Amount in ₹ Million)
2.1	**Capital requirements for Credit risk**	**124877.51**
	Portfolios subject to Standardised approach	124877.51
	Securitisation exposures	0
2.2	**Capital requirements for Market risk** (Standardised duration approach)	**4523.94**
	Interest rate risk	2531.79
	Foreign exchange risk (including gold)	222.75
	Equity risk	1769.40
2.3	**Capital requirements for Operational risk**	**11822.56**
	Basic Indicator Approach	11822.56
	Total Capital Requirements	**141224.01**

2.4	Common Equity Tier 1, Tier 1 & Total Capital Ratios	Standalone	Consolidated
	Common Equity Tier 1 capital ratio	13.02%	13.31%
	Tier 1 capital ratio	13.02%	13.31%
	Total capital ratio	14.81%	15.24%

Structure and organisation of Bank's Risk Management function

Bank has put in place an organisational framework for Bank-wide management of risk on integrated basis. The structure ensures coordinated process for measuring and managing all material risks on an enterprise-wide basis to achieve organisational goals. The structure is designed in tune with the regulatory guidelines.

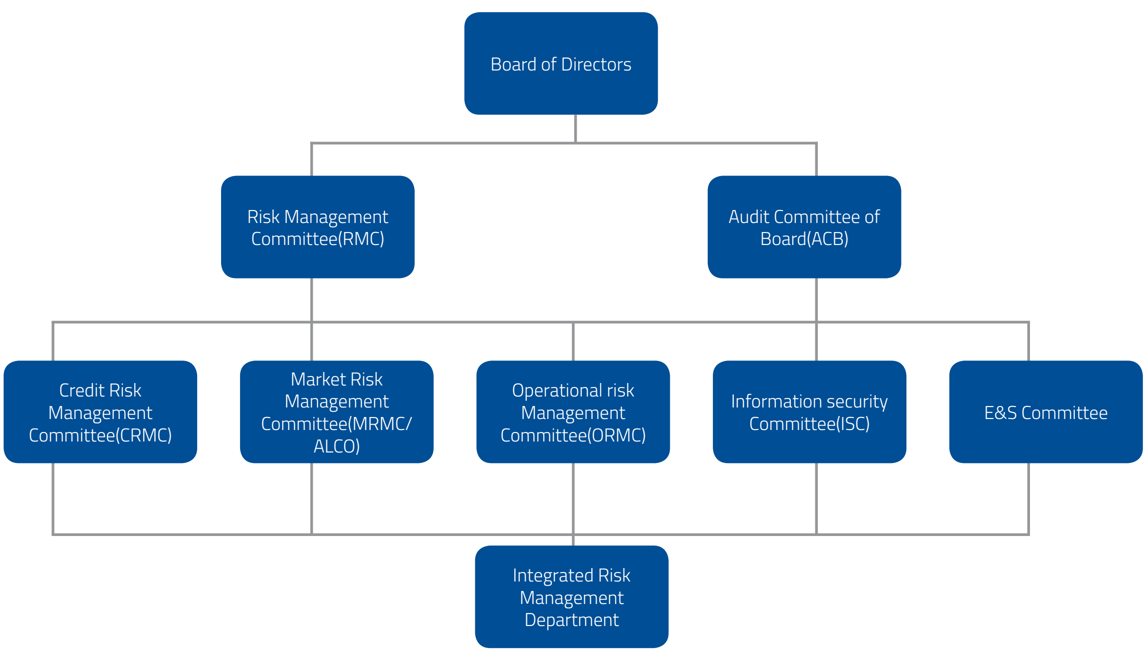
Bank's Board at the top of the structure assumes overall responsibility for Bank-wide management of risk. The Board approves risk management policies of the Bank and sets risk exposure limits based on Bank's risk appetite and risk bearing capacity. Risk Management Committee of the Board assumes responsibility for devising policy and strategy for enterprise-wide risk management. The Committee also sets guidelines for measurement of risks, risk mitigation and control parameters and approves adequate infrastructure for risk management. The Committee meets regularly and reviews the reports placed before it on various risk areas.

There are five support committees of senior executives viz Credit Risk Management Committee (CRMC), Market Risk Management Committee (MRMC also known as ALCO), Operational Risk Management Committee (ORMC), Information Security Committee (ISC) and E&S Committee, responsible for implementation of policies and monitoring of risk levels in their respective domains. The Committees are headed by Managing Director & CEO. Senior executives from respective functional areas and risk management are members of the Committee. The Committees meet regularly to take stock of various facets of risk management function and place their reports to Risk Management Committee of the Board. ALCO meets at least once in a month. Depending on requirement, ALCO meets at shorter frequencies. CRMC and ORMC meet at least once in a quarter subject to minimum of six meetings in a year. ISC and E&S Committee meets at least once in a quarter.

The major risks addressed are Credit Risk, Market Risk, Operational Risk, Residual Credit Risk, Concentration Risk, Interest Rate Risk, Liquidity Risk, Strategic Risk, Reputation Risk, Human Resources Risk, Pension Obligation Risk, IT & Cyber Security Risk, Compliance Risk, Outsourcing Risk, Model Risk, Settlement Risk and E&S Risk. Other material risks identified from time to time are taken care of by one of the above said committees or other functional committees of executives, depending on the nature of risk.

Integrated Risk Management Department is responsible for overall identification, measurement, monitoring and controlling various types of risks faced by the Bank in its operations and compliance of risk management guidelines and policies issued by Regulator / Board. IRMD has three divisions: Credit Risk Division, Market Risk Division and Operational Risk Division. E&S Division is presently attached to Market Risk Division. Division Heads report to the Chief Risk Officer who reports directly to the Managing Director & CEO.

Organisation Structure:



RISK EXPOSURE AND ASSESSMENT

1. Credit risk

Strategies and processes:

The Bank is exposed to credit risk in its lending operations. The Bank's strategies to manage the credit risks are given below:

a) Defined segment exposures delineated into Business Banking, CV/CE, Commercial Banking, Corporate, Retail and Agri advances.

b) Industry wise segment ceilings on aggregate lending in respect of certain industries, ceilings have been fixed for specific geographies with a view to contain Concentration risk.

c) Individual borrower wise and borrower group wise lending ceilings linked as a percentage to the Bank's eligible capital base as at the end of the previous year.

d) Borrowers are subjected to credit rating and loans are granted only to those borrowers falling within defined thresholds of risk levels; the approach also includes diversification of borrowers within defined thresholds of risk levels.

e) Major business of the Bank is within India. However, bank has an IFSC branch located in GIFT City, Gujarat. In respect of cross border trade which would involve exposures to banks and financial institutions located outside India, there is a geographic cap on exposures apart from cap on individual bank / institution. Bank has also fixed ceiling for its foreign currency exposures.

f) Bank has adopted a well-defined approach for sourcing and underwriting loan proposals. Proper due diligence is carried out while sourcing fresh credit limits.

g) Credit sanctioning powers are granted as per Credit Delegation Policy based upon the amount and riskiness of the exposure.

h) Regular review of all credit policies including exposure ceilings are carried out with due approval of Bank's Board of Directors.

i) Credit hub system is put in place to enhance quality of credit appraisal and underwriting process.

j) Specialised Credit Advisory Teams operating at strategic locations to streamline and monitor credit processes within the credit hubs, evaluate and chart action plans to act on EWS, conduct unit visit of stressed account and formulate other measures to maintain standard health classification of credit exposures.

k) Dedicated Credit Monitoring Department at national level and other key geographies to monitor / follow up of performance of loans and advances.

l) Credit Administration Department at central level and at other key geographies are formed to ensure compliance of documentation formalities and submission of post credit monitoring reports / compliance of sanction order covenants.

m) Market Intelligence Unit is formed under IRMD with cross functional team members to facilitate the collection and processing of multiple sources of information on large borrowers with an objective to prevent adverse selection of borrowers and throw up early warning signals of possible fraud or credit risk.

n) Robust statistical score cards are used for retail credit appraisal process.

o) Bank also uses Behavioral / transactional models for monitoring the transaction behavior of loan accounts.

p) Model validation is done on yearly basis to assess the discriminatory power and stability of the models.

q) Bank has laid down appropriate mechanism for ongoing identification, development and assessment of expertise of officials in the area of credit appraisal, underwriting and credit management functions.

r) Internal credit rating of all credit proposals above ₹ 10 Crore is confirmed by Integrated Risk Management Department.

s) Bank has adopted the best ESMS practices to minimise environmental and social risks associated with lending activities.

