IDBI Bank Ltd.

Pillar III Disclosures (September 30, 2022)

1. **Scope of Application and Capital Adequacy**

Scope of Application

Accounting and regulatory consolidation

For the purpose of financial reporting, the Bank consolidates its subsidiaries in accordance with Accounting Standard (AS) 21, Consolidated Financial Statements, on a line-by-line basis by adding together like items of assets, liabilities, income and expenditure. Investments in associates are accounted for by the equity method in accordance with AS-23, "Accounting for Investments in Associates in Consolidated Financial Statements".

For the purpose of consolidated prudential regulatory reporting, the consolidated Bank includes all group entities under its control, except group companies which are engaged in insurance business and any non-financial activities. Details of subsidiaries and associates of the Bank along with the consolidation status for accounting and regulatory purposes are given below:

Name of the head of the banking group to which the framework applies: IDBI Bank Ltd.

(i) **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
IDBI Capital Market Services Ltd/India	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements	NA	NA

IDBI Asset Management Ltd/India	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements	NA	NA
IDBI MF Trustee Company Ltd/India	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements	No	NA	NA	IDBI MF Trustee Company Ltd is a non-Financial Entity. Deducted from Consolidated Regulatory Capital of the group.
IDBI Intech Ltd/India	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements	No	NA	NA	IDBI Intech Ltd is a non-Financial Entity. Deducted from Consolidated Regulatory Capital of the group.
IDBI Trusteeship Services Ltd/India	Yes	Consolidated in accordance with AS-21, Consolidated Financial Statements	No	NA	NA	IDBI Trusteeship is a non-Financial Entity. Deducted from Consolidated Regulatory

						Capital of the group.
Ageas Federal Life Insurance Company Ltd.	No	Consolidated in accordance with AS-27, Financial Reporting of Interest in Joint Venture.	No	NA	NA	Excluded as per regulatory reporting guidelines being an entity engaged in insurance business.
Biotech Consortium India Limited	Yes	Accounted for by the equity method in accordance with AS-23, "Accounting for Investments in Associates in Consolidated Financial Statements".	No	NA	NA	Risk weighted for capital adequacy purposes

National Securities Depository Limited	Yes	Accounted for by the equity method in accordance with AS-23, “Accounting for Investments in Associates in Consolidated Financial Statements”.	No	NA	NA	Risk weighted for capital adequacy purposes
NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LIMITED	Yes	Accounted for by the equity method in accordance with AS-23, “Accounting for Investments in Associates in Consolidated Financial Statements”.	No	NA	NA	Risk weighted for capital adequacy purposes

* NA – Not Applicable

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

There are no group entities that are not considered for consolidation under both the accounting scope of consolidation and regulatory scope of consolidation.

(ii) Quantitative Disclosures:

c. List of group entities considered for regulatory consolidation:

(Amt. in ₹ Crore)

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)
IDBI Capital Market Services Ltd/India	Business includes stock broking, distribution of financial products, merchant banking, corporate advisory services, etc.	Rs.128.10	Rs.362.90
IDBI Asset Management Ltd/India	Manages investments of funds raised through MF schemes.	Rs.200.00	Rs.128.99

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:

There is no capital deficiency in any subsidiary, which is not included in the regulatory scope of consolidation.

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

(Amt. in ₹ Crore)

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 Ltd. / India	Life Insurance business	Rs. 80.00	0 %	Nil

f. Any 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

<u>Table DF-2: Capital Adequacy</u>

The Bank maintains and manages capital as a cushion against the risk of probable losses and to protect its stakeholders, depositors and creditors. The future capital requirement of the Bank is projected as a part of its annual business plan, in accordance with its business strategy. To calculate the future capital requirements of the Bank a view on the market behaviour is taken after considering various factors such as interest rate, exchange rate and liquidity positions. In addition, broad parameters like balance sheet composition, portfolio mix, growth rate and relevant discounting are also considered. Further, the loan composition and rating matrix is factored in to reflect precision in projections. In line with the Basel III guidelines, which are effective since April 01, 2013, the Bank has been calculating its capital ratios as per the extant RBI guidelines. The main focus of Basel III norms is on the quality and quantity of Tier I capital. The Standalone CRAR position of the Bank as on September 30, 2022, is as given below:

Capital Adequacy Ratios	
CET 1	17.05%
Tier 1	17.05%
Tier 2	2.43%
CRAR	19.48%

Risk exposure & Assessment

For identification, quantification and estimation of current and future risks which are not captured at all or not fully captured under the Standardised Approach of Pillar-I , the Bank has a Board approved Internal Capital Adequacy Assessment Process (ICAAP) policy. The policy covers the process for addressing such risks, measuring their impact on the financial position of the Bank and formulating appropriate strategies for their containment & mitigation, thereby maintaining an adequate level of capital. ICAAP exercise is conducted periodically to determine that the Bank has adequate capital to meet regulatory requirements in line with its business requirements. ICAAP policy of the bank also lays down the roadmap for comprehensive stress testing, covering regulatory stress conditions to give an insight into the impact of severe but plausible stress scenarios on the Bank's risk profile and capital position. The stress tests exercises are carried out quarterly incorporating RBI guidelines on Stress testing dated December 02, 2013. The impact of stress scenarios on the profitability and capital adequacy of the Bank are analyzed. Stress testing framework includes scenario analysis to understand the impact of further increase in Gross NPA, crystallization of NFB facilities of NPA and Technically Written Off accounts and illiquid securities on capital and profitability of the Bank. The mechanism of reverse stress testing is used to find the level of stress which may adversely hit the capital to take it to a pre-determined floor level. The result of the exercise is reported to the suitable board level committee(s).

The Consolidated CRAR position, as on September 30, 2022 is as under:

(Amt. in ₹ Crore)

Capital requirement	
Credit Risk Capital:	
Portfolios subject to standardised approach	14,463.11
Securitisation	0.00
Market Risk Capital:	
Standardised duration approach	818.94
Interest Rate Risk	481.84
Foreign exchange Risk (including Gold)	27.00
Equity Risk	309.66
On derivatives (FX Options)	0.45
Operational Risk Capital:	
Basic indicator approach	1,806.95
Total Minimum Capital required excluding CCB	17,089.00
Common Equity Tier 1, Tier 1 and Total capital ratio:	
CET 1	17.22%
Tier 1	17.22%
Tier 2	2.42%
Total (Tier 1 + Tier 2)	19.64%

DF-3a: Credit Risk: General Disclosures:

Credit risk is the risk of loss that may occur due to default of the counterparty or from its failure to meet its obligations as per terms of the financial contract. Any such event will have an adverse effect on the financial performance of the Bank. The Bank faces credit risk through its lending, investment and contractual arrangements. A robust risk governance framework has been put in place to counter the effect of credit risk faced by the Bank. The framework provides a clear definition of roles as well as allocation of responsibilities with regard to ownership and management of risks. Allocation of responsibilities is further substantiated by defining clear hierarchy with respect to reporting relationships and Management Information System (MIS) mechanism.

Bank's Credit risk management policies

The Bank has defined and implemented various risk management policies, procedures and standards with an objective to clearly articulate processes and procedural requirements that are binding on all concerned Business groups. Credit Policy of the Bank is guided by the objective to build, sustain and maintain a high quality credit portfolio. The policy document lays down broad approaches and guidance for lending to different business segment, besides guidance on credit process, credit risk management, control and monitoring with emphasis on maintaining asset quality as well as risk adjusted return. The policy also addresses more granular factors such as diversification of the portfolio across counter parties, business groups, industries, geographies and sectors. The policy reflects the Bank's approach towards lending to corporate clients in light of prevailing business environment and regulatory stipulations.

Bank's Credit Policy also details the standards for its Retail Assets portfolio. The policy also guides the formulation of individual product program guidelines for various retail products. Credit policy is reviewed annually in anticipation of or in response to the dynamics of the environment (regulatory & market) in which the Bank operates or to change in strategic direction, risk tolerance, etc. The policy is approved by the Board of Directors of the Bank.

Bank has put in place internal guidelines on exposure norms in respect of single borrower, groups, exposure to sensitive sector, industry exposure, unsecured exposures, etc. to control concentration of credit risk. Norms have also been detailed for soliciting new business as well as for preliminary scrutiny of new clients. Bank abides by the directives issued by RBI, SEBI and other regulatory bodies in respect of lending to any industry including NBFCs, Real Estate, Capital Markets, Commodities, Gems and Jewelry and Infrastructure. In addition, internal limits have been prescribed for certain specific segments based on prudential considerations.

The Bank has a specific policy on Counter Party Credit Risk pertaining to exposure on domestic & international banks and a policy on Country Risk Management pertaining to exposure on various countries. In line with regulatory guidelines, the Bank also computes exposure under Large Exposure Framework (LEF) following the net accounting method.