Structure and organisation of risk management function:

Bank has put in place Board approved comprehensive Credit Risk Management Policy. The policy aims to provide basic framework for implementation of sound credit risk management system in the Bank. It spells out various areas of credit risk, goals to be achieved, current practices and future strategies. Bank has also operationalised required organisational structure and framework as prescribed in the policy for efficient credit risk management through proactive identification, precise measurement, fruitful monitoring and effective control of credit risk arising from its credit and investment operations. Risk Management Committee of the Board oversees Bank wide risk management and senior executive level Credit Risk Management Committee monitors adherence to policy prescriptions and regulatory directions. CRMC of the Bank meets at least once in a quarter (subject to minimum of 6 meetings in a year) to take stock of Bank's credit risk profile based on the reports placed by Credit Risk Division of Integrated Risk Management Department.

Bank has put in place a detailed Loan Policy spelling out various aspects of Credit dispensation and Credit administration. Loan policy stipulates measures for avoiding concentration risk by setting prudential limits and caps on sector wise, rating grade wise, security wise and customer-constitution wise exposure. CRM policy gives specific instructions on valuation of collaterals. Bank has also put in place guidelines on fixing and monitoring of exposure ceilings to contain risk in credit and investment exposures.

Bank has also put in place an 'Environmental and Social Management System (ESMS) Policy' for all lending activities. Adoption of ESMS practices for lending activities strengthens Bank's commitment for the cause of sustainable development as desired by the government, regulators and other stakeholders. ESMS policy enables Bank to minimise environmental and social impacts posed by the lending activities. The policy ensures more focus on funding to the borrowers whose projects are sustainable and environment friendly. This is achieved through meticulous risk categorisation of the borrowers and by ensuring that the funds lent by Bank will be used for purposes / activities which have minimal impact on the environment and the society.

Scope and nature of risk reporting / measurement systems:

Bank has implemented comprehensive risk rating system that serves as a single point indicator of diverse risk factors of counterparty and for taking credit decisions in a consistent manner. Risk rating is made applicable for all loan accounts irrespective of amount, whether funded or non-funded. However, staff loans, loan against liquid securities, pre-approved loans etc are exempted from rating. Bank uses different rating models which are two dimensional, viz obligor rating and facility rating. Risk rating models are drawn up in a structured manner, incorporating different factors such as borrower specific characteristics, industry specific characteristics, financials, securities offered etc.

Bank has specific rating models capable of rating large corporates, traders, SME, Non-Banking Finance Companies (NBFCs), real estate and service sector clients. Retail advances, small value loans and retail agriculture loans are rated using applicable score cards. Transactional / behavioral scorecards have been developed for all major retail portfolios and are used for monitoring the performance of the borrower post onboarding. All rating models are subjected to annual validation by objectively assessing the discriminatory power, stability of ratings and calibration of models are undertaken, if necessitated.

Rating process and rating output are used by the Bank in sanction and pricing of its exposures. All internal credit ratings assigned for credit facilities above ₹ 5 Crore are reviewed on a half yearly basis using a review scorecard and a full- fledged rating review is conducted annually for credit facilities above 2 Crore. Default study/migration study is conducted annually for exposures above ₹ 2 Cr and the internal ratings are benchmarked with the external ratings.

Credit facilities are sanctioned at various levels in accordance with the delegation policy approved by the Board. Bank has generally adopted a committee approach for credit sanction. Credit rating assigned by an official is also subjected to confirmation by another official. Credit audit is being conducted at specified intervals. Credit risk mitigation techniques are resorted to contain the risk at the minimum level

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

Bank's Credit Risk Management Policy stipulates various tools for mitigation of credit risk and collateral management. Investment Policy of the Bank covers risk related to investment activities of the Bank and it prescribes prudential limits, methods of risk measurement, and hedges required in mitigation of risk arising in investment portfolio. Risk Management Committee of the Board and executive level Credit Risk Management Committee monitor, discuss, evaluate and review risk mitigation levels and effectiveness of mitigation measures.

Risk rating process by itself is an integral part of the process for selection of clients and sanction of credit facilities. Exercise of delegation for sanction of fresh loans or renewal / review of existing exposure by field level functionaries is permitted only for borrowers above a threshold rating grade. Entry-level restrictions are further tightened in certain sectors where market signals need for extra caution.

2. Market risk

Strategies and processes:

Market risk is monitored through various risk limits set vide Board approved Market Risk Management Policy. Detailed policies like Asset Liability Management Policy, Investment, Forex and Derivatives Policy, Market Risk Management Policy etc. are put in place for the conduct of business exposed to Market risk and also for effective management of all market risk exposures.

The policies and practices also take care of monitoring and controlling of liquidity risk arising out of its banking and trading book operations.

Structure and organisation of risk management function:

Risk Management Committee of the Board oversees bank-wide risk management. Asset Liability Management Committee (ALCO), also known as Market Risk Management Committee, is primarily responsible for establishing Market Risk Management and Asset Liability Management in the Bank. ALCO is responsible for implementing risk management guidelines issued by the regulator, leading risk management practices followed globally and monitoring adherence to the internal parameters, procedures, practices / policies and risk management prudential limits.

Independent Mid office, which forms a part of Market Risk Division of IRMD, is operational in the floor of Bank's Treasury for onsite monitoring of Treasury functions. The Mid Office conducts market risk management functions like onsite monitoring of adherence to set limits, independent valuation and reporting of activities. It also computes capital charge for market risk and VaR of market portfolios on a daily basis. This separate desk monitors market / operational risks in Bank's Treasury/ Forex operations on a daily basis.

Scope and nature of risk reporting / measurement systems:

Bank has put in place regulatory/ internal limits for various products and business activities relating to trading book. Non-SLR investment exposures are subjected to credit rating. Limits for exposures to counterparties, industries and countries are monitored and risks are controlled through Stop Loss Limits, Overnight Limit, Daylight Limit, Aggregate Gap Limit, Individual Gap Limit, Inter-Bank dealing and investment limits etc. Parameters like Modified Duration, VaR etc. are used for Risk management and reporting.

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

Policies for hedging/ mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/ mitigants are discussed in ALCO and based on the views taken by/ mandates given by ALCO, hedge deals/ mitigation steps are undertaken.

Liquidity risk of the Bank is assessed through Statements of Structural Liquidity, Liquidity Coverage Ratio, Net Stable Funding Ratio and Short-Term Dynamic Liquidity. The liquidity profile of the Bank is measured on static and dynamic basis using the Statements of Structural Liquidity and Short-Term Dynamic Liquidity respectively. Structural liquidity position and Liquidity Coverage Ratio are computed on a daily basis whereas Net Stable Funding ratio and Dynamic liquidity position is assessed on a monthly basis.

Additional prudential limits on liquidity risk fixed as per ALM policy of the Bank are monitored by ALCO on a monthly basis. Interest rate risk is analysed from earnings perspective using Traditional Gap Analysis and Economic value perspective using Duration Gap Analysis on a monthly basis. Based on the analysis, steps are taken to minimise the impact of interest rate changes.

Bank is computing LCR (Liquidity Coverage Ratio) on a daily basis and NSFR (Net stable funding ratio) on a monthly basis. Advanced techniques such as Stress testing, sensitivity analysis etc. are conducted periodically to assess the impact of various contingencies.

3. Operational risk

Strategies and processes:

The Bank is exposed to operational risk in all its activities. Operational risk is primarily managed by prescribing adequate controls and mitigation measures, which are being reviewed and updated on a regular basis, to suit the changes in business practices, organisation structure and risk profile. Business Continuity and Disaster Recovery Plans are established to ensure continuity of critical operations of the Bank and safety of its people. Robust information and cyber security frameworks are established for securing the IT infrastructure and systems of the Bank

Structure and organisation of risk management function:

Bank has put in place a detailed framework for Operational Risk Management with a well-defined ORM Policy. The Risk

Management Committee of the Board oversees Bank-wide operational risk management. Operational Risk Management Committee (ORMC) at the executive level oversees bank wide implementation of Board approved policies and processes in this regard. The operational risk management framework of the Bank also encompasses information and cyber security framework for securing the IT infrastructure and systems. The executive level Information Security Committee (ISC) is responsible for implementation of strategies and policies for protection of all information assets of the Bank. The Information Security Team headed by the Chief Information Security Officer (CISO) formulates and periodically reviews the information and cyber security policies and practices.

Scope and nature of risk reporting / measurement systems:

Bank is collecting operational risk loss data directly from the loss originating points. Bank has established a separate accounting procedure for operational risk events to enhance transparency and to enable effective monitoring of loss events. The operational risk loss data is consolidated, analysed and reported to the Operational Risk Management Committee at least on a quarterly basis.

Bank is conducting RCSAs (Risk and Control Self-Assessments) regularly to assess the level of inherent and residual risks and appropriate controls are introduced, wherever necessary, to reduce the risk levels. The controls are frequently tested based on the level of the underlying risk and if failure exceeds defined thresholds, immediate steps are initiated for remediation/ improvement of the failed control.