Credit risk assessment process:

The sanction of credit proposals is in accordance with the delegation structure approved by the Board of Directors. Credit risk rating, used by the Bank is one of the key tools for assessing its credit proposals. The Bank has implemented internal rating model Risk Assessment Module (RAM), a two - dimensional module for rating viz.; obligor and facility. Different risk parameters such as financial, business, management and industry are used for different rating models in accordance with the category and characteristics of the borrower. Qualitative and quantitative information of the proposal is evaluated by the credit risk analyst to ascertain the credit rating of the borrower. Proposals over a certain threshold amount are rated centrally by senior officers in the Bank. Approval of credit for retail products are guided by the individual retail product paper guidelines and each proposal is appraised through a scoring model. In addition to the above, a Credit audit process is in place, which aims at reviewing the loans and acts as an effective tool to evaluate the efficacy of credit assessment, monitoring and mitigation process.

***Credit Portfolio Monitoring**:*

The credit portfolio of the Bank is monitored on regular basis to ensure compliance with internal and regulatory limits as well as to avoid undue concentration (borrower or Industry). The same is periodically reported to the senior management. Further, to ensure high quality of the asset portfolio the Bank has adopted a two pronged strategy i.e., containment of incidence of asset slippages and resolution / recovery from NPAs. In this regard, the Bank has an NPA management policy, which sets out guidelines for restricting slippage of existing standard assets and recovery / resolution of NPA by close monitoring, constant follow-up and evolving a suitable proactive Corrective Action Plan. Bank has extended the regulatory dispensations allowed under Covid relief package to its borrowers to minimize the stress which emanated from pandemic.

Definitions of non-performing assets:

The Bank classifies its advances into performing and non-performing advances in accordance with the extant RBI guidelines. The non-performing asset (NPA) is a loan or an advance where i.interest and/ or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan and the account remains ‘out of order’ in respect of an Overdraft/Cash Credit (OD/CC). An account should be treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for 90 days. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period, these accounts should be treated as 'out of order'. Other NPAs are as under:

- the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops,
- the instalment of principal or interest thereon remains overdue for one crop season for long duration crops,
- the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021.
- in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.
- In case of interest payments, banks should, classify an account as NPA only if the interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter

NPAs are further classified into sub-standard, doubtful and loss assets. A substandard asset is one, which has remained as 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 a period of 12 months. A loss asset is one where loss has been identified by the bank or internal or external auditors or the RBI inspection but the amount has not been written off wholly.

In respect of investments in securities, where interest / principal is in arrears, the Bank does not reckon income on such securities and makes provisions as per provisioning norms prescribed by RBI for depreciation in the value of investments.

b. & c. Total gross credit risk exposures & Geographic distribution of exposures: Fund and Non-fund based

(Amt. in ₹ Crore)

Particulars	Fund Based	Non Fund Based	Total
Domestic	2,13,785.70	81,405.19	2,95,190.89
Overseas	7,228.99	0.00	7,228.99
Total Gross Credit Exposures*	**2,21,014.69**	**81,405.19**	**3,02,419.88**

* Credit Exposure excludes the Investment

d. Industry type distribution of Gross credit exposures: Fund and Non-fund based :

(Amt. in ₹ Crore)

Industry	FB Credit Exposure	NFB Credit Exposure	Total Credit Exposure*
Agriculture & Allied Activities	29,127.00	63.68	29,190.68
Transport Operators	640.78	102.15	742.93
Computer Software	417.38	237.82	655.20
Tourism, Hotel and Resturants	1,000.60	22.14	1,022.74
Shipping	62.47	1.66	64.13
Professional services	1,923.35	271.04	2,194.39
Trade	17,659.73	1,112.54	18,772.28
Commercial Real Estate	1,043.14	272.36	1,315.50
NBFCs	11,952.46	373.04	12,325.50
Other Services	7,426.09	1,102.36	8,528.45
Housing Loans (Incl priority sector housing)	58,179.07	3.30	58,182.37
Consumer Durables	23.33	0.18	23.51
Credt Card Receivables	279.39	0.11	279.49
Vehical/Auto Loans	1,719.78	14.99	1,734.77
Education Loans	1,739.90	0.20	1,740.11
Advances against Fixed Deposits (incl. FCNR(B), etc.)	2.63	0.00	2.63
Other Retail Loans	3,795.00	4.90	3,799.90
Mining and Quarrying	5,434.19	61.98	5,496.17
Food Processing	3,930.84	481.94	4,412.78
Beverages (excluding Tea & Coffee) and Tobacco	381.50	85.42	466.92
Textiles	3,529.58	680.00	4,209.58
Leather and Leather products	105.49	22.01	127.51
Wood and Wood Products	75.16	38.50	113.66
Paper and Paper Products	721.46	479.61	1,201.08
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	3,674.39	3,983.37	7,657.76
Chemicals and Chemical Products (Dyes, Paints, etc.)	6,499.17	3,035.98	9,535.16
Rubber, Plastic and their Products	1,260.87	345.00	1,605.87
Glass & Glassware	30.27	1.26	31.53
Cement and Cement Products	1,195.62	744.39	1,940.01
Basic Metal and Metal Products	6,596.89	6,830.66	13,427.55
All Engineering	3,751.19	8,224.40	11,975.59
Vehicles, Vehicle Parts and Transport Equipments	1,420.48	940.70	2,361.18
Gems and Jewellery	1,897.52	554.40	2,451.93
Construction	4,867.59	1,424.86	6,292.45
Residuary other advances (to tally with gross advances)	12,602.51	20,426.13	33,028.63
Infrastructure	25,321.97	29,335.50	54,657.48
Other Industries	725.90	126.58	852.48

Industry	FB Credit Exposure	NFB Credit Exposure	Total Credit Exposure*
Total	**2,21,014.69**	**81,405.19**	**3,02,419.88**

* Credit Exposure excludes the Investment

Industries having more than 5% of the Gross credit exposures*

(Amt. in ₹ Crore)

Industry Name	Fund Based	Non Fund Based	Total	%
Housing Loans (Incl. priority sector housing)	58,179.07	3.30	58,182.37	**19.24%**
Infrastructure	25,321.97	29,335.50	54,657.48	**18.07%**
Agriculture & Allied Activities	29,127.00	63.68	29,190.68	**9.65%**
Basic Metal and Metal Products	17,659.73	1,112.54	18,772.28	**6.21%**
All Engineering	6,596.89	6,830.66	13,427.55	**4.44%**
Trade	3,751.19	8,224.40	11,975.59	**3.96%**

*Credit Exposure excludes the Investment

e. Residual contractual maturity breakdown of assets:

(Amt. in ₹ Crore)

Maturity Buckets	Assets as on September 30, 2022				
	Cash & Balances with RBI and Other Banks	Investments	Advances	Fixed Assets & Other Assets	Total Assets
Day 1	4751.112	21901.737	1360.716	7.939	28021.504
2 to 7 days	1201.7033	14229.9017	1359.137	711.212	17501.954
8 to 14 days	694.172	889.877	1817.146	30.24	3431.435
15 to 30 days	2692.416	743.984	1643.092	2400.125	7479.617
31 days & upto 2 months	4844.187	2344.5	2801.726	1266.83	11257.243
Over 2 months & upto 3 months	3179.03	1399.77	5319.322	29.16	9927.282
Over 3 months & upto 6 months	894.401	5119.292	6200.734	831.981	13046.408
Over 6 months & upto 1 year	3245.698	5471.095	10970.862	691.507	20379.162

Maturity Buckets	Assets as on September 30, 2022				
	Cash & Balances with RBI and Other Banks	Investments	Advances	Fixed Assets & Other Assets	Total Assets
Over 1 year & upto 3 years	5962.086	25327.526	47493.318	3371.513	82154.443
Over 3 years & upto 5 years	358.36	3897.582	10703.364	20552.456	35511.762
Over 5 yrs	64.183	11822.606	57082.508	11285.728	80255.025
Total	**27887.3483**	**93147.8707**	**146751.925**	**41178.691**	**308965.835**

f. g & h. Amount of NPAs (Gross) & Net NPAs & NPA Ratios

(Amt. in ₹ Crore)

Particulars	
Gross Advances	173947.81
Net Advances	146751.92
Gross NPA as on September 30, 2022	
a. Substandard	1115.51
b. Doubtful 1	1575.20
c. Doubtful 2	1312.33
d. Doubtful 3	3880.09
e. Loss	20839.11
Total	28722.24
NPA Provision*	27035.32
Net NPA	1686.92
NPA Ratios	
Gross NPAs to Gross Advances (%)	16.51%
Net NPAs to Net Advances (%)	1.15%

*Including NPV Loss on NPA , ICA Provision and NCLT.

i. Movement of Non-Performing Assets (NPA):

(Amt. in ₹ Crore)

Particulars (NPA Gross)	**As on September 30, 2022**
Opening Balance as on July 01, 2022	33908.32
Additions	662.70
Write Offs	5208.81
Reductions	639.97
Closing Balances	28722.24

j. a) Movement of Specific NPA Provisions:

(Amt in ₹ crore)

Particulars	**As September 30, 2022**
	Specific Provisions*

Opening Balance as on July 01, 2022	32176.21
Add : Provision made during the period	524.98
Less : Transfer to Countercyclical Provisional Buffer	0.00
Less : Write offs	5208.81
Less : Write Back of excess provision	457.06
Closing Balances	27035.32

*'Including NPV Loss on NPA , ICA Provision and NCLT.

b) Movement of General Provisions: **(Amt. in ₹ Crore)**

Particulars	As September 30, 2022 General Provisions
Opening Balance as on as July 01,2022	1475.31
Add : Provision made during the period	80.54
Less : Transfer to Countercyclical Provisional Buffer	0
Less : Write offs	0
Less : Write Back of excess provision	
Closing Balances	1555.85

Write-offs and recoveries that have been booked directly to the income statement is ₹ 26.24 Cr. for September 30, 2022 quarter.

k & l. Position of Non-Performing Investments (NPI) as on September 30, 2022

(Amt. in ₹ Crore)

Particulars	**As on September 30, 2022**
Amount of Non-performing Investments (NPI)	1398.60
Amount of provisions held for Non-performing Investments	1398.60

m. Movement of provisions for depreciation on investments (Q2Q)

(Amt. in ₹ Crore)

Particulars	As on September 30, 2022
Opening Balance as on July 01, 2022	5,617.34
Provisions made during the period	556.63
Write offs / Write Back of excess provisions	359.39
Closing Balance	5,814.58

n. By major industry wise NPA, Specific Provisions & Write-Offs *

(Amt. in ₹ Crore)

Particulars	As on September 30, 2022		During the current Period	
	Gross NPA	Specific Provision (NPA)	Specific Provision (NPA)	Write-Offs
NPAs and Specific Provisions in Top 5 Industries	10,072.70	9,970.92	Nil	398.77

* Industries identified based on Gross Credit Exposure to Industries.

o. a) Geography based position of NPA & Specific Provision break-up:

(Amt. in ₹ Crore)

Particulars	As on September 30, 2022		
	Domestic	Overseas	Total
Gross NPA	25,834.95	2,887.29	28,722.24
Specific Provision for NPA	24,148.03	2,887.29	27,035.32

b)Geography based position General Provision break-up:

(Amt. in ₹ Crore)

Particulars	As on September 30, 2022		
	Domestic	Overseas	Total
General Provision	1545.82	10.03	1555.85

<u>Table DF-4: Credit Risk: Disclosures for Portfolios Subject to the Standardised approach</u>

The Bank uses the solicited ratings assigned by the external credit rating agencies specified by RBI for calculating risk weights on its exposures for capital calculations. In line with the Basel guidelines, banks are required to use the external ratings assigned by domestic credit rating agencies viz. CRISIL, CARE, ICRA, India Ratings, Brickwork, ACUTIE, INFOMERICS and international credit rating agencies Fitch, Moody's and Standard & Poor's. The ratings assigned, are used for all eligible on balance sheet & off balance sheet exposure. Only those ratings which are publicly available and are in force as per the monthly bulletin of the rating agencies are considered.

The entire amount of credit risk exposure to the Bank is taken into account for external credit assessment, to be eligible for risk weighting purposes. The Bank uses short term ratings for exposures with contractual maturity of less than or equal to one year and long term ratings for those exposures which have a contractual maturity of over one year.

The process used to assign the ratings to a corporate exposure and apply the appropriate risk weight is as per the regulatory guidelines prescribed by RBI. In cases where there are two ratings, attracting different risk weights, the higher risk weight are applied. In case of three or more ratings, the rating with second lowest risk weight is applied.. The table given below gives the breakup of net outstanding amounts of assets in Banking Book and Non Fund Based Facilities after Credit Risk Mitigation in 3 major risk buckets as well as those that are deducted:

(Amt. in ₹ Crore)

Risk Weight	Net Exposure
Less than 100%	2,44,869.20
At 100%	39,784.67
More than 100%	16,388.44
Deduction from Capital	46.10
Total	**3,01,088.41**

Table DF-5: Credit Risk Mitigation: Disclosures for Standardised Approaches:

Collateral is an asset or a right provided by the borrower to the lender to secure a credit facility. Bank obtains collaterals against its exposures to mitigate credit risk. The Bank has a Board approved Credit policy which covers Collateral Management and Credit Risk Mitigation (CRM) Techniques. These include norms on acceptable collaterals, procedures & processes to enable classification and valuation of such collaterals. On-Balance sheet netting is confined to loans and deposits, where the Bank has legally enforceable netting arrangements, involving specific lien in addition to other stipulated conditions. The netting is only undertaken for loans against collaterals of the same counterparty and subject to identifiable netting arrangement. Both financial as well as non-financial collaterals are used to hedge its credit exposures. Appropriate collateral for a product is determined after taking into account the type of borrower, the risk profile and the facility. The main types of eligible financial collaterals accepted by the Bank are Cash, Bank's own deposits, Gold, National Savings Certificates, Kisan Vikas Patra, Insurance policies with a declared surrender value and various Debt securities. The non-financial collaterals include Land & Building, Plant & Machinery, Stock, etc. However, under the retail portfolio the collaterals are defined as per the type of product e.g. collateral for housing loan would be residential mortgage and an automobile is a collateral for auto loan. Most of the eligible financial collaterals, where the Bank has availed capital benefits under CRM techniques, are in the form of Bank's own FDs which are not subject to credit or market risk.

The Bank also considers guarantees for securing its exposures; however only those guarantees which are direct, explicit and unconditional are considered. Sovereigns, Public Sector Entities, Banks, Primary Dealers, Credit Guarantee fund Trust for Micro and Small Enterprises (CGTMSE), Export Credit Guarantee Corporation (ECGC) and highly rated corporate entities are considered as eligible guarantors by the Bank for availing capital benefits as stipulated in the Basel guidelines. The Bank utilizes various processes and techniques to reduce the impact of the credit risk to which it is exposed. CRM is one such tool designed to reduce the Bank's credit exposure to the counterparty while calculating its capital requirement to the extent of the value of eligible financial collateral. The credit exposure to a counter party is adjusted by the value of eligible financial collaterals after applying appropriate haircuts. The haircuts are applied to account for volatility in value, including those arising from currency mismatch for both the exposure and the collateral. For availing capital savings under eligible guarantees, the amount of exposure is divided into covered and uncovered portions. The covered portion of the exposure attracts the risk weight of guarantor, while the uncovered portion continues to attract the risk weight of the obligor subject to meeting requirements stipulated in the Basel guidelines.

The Bank's exposures where CRM techniques were applied are as follows:

(Amt. in ₹ Crore)

Particulars	Fund Based	Non-Fund Based *
Total Exposures covered by eligible financial collateral	16,638.80	11,919.35
Exposure after taking benefit of eligible collateral	1,995.67	7,184.94

* Non-Market Related

The exposure covered by corporate guarantees where CRM techniques as per RBI guidelines were applied amounted to ₹ 10,829.38 Crore as on September 30, 2022.

DF-6: Securitization exposure-Disclosure for Standardized Approach

<table>
<tr><td colspan="3">DF-6 Qualitative Disclosures</td></tr>
<tr><td colspan="3">a. The general qualitative disclosures with respect to securitization activities of the Bank are as follows:</td></tr>
<tr><td rowspan="3"></td><td>•The Bank’s objectives in relation to securitization activity, including the extent to which these activities transfer credit risk of the underlying securitized exposures away from the bank to other entities.</td><td>Bank has not securitized-out any standard loans during year ended as on September 30, 2022. Hence, transfer of credit risk is not applicable.

However, in order to supplement the achievement of target in Priority Sector Lending (PSL) and gain good yield, the Bank has invested in Pass Through Certificates (PTC) i.e. Assets securitized by various NBFC/MFI/HFCs.</td></tr>
<tr><td>• The nature of other risks inherent in securitized assets.</td><td>Not applicable as the Bank has not securitized-out any standard loans.

In case of investment in PTCs, the repayment is done out of the collections from the ultimate borrowers. Further Credit Enhancement is also available as determined by Rating Agency based on the rating of the pool. If the losses in the pool exceed level of credit enhancement, then the losses are to be borne by Bank.</td></tr>
<tr><td>• The various roles played by the Bank in the securitization process and an indication of the extent of the bank’s involvement in each of them;</td><td>Bank has played the role of Investor in the securitization transactions. Bank has not provided Credit Enhancement or Liquidity Facility for Securitization during last CFY 2023. The exposures in above category as on September 30, 2022 is as under:
(Amount in Rs. crores)<table><tr><td>Sr. No</td><td>Role played</td><td>No. of transactions</td><td>Amount involved</td></tr><tr><td>1</td><td>Investor (O/s)</td><td>8</td><td>315.89</td></tr></table></td></tr>
</table>