Bank is monitoring Key Risk Indicators on a periodical basis for assessing the changes in operational risk profile and triggering reviews and corrective actions, if required.

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

A robust control mechanism covering centralised processing, segregation of duties, straight through processing, timely reconciliation, user access controls etc. is in place and periodically reviewed. Wherever deficiencies are found in the processes or improvements are required to the mitigants, measures to remediate the same are taken up by the respective functional owners. Various training and awareness Programmes are conducted to improve awareness among the staff regarding the internal controls and procedures as also the various actions to be taken to avoid or minimise operational risks.

Prior to launching of any new product or process or alteration of any existing product or process, all relevant risks are analysed, and processes and controls established to manage the risks involved.

As information & communication technologies are relied on for delivery of banking services, robust system level controls are put in place to ensure the confidentiality, integrity and availability of information systems in the Bank. There is a Security Operations Centre (SOC) which performs security monitoring round the clock. Bank has also received ISO 27001 accreditation for its critical IT areas.

To evaluate the effectiveness of the business continuity arrangements, periodic drills and tests are conducted. Bank has implemented a Business Continuity Management System in conformance with ISO 22301 standards for its IT, centralised operations and clearing functions.

A preventive vigilance framework is in place, whereby various transactions are monitored by dedicated teams from the angle of fraud risk and AML. Bank is also using insurance for minimising the impact of various operational risk losses and liabilities.

The Internal Audit Department undertakes various audits like RBIA, Revenue Audit, IS Audit, Special Audit, Management Audit etc. to provide an independent assurance on the management of operational risks.

4. Interest rate risk in Banking Book

Strategies and processes:

Interest Rate Risk is assessed in two perspectives – Earnings perspective using Traditional Gap Analysis to assess the impact of adverse movement in interest rate on the Net Interest Income (Earnings at Risk) and Economic value perspective using Duration Gap Analysis to assess the impact of adverse movement in interest rate on the market value of Bank's equity.

Structure and organisation of risk management function:

Risk Management Committee at the Board level and ALCO at the executive level are responsible for effective management of Interest Rate Risk in Bank's business. Board approved ALM Policy governs the Interest rate risk management framework of the

Bank. Market Risk Management Policy takes care of the management of Interest rate risk in the Trading Book of the Bank.

Scope and nature of risk reporting / measurement systems:

Interest rate risk in Banking Book is assessed and Modified Duration of Equity is evaluated on a monthly basis. The likely drop in Market Value of Equity for 200 bps change in interest rates is computed and benchmarked under the Internal Capital Adequacy Assessment Process for computation of Pillar II capital charge for Interest Rate Risk. Earnings at Risk based on Traditional Gap Analysis are calculated on a monthly basis. The results of Duration Gap Analysis as well as that of Traditional Gap Analysis including the adherence to tolerance limit set in this regard is monitored and is placed before ALCO for approval. Stress tests are conducted to assess the impact of interest rate risk under different stress scenarios on earnings of the Bank

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

Bank has put in place mitigating / hedging measures prescribed by Investment Forex and derivative Policy, ALM Policy, Market Risk Management Policy. Risk profiles are analysed and mitigating strategies/ hedging process are suggested and operationalised by Treasury Department with the approval of Senior Level Committees.

TABLE DF – 3: CREDIT RISK: GENERAL DISCLOSURES

Qualitative disclosures

Definitions of past due and impaired (for accounting purposes):

1. Non-Performing Assets

   An asset including a leased asset becomes non-performing when it ceases to generate income for the bank. A non-performing asset (NPA) is a loan or an advance where

   a. Interest and/ or installment of principal remain overdue for a period of more than 90 days in respect of a term loan.
   b. The account remains 'Out of order' as indicated in paragraph 2 below, in respect of an Overdraft / Cash Credit (OD/CC).
   c. The bill remains overdue for a period of more than 90 days in case of bills purchased and discounted.
   d. The installment of principal or interest thereon remains overdue for two crop seasons for short duration crops.
   e. The installment of principal or interest thereon remains overdue for one crop season for long duration crops.
   f. The amount of liquidity facility remains outstanding for more than 90 days, in respect of securitisation transaction undertaken in terms of the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021.
   g. The overdue receivables representing positive mark-to-market value of a derivative contract remaining unpaid for a period of 90 days from the specified due date for payment, in respect of derivative transactions.
   h. The minimum amount due, as mentioned in the statement, is not paid fully within 90 days from the payment due date mentioned in the statement, in respect of credit card.
   i. The accounts with following temporary deficiencies.
      i. Drawings in the working capital account based on drawing power calculated from stock statements older than three months, would be deemed as irregular. Such account will turn NPA if such irregular drawings are permitted in the account for a continuous period of 90 days.
      ii. Regular/ ad hoc credit limits which is not reviewed/ renewed within 180 days from the due date/ date of ad hoc sanction will be treated as NPA.

2. 'Out of Order' status

   A Cash Credit / Overdraft account will be treated as 'Out of Order' if

   a) The outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or
   b) The outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

3. 'Overdue'

   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.

4. Special Mention Accounts

   As prescribed by RBI, the Bank is required to identify incipient stress in the account by creating a Sub Asset category named as 'Special Mention Accounts' (SMA). It is considered as a corrective action plan to arrest slippages of standard assets to NPA. Accordingly, Bank is identifying three sub categories under SMA as below:

SMA Sub-categories	Basis for classification - Principal or interest payment or any other amount wholly or partly overdue between
SMA-0	1 - 30 days
SMA-1	31 - 60 days
SMA-2	61 - 90 days

In the case of revolving credit facilities like cash credit, the SMA sub-categories will be as follows

SMA Sub-categories	Basis for classification – Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of:
SMA-1	31- 60 days
SMA-2	61 – 90 days

The above norms pertaining to classifying borrower accounts into SMA categories will be applicable for all loans (including retail loans), other than agricultural advances governed by crop season-based asset classification norms.

Credit Risk

Credit Risk may be defined as

a. Inability or unwillingness of the counterparty to pay interest, repay principal or otherwise to fulfill their contractual obligations under loan agreements or other credit facilities.

b. Downgrading of counterparties whose credit instruments, the Bank may be holding, causing the value of those assets to fall.

c. Settlement Risk (possibility that the Bank may pay counterparty and fail to receive the corresponding settlement in return).

Discussion of the Bank's Credit Risk Management Policy:

Bank has put in place a detailed Credit Risk Management Policy. The goal of this policy is to create a transparent framework for identification, assessment and effective management of credit risk in all operations of the Bank and to secure organisational strength and stability in the long run. The policy aims at contributing to the Bank's profitability by efficient and profitable utilisation of a prudent proportion of the Bank's resources and maintaining a reasonably balanced portfolio of acceptable risk quality through diversification of credit risks. The policy also envisages optimising returns with satisfactory spread over funding cost and overheads.

The policy deals with the structure, framework and processes for effective management of inherent credit risk. Credit Risk Management Policy also provide a framework for identification of stressed sectors in the economy and creating additional provision for exposures to these sectors.

Quantitative disclosures

(Amount in ₹ Million.)

	Fund based exposure*	Non-fund based exposure**	Total
Total gross credit risk exposures (after accounting offsets in accordance with the applicable accounting regime and without taking into account the effects of credit risk mitigation techniques)	2156793.74	176015.54	2332809.28
Geographic distribution of exposures (same basis as adopted for segment reporting adopted for compliance with AS 17)			
Overseas	22850.63	0.00	22850.63
Domestic	2133943.11	176015.54	2309958.65

*Fund based exposures include all type of funded facilities including the un availed limits and inter-bank exposures. However, exposures to Food Credit, RIDF related exposures, deposits to SIDBI, NABARD and NHB for priority sector lending purposes are excluded.

**Non fund based exposures include guarantees, Letters of Credit and Co-Acceptances of bills/ deferred payment guarantees.

INDUSTRY TYPE DISTRIBUTION OF EXPOSURES

(With industry break up on same lines as prescribed for DSB returns)

(Amount in ₹ Million.)