DF-6 Qualitative Disclosures					
		2	Provider of Credit enhancement (Second Loss Facility/ Liquidity Facility)	Nil	Nil
	• a description of the processes in place to monitor changes in the credit and market risk of securitization exposures.	Bank periodically monitors the collection performance, repayments, prepayments, utilization of Credit Enhancement, Mark to Market valuation, due diligence and rating review of the pools in invested portfolio of Securitization as per Credit Policy and Investment policy of the Bank.			
	• a description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitization exposures;	The Bank follows extant RBI guidelines on Investment in securitized papers/ PTCs as outlined in RBI circular dated May 07, 2012, August 21, 2012, September 24, 2021 and Bank's extant Credit policy & Investment policy. Bank invests in the senior tranche with first right on the collections/repayments in the pool of assets along with first right on the excess interest spread also. The Bank acquires securitized assets with adequate Credit Enhancement as stipulated by the external rating agencies.			
b	**Summary of the bank's accounting policies for securitization activities, including:**				
	• whether the transactions are treated as sales or financings;	Bank has not securitized any standard loans. However, it has invested through acquisition of receivables from NBFC/MFI/HFC in the past, which is treated as investments in the books of bank.			
	• methods and key assumptions (including inputs) applied in valuing positions retained or purchased	The Bank's Investment in securitized papers/ PTCs are categorized under Available For Sale (AFS) category and MTM valuation of the same has been carried out as per RBI/ FIMMDA guidelines.			
	• changes in methods and key assumptions from the previous period and impact of the changes;	No change			
	• policies for recognizing liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitized assets.	The Bank has no direct securitized exposure as on date. However, if Bank Guarantee (BG) provided by the Bank as credit enhancement for PTC transactions carried out by other banks, it will be recognized as contingent liabilities in Bank's book and accounting treatment will be given accordingly. Bank has not provided any BG as Credit Enhancement.			

DF-6	Qualitative Disclosures	
c)	In the banking book, the names of External Credit Assessment Institutions (ECAIs) used for securitization and the types of securitization exposure for which each agency is used.	The securitization exposure as on September 30, 2022 are treated as investment in bank`s book and pool acquired are externally rated by CRISIL, CARE, ICRA and Brickwork. The loan portfolios are securitized through Pass Through Certificate (PTC) route.
Quantitative disclosures with respect to securitization activities of the Bank in the Banking book are as follows:		
d)	The total amount of exposures securitized by the bank	Nil
e)	For exposures securitized, losses recognized by the bank during the current period broken by the exposure type.	Nil
f)	Amount of assets intended to be securitized within a year.	Nil
g)	Of the above, the amount of assets originated within a year before securitization.	Not Applicable
h)	The total amount of exposures securitized (by exposure type) and unrecognized gain or losses on sale by exposure type.	Nil
i)	Aggregate amount of: • on-balance sheet securitization exposures retained or purchased broken down by exposure type and	Nil
	• off-balance sheet securitization exposures broken down by exposure type	Nil
j)	• Aggregate amount of securitization exposures retained or purchased and the associated capital	Nil

DF-6	**Qualitative Disclosures**	
	charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach	
	• Exposures that have been deducted entirely from Tier 1 capital, credit enhancing Interest only strips deducted from total capital, and other exposures deducted from total capital.	Nil
Quantitative disclosures with respect to securitization activities of the Bank in the Trading book are as follows:		
k)	Aggregate amount of exposures securitized by the bank for which the bank has retained some exposures and which is subject to the market risk approach, by exposure type.	No standard loans have been securitized by Bank.
l)	Aggregate amount of: • on-balance sheet securitization exposures retained or purchased broken down by exposure type; and	The Bank's investment in Pass Through Certificates (PTC) i.e. Assets securitized by various NBFC/MFI/HFC in current financial year as on 30.09.2022 is Rs.48.08 crore (1 new PTC transactions). The total outstanding PTC portfolio as on September 30, 2022 was Rs.315.89 crores.
	• off-balance sheet securitization exposures broken down by exposure type.	Nil

<table>
<tr><th colspan="3">DF-6 Qualitative Disclosures</th></tr>
<tr>
<td>m)</td>
<td>Aggregate amount of securitization exposures retained or purchased separately for:
• Securitization exposures retained or purchased subject to Comprehensive Risk Measure for specific risk; and

• Securitization exposures subject to the securitization framework for specific risk broken down into different risk weight bands.</td>
<td>The total outstanding PTC portfolio as on September 30, 2022 was Rs.315.89 crores. Bank has invested /purchased PSL portfolio through Securitization (1 new PTC transactions aggregating Rs.48.08 crores) during half year ended September 30, 2022.