Industry Name		Total Credit Exposure Funded	Total Credit Exposure Non-Funded	Total Credit Exposure (Funded and Non-Funded)	% to Gross Credit Exposure
A.	**Mining and Quarrying**	**5027.40**	**959.06**	**5986.46**	**0.26%**
	A.1 Coal	300.35	0.00	300.35	0.01%
	A.2 Others	4727.05	959.06	5686.11	0.24%
B.	**Food Processing**	**64080.70**	**1421.82**	**65502.51**	**2.81%**
	B.1 Sugar	5361.13	0.00	5361.13	0.23%
	B.2 Edible Oils and Vanaspati	3871.89	549.93	4421.81	0.19%
	B.3 Tea	4318.88	3.70	4322.58	0.19%
	B.4 Coffee	1270.08	2.53	1272.61	0.05%
	B.5 Others	49258.72	865.66	50124.38	2.15%
C.	**Beverages (excluding Tea & Coffee) and Tobacco**	**4336.76**	**499.60**	**4836.36**	**0.21%**
	C.1 Tobacco and tobacco products	792.48	0.00	792.48	0.03%
	C.2 Others	3544.27	499.60	4043.88	0.17%
D.	**Textiles**	**62687.14**	**2359.52**	**65046.66**	**2.79%**
	D.1 Cotton	13366.12	380.51	13746.64	0.59%
	D.2 Jute	3588.47	0.14	3588.60	0.15%
	D.3 Man-made	527.39	71.19	598.57	0.03%
	D.4 Others	45205.17	1907.68	47112.85	2.02%
	Out of D (i.e., Total Textiles) to Spinning Mills	11919.49	364.41	12283.89	0.53%
E.	**Leather and Leather products**	**1216.90**	**414.35**	**1631.25**	**0.07%**
F.	**Wood and Wood Products**	**6935.84**	**486.37**	**7422.22**	**0.32%**
G.	**Paper and Paper Products**	**7604.20**	**619.50**	**8223.70**	**0.35%**
H.	**Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels**	**26840.10**	**1.92**	**26842.01**	**1.15%**
I.	**Chemicals and Chemical Products (Dyes, Paints, etc.)**	**65265.36**	**3609.05**	**68874.41**	**2.95%**
	I.1 Fertilizers	11237.68	1474.78	12712.46	0.54%
	I.2 Drugs and Pharmaceuticals	20755.74	317.27	21073.01	0.90%
	I.3 Petro-chemicals (excluding under Infrastructure)	354.50	132.63	487.13	0.02%
	I.4 Others	32917.44	1684.37	34601.80	1.48%
J.	**Rubber, Plastic and their Products**	**20096.72**	**1042.49**	**21139.21**	**0.91%**
K.	**Glass, Glassware and other non-metallic mineral products (Except Cement and Cement products)**	**1984.91**	**598.35**	**2583.26**	**0.11%**
L.	**Cement and Cement Products**	**8858.44**	**517.32**	**9375.76**	**0.40%**
M.	**Basic Metal and Metal Products**	**37752.39**	**8771.73**	**46524.12**	**1.99%**
	M.1 Iron and Steel	23637.37	6266.66	29904.03	1.28%
	M.2 Other Metal and Metal Products	14115.02	2505.07	16620.09	0.71%
N.	**All Engineering**	**40845.67**	**9501.68**	**50347.35**	**2.16%**
	N.1 Electronics	2641.16	1003.40	3644.56	0.16%
	N.2 Others	38204.51	8498.28	46702.79	2.00%

(Amount in ₹ Million.)

Industry Name		Total Credit Exposure Funded	Total Credit Exposure Non-Funded	Total Credit Exposure (Funded and Non-Funded)	% to Gross Credit Exposure
O.	**Vehicles, Vehicle Parts and Transport Equipments**	**30882.03**	**2410.62**	**33292.65**	**1.43%**
P.	**Gems and Jewellery**	**11727.14**	**317.72**	**12044.86**	**0.52%**
Q.	**Construction**	**15975.37**	**13901.30**	**29876.67**	**1.28%**
R.	**Infrastructure (Pertaining to Industries Sector Only)**	**140897.73**	**36928.48**	**177826.21**	**7.62%***
	R1. Transport and adjoining Infrastructure	12687.55	1688.48	14376.03	0.62%
	R2. Energy	64187.03	11527.25	75714.28	3.25%
	R3. Water and Sanitation	34.58	47.49	82.07	0.00%
	R4. Communication	793.30	251.24	1044.54	0.04%
	R5. Social and Commercial Infrastructure	7926.11	1680.61	9606.72	0.41%
	R6. Others, if any, please specify	55269.15	21733.42	77002.58	3.30%
S.	**Other Industries, pl. specify**	**16070.10**	**660.79**	**16730.89**	**0.72%**
	1. Industry (A to S)	**569084.88**	**85021.67**	**654106.55**	**28.04%**
	2. Agriculture and Allied Activities	**241251.97**	**87.47**	**241339.44**	**10.35%**
	3. Services	**702077.33**	**90906.40**	**792983.73**	**33.99%**
	4. Retail Loans	**575543.17**	**0.00**	**575543.17**	**24.67%**
	Interbank exposure	**45985.76**	**0.00**	**45985.76**	**1.97%**
	Overseas	**22850.63**	**0.00**	**22850.63**	**0.98%**
Total Exposure (1 to 6)		**2156793.74**	**176015.54**	**2332809.28**	**100.00%**

* Total exposure exceeds 5% of gross credit exposure

RESIDUAL CONTRACTUAL MATURITY BREAKDOWN OF ASSETS (maturity bands as used in ALM returns are used)

(Amount in ₹ Million.)

	Cash	Balances with RBI	Balances with other banks	Investments	Advances	Fixed assets	Other assets	Total
Day 1	26705.06	6698.88	11045.95	92565.57	25501.88	0.00	7822.46	170339.80
2 – 7 days	0.00	963.83	39903.98	3757.73	14828.88	0.00	4889.42	64343.84
8-14 days	0.00	1140.26	0.00	4933.40	11455.92	0.00	0.15	17529.74
15-30 days	0.00	3073.24	0.00	12009.64	26616.37	0.00	486.15	42185.40
31 days & up to 2 months	0.00	3373.25	0.00	10427.09	65238.25	0.00	5.67	79044.26
Over 2 months & up to 3 months	0.00	2493.71	0.00	4326.20	60421.18	0.00	473.06	67714.15
Over 3 months & up to 6 months	0.00	8054.47	0.00	8556.34	175198.80	0.00	4545.89	196355.51
Over 6 months & up to 1 year	0.00	16077.56	0.00	18152.46	174870.76	0.00	30538.05	239638.83
Over 1 year & up to 3 years	0.00	53825.39	28.41	75542.97	803655.04	0.00	66470.03	999521.85
Over 3 years & up to 5 years	0.00	2136.02	0.00	111043.51	189510.52	0.00	20795.26	323485.31
Over 5 years & upto 7 years	0.00	902.82	0.00	89058.98	105254.85	0.00	44037.32	239253.97
Over 7 years & up to 10 years	0.00	458.22	0.00	45364.12	58023.29	0.00	203.50	104049.13
Over 10 year & up to 15 years	0.00	5.01	0.00	17.96	27633.73	0.00	21.01	27677.71
Over 15 years	0.00	0.74	0.00	14077.49	6259.37	9339.74	2601.46	32278.80
Total	**26705.06**	**99203.41**	**50978.34**	**489833.47**	**1744468.85**	**9339.74**	**182889.43**	**2603418.29**

ASSET QUALITY

Advances

(Amount in ₹ Million.)

Amount of Non-Performing Assets (Gross)	41,837.69
Substandard	10,170.69
Doubtful 1	9,676.77
Doubtful 2	10,271.93
Doubtful 3	7,265.40
Loss	4,452.89
Net NPA	12,050.10
NPA ratios	
Gross NPAs to gross advances (%)	2.36%
Net NPAs to net advances (%)	0.69%
Movement of NPAs (Gross)	
Opening balance (balance as at the end of previous Fiscal)	41,367.44
Additions during the period*	17,191.28
Reductions*	16,721.04
Closing balance	41,837.69

*Including stressed asset sold to ARC

Movement of provisions

(Amount in ₹ Million.)

	Specific Provision	General Provision
Opening balance (balance as at the end of previous Fiscal)	26,419.43	691.80
Provisions made during the period	12,013.54	-
Write Off	3,750.24	-
Write back of excess provisions	5,997.89	-
Any other adjustments, including transfers between provisions	80.20	-
Closing balance	28,604.64	691.80

Details of write offs and recoveries that have been booked directly to the income statement

(Amount in ₹ Million.)

Write offs that have been booked directly to the income statement	1,402.81
Recoveries that have been booked directly to the income statement	1,888.33

Investments

(Amount in ₹ Million.)

Amount of Non-Performing Investments (Gross)	782.53
Amount of provisions held for Non-Performing Investments	778.63
Movement of provisions for depreciation on investments	
Opening balance (balance as at the end of previous Fiscal)	4,073.62
Provisions made during the period	1,051.96
Write-off	(246.04)
Write-back of excess provisions	(292.74)
Closing balance	4,586.80

Major Industry breakup of NPA

(Amount in ₹ Million.)

Industry	Gross NPA	Specific Provision
NPA in Top 5 industries	6699.59	5496.64

Geography wise Distribution of NPA and Provision

(Amount in ₹ Million.)

Geography	Gross NPA	Specific Provision	General Provision
Domestic	39,783.44	26,550.39	691.80
Overseas	2,054.25	2,054.25	-
Total	41,837.69	28,604.64	691.80

TABLE DF – 4: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

1. Qualitative disclosures

For portfolios under the Standardised Approach:

Names of credit rating agencies used, plus reasons for any changes:

Bank has approved all the six External Credit Rating Agencies accredited by RBI for the purpose of credit risk rating of domestic borrower accounts that forms the basis for determining risk weights under Standardised Approach.

External Credit Rating Agencies approved are:

1. CRISIL Ratings Limited
2. CARE
3. India Ratings and Research Private Limited (Formerly FITCH INDIA)
4. ICRA
5. Acuite Rating & Research (Formerly SMERA Ratings Limited)
6. INFOMERICS Valuation and Rating Private. Limited (INFOMERICS)

Bank is also using the ratings of the following international credit rating agencies for assigning risk weights to claims for capital adequacy purposes where the exposure can be specified as international exposure:

1. Fitch;
2. Moody's and
3. Standard & Poor's

With respect to external credit rating, Bank is using long term ratings for risk weighting all long-term claims and unrated short-term claims on the same counterparty. However, short term rating of a counterparty is used only to assign risk weight to all short-term claims of the obligor and not to risk weight unrated long-term claims on the same counterparty.

Types of exposure for which each agency is used:

1. Rating by the agencies is used for both funds based and non-fund-based exposures.
2. Short Term Rating given by the agencies is used for exposure with contractual maturity of less than or equal to one year (except Cash Credit, Overdrafts and other Revolving Credits).
3. Long Term Rating given by the agencies is used for exposures with contractual maturity of above one year and also for Cash Credit, Overdrafts and other Revolving Credits.
4. Rating assigned to one particular entity within a corporate group is not used to risk weight other entities within the same group.

The rating reviewed, at least once during past 15 months will only be considered for risk weighting purposes.

Description of the process used to transfer public issue ratings into comparable assets in the Banking Book:

The ratings available in public domain are mapped according to mapping process as envisaged in RBI guidelines on the subject.

Issue Specific Ratings (Bank's own exposures or other issuance of debt by the same borrower constituent/ counterparty) or Issuer Ratings (borrower constituent/ counterparty) are applied to unrated exposures of the same borrower constituent/ counterparty subject to the following:

1. Issue specific ratings are used where the unrated claim of the Bank ranks paripassu or senior to the rated issue / debt.
2. Wherever issuer rating or issue specific ratings are used to risk weight unrated claims, such ratings are extended to entire amount of claim on the same counterparty.
3. Ratings used for risk weighting purposes are confirmed from the websites of the rating agencies concerned. The name of the lender and the credit facility shall be published by the rating agency.

2. Quantitative disclosures

Risk weight wise details of exposures (rated and unrated) after risk mitigation subject to the Standardised Approach (Credit equivalent amount of all exposures subjected to Standardised Approach, after risk mitigation)

Risk Weight	(Amount in ₹ Million.)
Below 100 %	1598186.81
100 %	656971.08
More than 100 %	173283.70
Deducted*	7005.02
Total	**2428441.59**

*Investment in subsidiary

TABLE DF – 5: CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

1. Qualitative disclosures

Disclosures on credit risk mitigation methodology adopted by the Bank that are recognised under the Standardised Approach for reducing capital requirements for credit risk

1.1 Policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting

Bank has no practice of on-balance sheet netting for credit risk mitigation. Eligible collaterals taken for the exposures are separately earmarked and the exposures are expressed without netting.

1.2 Policies and processes for collateral valuation and management

Bank has put in place Board approved policy on Credit Risk Management in which Collateral Management and credit risk mitigation techniques used by the Bank for both Risk management and capital computation purposes are separately included. The Loan policy of the Bank covers various aspects of valuation of collaterals.

1.3 Description of the main types of collateral taken by the Bank

Collaterals used by Bank as risk mitigants for capital computation under Standardised Approach comprise eligible financial collaterals namely:

1. Cash margin and fixed deposits of the counterparty with the Bank.
2. Gold jewel of purity 91.6% and above, the value of which is notionally converted to value of gold with 99.99% purity.
3. Securities issued by Central and State Governments.
4. Kisan Vikas Patra and National Savings Certificates.
5. Life Insurance Policies with a declared surrender value of an Insurance company regulated by the insurance sector regulator.
6. Debt securities rated by a chosen Credit Rating Agency in respect of which the Bank is sufficiently confident of market liquidity of the security and where these securities are either:
   a. Attracting 100% or lesser risk weight i.e. rated at least BBB (-) when issued by Public sector entities and other entities including banks and Primary Dealers or
   b. Attracting 100% or lesser risk weight i.e. rated at least A3 for short term debt instruments
7. Debt securities not rated by a chosen Credit Rating Agency in respect of which the bank is sufficiently confident of market liquidity of the security and where these securities are:
   a. Issued by the bank
   b. Listed on a recognised exchange
   c. Classified as senior debt
   d. All rated issues of the same seniority by the issuing Bank are rated at least BBB (-) or A3 by a chosen Credit Rating Agency
   e. The bank has no information to suggest that the issue justifies a rating below BBB (-) or A3 by a chosen Credit Rating Agency
   f. Bank is sufficiently confident about the market liquidity of the security.
8. Units of Mutual Funds regulated by the securities regulator of the jurisdiction of the Bank's operation and mutual funds where
   a. A price for the units is publicly quoted daily i.e. where the daily NAV is available in public domain
   b. Mutual fund is limited to investing in the permitted instruments listed.

Bank has no practice of monitoring / controlling exposures on a net basis, though Bank is able to determine at any time loans/ advances and deposits of the same counterparty. Netting benefit, even if available, is not utilised in capital computation under Basel III norms.

1.4 Main types of guarantor counterparty and their creditworthiness

Bank considers guarantees, which are direct, explicit, irrevocable and unconditional for Credit risk mitigation. Use of such guarantees for capital computation is strictly as per RBI guidelines on the subject.

Main types of guarantor counterparties are

a. Sovereigns (Central / State Governments)

b. Sovereign entities like ECGC, CGFTSI, individual schemes under NCGTC which are backed by explicit Central Government Guarantee.

c. Banks and Primary Dealers with a lower risk weight than the counter party

Other entities that are externally rated except when credit protection is provided to a securitisation exposure. This would include guarantee cover provided by parent, subsidiary and affiliate companies when they have lower risk weight than the obligor. The rating of the guarantor should be an entity rating which has factored in all the liabilities and commitments (including guarantees) of the entity.

1.5 Information on market / credit risk concentrations within the mitigation taken by the Bank

Majority of financial collaterals held by the Bank are by way of own Deposits, Government Securities, Gold, Life Insurance Policies and other approved securities like NSC, KVP etc. Bank does not envisage market liquidity risk in respect of financial collaterals except in Gold and Units of Mutual Funds since sufficient margin is always kept. Bank does not have concentration in exposure collateralised through units of eligible Mutual Funds. With respect to gold loans, each and every exposure is reviewed/ renewed/ closed within a maximum period of 12 months. Bank could successfully manage the risks posed by sudden reduction in gold price in the past on account of maintaining RBI stipulated LTV and close monitoring if the accounts. Measures warranted during each situation were timely taken.

Bank has not experienced any significant Market liquidity risk in Gold. Overall, financial collaterals do not have any issue in realisation.

Concentration on account of collateral is also relevant in the case of Land & building. Except in the case of Housing loan to individuals and loans against property, land and building is considered only as an additional security. As land and building is not recognised as eligible collateral under Standardised Approach, its value is not reduced from the amount of exposure in the process of computation of capital charge. It is used only in the case of Housing loan to individuals and non-performing assets to determine the appropriate risk weight. As such, there is no concentration risk on account of nature of collaterals.

2. Quantitative Disclosures

2.1 Credit risk exposure covered by eligible financial collaterals

(Amount in ₹ Million.)

	Type of exposure	Credit equivalent of gross exposure	Value of eligible financial collateral after haircuts	Net amount of credit exposure
A	Funded Credit Exposure	296459.75	269218.56	27241.18
B	Non funded Credit exposure	55996.51	32093.51	23903.00
C	Securitisation exposures – On balance sheet	-	-	-
D	Securitisation exposures – Off balance sheet	-	-	-
	TOTAL	**352456.25**	**301312.07**	**51144.18**

2.2 Credit risk exposure covered by guarantees

(Amount in ₹ Million.)

	Type of exposure	Credit equivalent of gross exposure	Amount of guarantee (Credit equivalent)
A	Funded Credit Exposure	540649.15	37233.15
B	Non funded Credit exposure	557.53	274.93
C	Securitisation exposures – on balance sheet	-	-
D	Securitisation exposures – off balance sheet	-	-
	TOTAL	**541206.68**	**37508.08**

TABLE DF – 6: SECURITISATION: DISCLOSURES FOR STANDARDISED APPROACH

1.	**Qualitative disclosures**
1.1	**General disclosures on securitisation exposures of the Bank**
A	Objectives of securitisation activities of the Bank (including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the Bank to other entities and nature of other risks inherent in securitised assets)
	Bank's securitisation exposure is limited to investments in securitisation instruments (Pass Through Certificates) and purchase of asset portfolio by way of Direct assignment route. The bank invests/ purchase securitised assets with the objective of book building and yield optimisation.
B	Role of Bank in securitisation processes (originator / investor/ service provider/ facility provider etc.) and extent of involvement in each activity.
	As an Investor: The Bank invests in Pass Through Certificates backed by financial assets originated by third parties. Such investments are held in its Trading book. As an Assignee: The Bank also purchases Asset portfolio by way of Direct assignment from Banks / NBFCs.
C	Processes in place to monitor changes in the credit and market risk of securitisation exposures
	The major risks involved in Loan assignment transactions are: **Credit Risk:** The risk of default on a debt that may arise from an obligor failing to make required payments. **Co-mingling risks:** Risks arising on account of co-mingling of funds belonging to the assignee with that of originator. This occurs when there is a time lag between collection of loan instalments by the originator and remittance to the assignee. **Regulatory and legal risks:** Risks arising due to non-compliance of regulatory requirements resulting in keeping higher risk weight/ capital charge for assignment transactions. Risk of non-compliance of regulatory rules. **Prepayment risk:** Prepayment risk arises on account of prepayment of dues by obligors in the assigned pool either in part or full. Bank is constantly monitoring the changes in Credit and Market risk profile of securitisation instruments held in the Trading book and Banking book. In case of portfolio purchased through Assignment route, monitoring is done on an individual account level.
D	Bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation exposures
	The Bank has not originated any securitisation exposures. In the case of purchase by way of Direct assignment route, Bank has not used any Credit risk mitigants.
1.2	**Accounting policies for securitisation activities**
A	Treatment of transaction (whether as sales or financings)
	NA
B	Methods and key assumptions (including inputs) applied in valuing positions retained or purchased
	Income from investments in Pass Through Certificates is recognised on accrual basis. Income recognition is subjected to prudential norms stipulated by Reserve Bank of India in this regard. The loans purchased through Direct assignment route are classified as advances. The loans purchased will be carried at acquisition cost.
C	Changes in methods and key assumptions from the previous period and impact of the changes
	No change is effected in methods and key assumptions used for valuation of investment in securitised instruments (Pass Through Certificates).
D	Policies for recognising liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitised assets.
	Bank has not entered into any arrangement to provide financial support for securitised assets.
1.3	**In the Banking Book, names of ECAIs used for securitisations and the types of securitisation exposures for which each agency is used.**
	For computation of Capital requirements for loans purchased by way of Direct assignment, Bank has used the Credit rating issued by eligible ECAIs.

2.	**Quantitative disclosures** (Amount in ₹ Million)	
2.1	**In the Banking Book**	
A	Total amount of exposures securitised by the Bank	Nil
B	For exposures securitised, losses recognised by the Bank during the current period (exposure type wise break up)	Nil
C	Amount of assets intended to be securitised within a year	Nil
D	Of (C) above, amount of assets originated within a year before securitisation	Nil
E	Securitisation exposures (by exposure type) and unrecognised gain or losses on sale thereon	

Type of exposure	Amount securitised	Unrecognised gain / loss
Nil	Nil	Nil

F Aggregate amount of on-balance sheet securitisation exposures retained or purchased by the Bank (exposure type wise breakup) (Direct assignment of Cash flows)

Housing	4292.46
Loan against property	6626.66
Mixed Assets*	535.28
Agri / Allied activities	222.04
Total	**11676.4**

G Aggregate amount of off-balance sheet securitisation exposures (exposure type wise breakup): NIL

H Aggregate amount of securitisation exposures retained or purchased and associated capital charges (Direct assignment of Cash flows)

Risk Weight Bands	Exposure Type	Exposure	Capital Charge
Less than 100%	Housing Loans	4280.83	189.446
	Mixed Assets*	535.576	36.1514
	Loan against property	-	-
	Agri / Allied activities	-	-
At 100%	Agri / Allied activities	159.303	14.3373
	Loan against property	6626.66	596.399
	Housing Loans	11.632	1.04688
More than 100%	Agri / Allied activities	62.7382	8.46966
	Mixed Assets*	-	-

*includes Commercial Vehicle Loans, Personal loan and Micro &Small Business Loans

I	Total amount of deductions from capital on account of securitisation exposures	Nil
	Deducted entirely from Tier I capital-underlying exposure type wise break up	Nil
	Credit enhancing interest only strips (I/O) deducted from total capital – underlying exposure type wise break up	Nil
	Other exposures deducted from total capital – underlying exposure type wise break up	Nil
2.2	**In the Trading Book**	
A	Aggregate amount of exposures securitised by the Bank for which the Bank has retained some exposures, which is subject to Market Risk approach (exposure type wise details)	

Type of exposure	Gross Amount	Amount retained
NIL	NIL	NIL

B Aggregate amount of on-balance sheet securitisation exposures retained or purchased by the Bank (exposure type wise breakup)

	Type of exposure	(Amount in ₹ Million.)
	Investment in Pass through Certificates	25761.61
C	Aggregate amount of off-balance sheet securitisation exposures (exposure type wise breakup)	NIL
D	Securitisation exposures retained / purchased subject to Comprehensive Risk Measure for specific risk	-

E Securitisation exposures retained / purchased subject to specific risk capital charge (risk weight band wise distribution)

Type of Exposure	**Capital charge as % to exposure**	**Exposure** (Amount in ₹ Million.)
Investment in Pass through Certificates	4.13%	25825.37

F Aggregate amount of capital requirements for securitisation exposures (risk weight band wise distribution)

Type of exposure	**Capital charge as % to exposure**	**Capital charge** (Amount in ₹ Million.)
Investment in Pass through Certificates	4.13%	1066.60

G	Total amount of deductions from capital on account of securitisation exposures	NIL
	Deducted entirely from Tier I capital – underlying exposure type wise break up	NIL
	Credit enhancing interest only strips (I/Os) deducted from total capital – underlying exposure type wise break up	NIL
	Other exposures deducted from total capital – underlying exposure type wise break up	NIL

TABLE DF – 7: MARKET RISK IN TRADING BOOK

1. Qualitative disclosures

1.1 Approach used for computation of capital charge for market risk

Bank has adopted Standardised Duration Approach as prescribed by RBI for computation of capital charge for general market risk and is fully compliant with such RBI guidelines. Bank uses VaR as an indicative tool for measuring Forex risk and Equity Price risk. Standardised Duration Approach is applied for computation of General Market Risk for

- Securities under HFT category
- Securities under AFS category
- Open gold position limits
- Open foreign exchange position limits
- Trading positions in derivatives
- Derivatives entered into for hedging trading book exposures

Specific capital charge for market risk is computed based on risk weights prescribed by the Regulator.

1.2 Portfolios covered in the process of computation of capital charge

Investment portfolio under AFS and HFT, Gold and Forex open positions and Derivatives entered for trading and hedging.

(Amount in ₹ Million.)

2.	**Quantitative disclosures**	
2.1	**Minimum capital requirements for market risk as per Standardised Duration Approach**	
	Interest rate risk	2531.80
	Foreign exchange risk (including gold)	222.75
	Equity position risk	1769.40

TABLE DF – 8: OPERATIONAL RISK

1.	**Qualitative disclosures**
1.1	**Approach used for computation of capital charge for operational risk (and for which the Bank is qualified)**
	Bank is following the Basic Indicator Approach for computation of capital charge for operational risk.

TABLE DF – 9: INTEREST RATE RISK IN BANKING BOOK (IRRBB)

1. Qualitative disclosures

The impact of adverse movements in interest rates on financials is referred to as interest rate risk. For banking book, interest rate risk arises through mismatches in re-pricing of interest rate sensitive assets (RSA), rate sensitive liabilities (RSL) and rate sensitive off-balance sheet items. As interest rate risk can impact both Net Interest Income (NII) and Economic value of capital, it is assessed and managed from both earnings and economic value perspective.

a) **Earnings perspective:** Analyses the impact on Bank's Net Interest Income (NII) in the short term through traditional gap analysis.

b) **Economic perspective:** Analyses the impact on the Net-worth of bank due to re-pricing of assets, liabilities and off-balance sheet items through duration gap analysis.

The Bank classifies an asset/liability as rate sensitive if:

- Within the time interval under consideration, there is a cash flow
- The interest rate resets / reprices contractually during the interval
- RBI changes the interest rates in cases where interest rates are administered.

Rate sensitive assets and liabilities are grouped under various time buckets prescribed by RBI for interest rate sensitivity statement and bucket wise modified duration is computed using the suggested common maturity, coupon and yield parameters.

Non-rate sensitive liabilities and assets primarily comprise of capital, reserves and surplus, other liabilities, cash and balances with RBI, current account balances with banks, fixed assets and other assets.

IRRBB is assessed on a monthly basis and monitored by ALCO, both under earnings and economic value perspectives.

Amount in ₹ Million

2	**Quantitative disclosures - Impact of interest rate risk**		
		Total Book	Banking Book
2.1	**Earnings perspective (Traditional Gap Analysis)**		
	Earnings at Risk (EaR) – impact for one year due to Uniform 1% increase/ decrease in interest rate	2610.46	2458.56
	Economic value perspective – percentage and quantum of decrease in market value of equity on account of 1% uniform increase/decrease in interest rate	8803.41	7175.53

(Currency wise break up not provided as the turnover in other currencies is less than 5% of total turnover)

TABLE DF – 10: GENERAL DISCLOSURE FOR EXPOSURE RELATED TO COUNTERPARTY CREDIT RISK

Qualitative disclosures

Bank has put in place Counterparty Credit Risk limits for banks as counterparty, based on internal rating of the counterparty bank and with the approval of the Board. Counterparty exposures for other entities are subject to comprehensive exposure ceilings fixed by the Board. Capital for Counterparty Credit Risk is assessed based on the Standardised Approach.

Quantitative disclosures

The Bank does not recognise bilateral netting. The credit equivalent amounts of derivatives that are subjected to risk weighting are calculated as per the Current Exposure Method. The balance outstanding and the current exposure thereof are as follows:

(Amount in ₹ Million.)

Particulars	Notional Amounts	Current Exposure
Foreign exchange contracts	520724.56	22442.40
Interest rate derivative contracts	110800.00	1090.83
Total	**631524.56**	**23533.24**

TABLE DF-11: COMPOSITION OF CAPITAL

(Amount in ₹ Million.)

Basel III common disclosure template			Ref No
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	67589.24	a+d-m2
2	Retained earnings	54630.90	l+m-m1
3	Accumulated other comprehensive income (and other reserves)	94014.58	b+c+e+f+i+j+k+di
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	0.00	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0.00	
6	Common Equity Tier 1 capital: before regulatory adjustments	216234.72	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	0.00	
8	Goodwill (net of related tax liability)	150.18	x1
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	31.61	r+p
10	Deferred tax assets	0.00	
11	Cash-flow hedge reserve	0.00	
12	Shortfall of provisions to expected losses	0.00	
13	Securitisation gain on sale	0.00	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	1842.67	
15	Defined-benefit pension fund net assets	0.00	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	0.00	
17	Reciprocal cross-holdings in common equity	0.00	
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)	0.00	
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)	0.00	
20	Mortgage servicing rights (amount above 10% threshold)	0.00	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0.00	
22	Amount exceeding the 15% threshold	0.00	
23	of which: significant investments in the common stock of financial entities	-	
24	of which: mortgage servicing rights	0.00	
25	of which: deferred tax assets arising from temporary differences	0.00	
26	National specific regulatory adjustments (26a+26b+26c+26d)	0.00	

26 a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	0.00	
26 b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	0.00	
26 c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	0.00	
26 d	of which: Unamortised pension funds expenditures	0.00	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	0.00	
28	Total regulatory adjustments to Common equity Tier 1	2024.46	
29	Common Equity Tier 1 capital (CET1)	**214210.26**	
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	0.00	
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	0.00	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	0.00	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	0.00	
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)	0.00	
35	of which: instruments issued by subsidiaries subject to phase out	0.00	
36	Additional Tier 1 capital before regulatory adjustments	0.00	
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	0.00	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	0.00	
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)	0.00	
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)	0.00	
41	National specific regulatory adjustments (41a+41b)	0.00	
41 a	of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	0.00	
41 b	of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	0.00	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	0.00	
43	**Total regulatory adjustments to Additional Tier 1 capital**	0.00	
44	**Additional Tier 1 capital (AT1)**	0.00	
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44)**	**214210.26**	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	19950.00	n
47	Directly issued capital instruments subject to phase out from Tier 2	0.00	
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)	0.00	
49	of which: instruments issued by subsidiaries subject to phase out	0.00	
50	Provisions	11633.54	ci+h+o+g
51	**Tier 2 capital before regulatory adjustments**	**31583.54**	

Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	0.00	
53	Reciprocal cross-holdings in Tier 2 instruments	391.79	
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)	0.00	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0.00	
56	National specific regulatory adjustments (56a+56b)	0.00	
56 a	of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	0.00	
56 b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	0.00	
57	Total regulatory adjustments to Tier 2 capital	391.79	
58	**Tier 2 capital (T2)**	31191.75	
59	**Total capital (TC = T1 + T2) (45 + 58)**	**245402.01**	
60	**Total risk weighted assets (60a + 60b + 60c)**	**1609839.13**	
60 a	of which: total credit risk weighted assets	1428211.31	
60 b	of which: total market risk weighted assets	50266.08	
60 c	of which: total operational risk weighted assets	131361.75	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	13.31%	
62	Tier 1 (as a percentage of risk weighted assets)	13.31%	
63	Total capital (as a percentage of risk weighted assets)	15.24%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	0.00%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical buffer requirement	0.00%	
67	of which: G-SIB buffer requirement	0.00%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	7.81%	
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	7104.93	
73	Significant investments in the common stock of financial entities	7005.02	
74	Mortgage servicing rights (net of related tax liability)	0.00	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	0.00	
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)	9704.11	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	17852.64	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	NA	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	NA	

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	NA	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	NA	
82	Current cap on AT1 instruments subject to phase out arrangements	NA	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	NA	
84	Current cap on T2 instruments subject to phase out arrangements	NA	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	NA	

Note to the Template

Row No. of the template	Particular	(Amount in ₹ Million.)
10	Deferred tax assets associated with accumulated losses	0.00
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	1196.14
	Total as indicated in row 10	1196.14
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	2080.00
	of which: Increase in Common Equity Tier 1 capital	2080.00
	of which: Increase in Additional Tier 1 capital	0.00
	of which: Increase in Tier 2 capital	0.00
26 b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	0.00
	(i) Increase in Common Equity Tier 1 capital	0.00
	(ii) Increase in risk weighted assets	0.00
50	Eligible Provisions included in Tier 2 capital	9704.11
	Investment Fluctuation Reserve included in Tier 2 capital	1906.89
	Eligible Revaluation Reserves included in Tier 2 capital	22.54
	Total of row 50	**11633.54**

Table DF-12

(Amount in ₹ Million.)

	Composition of Capital: Reconciliation Requirements Step 1	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		31-03-2023	31-03-2023
A	**Capital & Liabilities**		
i	Paid-up Capital	4232.40	4232.40
	Reserves & Surplus	210829.97	219628.36
	Minority Interest	-	-
	Total Capital	215062.37	223860.76
ii	Deposits	**2133860.38**	**2129885.01**
	of which: Deposits from banks	25877.04	25877.04
	of which: Customer deposits	2107983.34	2104007.97
	of which: Other deposits (pl. specify	0.00	0.00
iii	Borrowings	193192.89	258619.79
	of which: From RBI	0.00	0.00
	of which: From banks	978.00	64201.77
	of which: From other institutions & agencies	161875.13	164078.25
	of which: Others (pl. specify)	30339.76	30339.76
	of which: Capital instruments	19950.00	19950.00

Table DF-12

(Amount in ₹ Million.)

	Composition of Capital: Reconciliation Requirements Step 1	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		31-03-2023	**31-03-2023**
iv	Other liabilities & provisions	**61302.65**	**66791.98**
	Total Liabilities	**2603418.29**	**2679157.54**
B	**Assets**		
i	Cash and balances with Reserve Bank of India	125908.46	126042.36
	Balance with banks and money at call and short notice	50978.34	51996.93
ii	Investments:	**489833.47**	**486139.35**
	of which: Government securities	423955.33	426889.67
	of which: Other approved securities	0.00	0.00
	of which: Shares	6874.98	6934.92
	of which: Debentures & Bonds	23478.02	21197.65
	of which: Subsidiaries / Joint Ventures / Associates	6688.02	2080.00
	of which: Others (Commercial Papers, Mutual Funds etc.)	28837.12	29037.11
iii	Loans and advances	**1744468.85**	**1819567.49**
	of which: Loans and advances to banks	2069.35	2069.35
	of which: Loans and advances to customers	1742399.49	1817498.14
iv	Fixed assets	**9339.74**	**9717.11**
v	Other assets	**182889.43**	**185694.30**
	of which: Goodwill and intangible assets	0.00	31.61
	of which: Deferred tax assets	817.43	1196.14
vi	Goodwill on consolidation	-	-
vii	Debit balance in Profit & Loss account	-	-
	Total Assets	**2603418.29**	**2679157.54**

TABLE DF-12

(Amount in ₹ Million.)

	Composition of Capital: Reconciliation Requirements Step 2	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref No.
		31-03-2023	**31-03-2023**	
A	**Capital & Liabilities**			
i	Paid-up Capital	**4232.40**	**4232.40**	
	of which: Amount eligible for CET1	4232.40	4232.40	a
	of which: Amount eligible for AT1	0.00	0.00	
	Reserves & Surplus	**210829.97**	**219628.36**	
	Of which	0.00	0.00	
	-Statutory Reserve	46060.77	46060.77	b
	-Revaluation Reserve (Part of CET1 at a discount of 55%)	0.00	0.00	c
	-Revaluation reserves at a discount of 55 percent (T-2) (if not already shown under CET 1)	50.09	50.09	c i
	-Share premium	61716.22	63356.84	d
	-Capital Redemption Reserve	0.00	14.64	di
	-Capital Reserve	7567.74	7567.74	e
	-Revenue and other reserves	29399.16	30119.81	f
	-Investment fluctuation reserve	1906.89	1906.89	g
	-Investment reserve			h
	-Foreign Currency Translation Reserve (at a discount of 75 per cent)	-139.49	-139.49	i
	-ESOP Reserve	24.78	33.16	i1
	-Special reserve	10090.10	10090.10	j
	-Contingency reserve	301.00	301.00	k

TABLE DF-12 (Amount in ₹ Million.)

	Composition of Capital: Reconciliation Requirements Step 2	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref No.
		31-03-2023	31-03-2023	
	- Balance in Profit and loss account at the end of the previous financial year	41055.45	42881.78	l
	- Current Financial year profit (After appropriations)	12797.24	13865.32	m
	- Dividend appropriation considered for regulatory purposes		2116.20	m1
	Minority Interest	0.00	3519.71	m2
	-Cash flow hedge reserve	0.00		
	Total Capital	**215062.37**	**223860.76**	
ii	Deposits	**2133860.38**	**2129885.01**	
	of which: Deposits from banks	25877.04	25877.04	
	of which: Customer deposits	2107983.34	2104007.97	
	of which: Other deposits (pl. specify)	0.00	0.00	
iii	Borrowings	**193192.89**	**258619.79**	
	of which: From RBI	-	-	
	of which: From banks	978.00	64201.77	
	of which: From other institutions & agencies	161875.13	164078.25	
	of which: Others	30339.76	30339.76	
	of which: Capital instruments (Tier II bonds)	19950.00	19950.00	
	- Recognised under Tier II	19950.00	19950.00	n
	- Not Recognised under Tier II	0.00	0.00	
iv	Other liabilities & provisions	**61302.65**	**66791.98**	
	of which: DTLs		0.00	
	of which: Standard asset provision included under Tier II	8990.80	9704.11	o
	Total Liabilities	**2603418.29**	**2679157.54**	
B	**Assets**			
i	Cash and balances with Reserve Bank of India	**125908.46**	**126042.36**	
	Balance with banks and money at call and short notice	**50978.34**	**51996.93**	
ii	Investments	**489833.47**	**486139.35**	
	of which: Government securities	423955.33	426889.67	
	of which: Other approved securities	0.00	0.00	
	of which: Shares	6874.98	6934.92	
	of which: Good will	0.00	150.18	x1
	of which: Debentures & Bonds	23478.02	21197.65	
	of which: Subsidiaries / Joint Ventures / Associates	6688.02	2080.00	
	of which: Others (Commercial Papers, Mutual Funds etc.)	28837.12	29037.11	
iii	Loans and advances	**1744468.85**	**1819567.49**	
	of which: Loans and advances to banks	2069.35	2069.35	
	of which: Loans and advances to customers	1742399.49	1817498.14	
iv	Fixed assets	**9339.74**	**9717.11**	
	of which Intangible assets	**0.00**	**31.61**	p
v	Other assets	**182889.43**	**185694.30**	
	a Other intangibles (excluding MSRs)	0.00	0.00	r
	b Deferred tax assets	817.43	1196.14	
	c MAT credit entitlement	0.00	0.00	
vi	Goodwill on consolidation	0.00	0.00	
vi	Debit balance in Profit & Loss account	0.00	0.00	
	Total Assets	**2603418.29**	**2679157.54**	

TABLE DF-16: EQUITIES – DISCLOSURE FOR BANKING BOOK POSITIONS

Qualitative Disclosures

Valuation and accounting of equity holdings in the banking book:

In accordance with the RBI Master Directions on "Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks", investments are classified at the time of purchase into Held for Trading" ('HFT'), "Available for Sale" ('AFS') and "Held to Maturity" ('HTM') categories.

Investment in the equity of subsidiaries and joint ventures (a Joint Venture is the one in which the bank, along with its subsidiaries, holds more than 25% of the equity) are required to be classified under HTM category.

Investments in Held to Maturity are carried at their acquisition cost. Any diminution, other than temporary, in the value of such securities is provided for. Profit on sale /redemption of investments is included in the Profit and Loss account and is appropriated to Capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale / redemption is charged to the Profit and Loss account

Investments in subsidiaries/associates as per RBI guidelines are categorised as HTM and assessed for impairment to determine permanent diminution, if any. The book value of Bank's equity investment HTM portfolio was ₹ 6,688.02 Million as at 31.03.2023.

Quantitative Disclosures

(Amount in ₹ Million.)

Market Value of Equity Investments in HTM Outstanding	6688.01
The types and nature of investments, including the amount that can be classified as:	
▪ Market Value of Listed Equities in HTM	0.00
▪ Market Value of Unlisted Equities in HTM	6688.01
Net Profit / Loss on sale of Equities from HTM	-
Total unrealised gains (losses)*	-
MTM of HTM equities	-

*Unrealised gains (losses) recognised in the balance sheet but not through the profit and loss account.

All our investments in subsidiaries are kept under common equity.

LEVERAGE RATIO (Consolidated)

Leverage ratio is a non-risk based measure of exposure over capital. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The Basel III leverage ratio is defined as the ratio of capital measure (the numerator) to exposure measure (the denominator), expressed as a percentage.

The capital measure used for the leverage ratio at any particular point in time is the Tier 1 capital measure applying at that time under the risk-based framework. Total exposure measure is the sum of the on-balance sheet exposures, derivative exposures, securities financing transaction (SFT) exposures and off- balance sheet (OBS) items.

$$\text{Leverage Ratio} = \frac{\text{Tier I Capital}}{\text{Total Exposure}}$$

TABLE DF 17 - SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE.

	Item	(Amount in ₹ Million.)
1	Total consolidated assets as per published financial statements	2603418.29
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	75739.24
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure (less)	2024.46
4	Adjustments for derivative financial instruments	23533.24
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0.00

Item	(Amount in ₹ Million.)
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	218801.77
7 Other adjustments	6755.62
8 Leverage ratio exposure	2926223.71

TABLE DF 18 - LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

Item	Leverage ratio framework (Amount in ₹ Million.)
On-balance sheet exposures	
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	2685913.15
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	2024.46
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	2683888.70
Derivative exposures	
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	6038.45
5 Add-on amounts for PFE associated with all derivatives transactions	17494.79
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0.00
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0.00
8 (Exempted CCP leg of client-cleared trade exposures)	0.00
9 Adjusted effective notional amount of written credit derivatives	0.00
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0.00
11 Total derivative exposures (sum of lines 4 to 10)	23533.24
Securities financing transaction exposures	
12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0.00
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	0.00
14 CCR exposure for SFT assets	0.00
15 Agent transaction exposures	0.00
16 Total securities financing transaction exposures (sum of lines 12 to 15)	0.00
Other off-balance sheet exposures	
17 Off-balance sheet exposure at gross notional amount	570657.68
18 (Adjustments for conversion to credit equivalent amounts)	351855.90
19 Off-balance sheet items (sum of lines 17 and 18)	218801.77
20 Tier 1 Capital	214210.26
21 Total exposures (sum of lines 3,11,16 and 19)	2926223.71
22 Basel III leverage ratio	7.32%

*Leverage ratio (Solo):7.18%