Securitization exposure with Specific risk weight:
(Amt. in crores)
<table>
<tr><th>S. No.</th><th>Amount</th><th>Rating</th><th>Specific Risk Weight (%)</th></tr>
<tr><td>1.</td><td>112.96</td><td>AAA</td><td>1.80%</td></tr>
<tr><td>2.</td><td>160.69</td><td>AA</td><td>2.70%</td></tr>
<tr><td>3.</td><td>42.24</td><td>A</td><td>4.50%</td></tr>
<tr><td>Total</td><td>315.89</td><td></td><td></td></tr>
</table>
</td>
</tr>
<tr>
<td rowspan="2">n)</td>
<td>Aggregate amount of:
• the capital requirements for the securitization exposures, subject to the securitization framework broken down into different risk weight bands.</td>
<td>(Amt. in crores)
<table>
<tr><th>S. No.</th><th>Total Capital Charge Amount</th><th>Rating</th></tr>
<tr><td>1.</td><td>7.39</td><td>AAA</td></tr>
<tr><td>2.</td><td>7.43</td><td>AA</td></tr>
<tr><td>3.</td><td>3.65</td><td>A</td></tr>
<tr><td>Total</td><td>18.47</td><td></td></tr>
</table>
</td>
</tr>
<tr>
<td>• Securitization exposures that are deducted entirely from Tier 1 capital, credit enhancing Interest only strips deducted from total capital, and other exposures deducted from total capital.</td>
<td>Nil</td>
</tr>
</table>

Table DF-7: Market Risk in Trading Book

Market Risk is the risk of loss in the value of an investment due to adverse movements in the level of the market variables such as interest rates, equity prices, exchange rates and commodity prices, as well as volatilities therein. The Bank is exposed to market risk through its trading activities, which are carried out on its own account as well as those undertaken on behalf of its customers. The Bank monitors and manages the financial exposures arising out of these activities as an integral part of its overall risk management system. The system takes cognizance of the unpredictable nature of the financial markets and strives to minimize any adverse impact on the shareholders' wealth.

The Bank has formulated an Asset Liabilities Management (ALM) Policy, a Market Risk and Derivative Policy and an Investment Policy all of which are approved by the Board. These policies ensure that operations in securities, foreign exchange and derivatives are conducted in accordance with sound & acceptable business practices and are as per the extant regulatory guidelines. These policies contain the limit structure that governs transactions in financial instruments. These policies are reviewed periodically to incorporate changed business requirements, economic environment and changes in regulations in addition to process and product innovations.

The Asset Liability Management Committee (ALCO) comprising top executives of the Bank meet regularly to manage balance sheet risks in a coordinated manner. ALCO focuses on the management of risks viz. liquidity, interest rate and foreign exchange risks. Interest rate sensitivity analysis is measured through impact of interest rate movements on Net Interest Income (NII) and Market value of Equity (MVE) of the Bank. The Market Risk and Derivative Policy identify the trading risks to be managed by the Bank. It also lays down the organizational structure, tools, systems, processes, etc., necessary for appropriate levels of risk management in the trading book. The important risk management tools employed by the Bank are Marked to Market (MTM) of trading portfolio, PV01, modified duration, Stop loss, Greek limits, Potential Future Exposure, stress testing etc.

The Investment policy has been framed keeping in view market dynamics and various circulars issued by RBI in this regard. The policy lays down the parameters for investments in instruments, the purpose for such investments and the eligible customers with whom Bank can transact.

The Bank manages its market risk with the broad objectives of:

1. Identifying risks pertaining to trading book assets, interest rates and currencies

2. Formulating and implementing risk management policies
3. Assessing risk appetite and setting appropriate limits in consultation with business
4. Establishing monitoring and control mechanisms
5. Reducing operating costs through risk containment
6. Reviewing risk levels
7. Assessing risk adjusted performance

The Bank has an independent Market Risk Group (MRG)/Middle Office which is responsible for identification, assessment, monitoring and reporting of market risk in Treasury operations and to highlight exceptions, if any. The group also recommends changes in policies and methodologies for measuring market risk. The main strategies and processes of the group are:-

1. Delegation: Appropriate delegation of powers has been put in place for treasury operations. Investment decisions are vested with Investment Committee of the Board. MRG monitors various limits, which have been laid down in the policies.
2. Controls: The systems have adequate data integrity controls. The controls are used for audit purpose as well.
3. Exception handling processes: The limits set in the policies have been inserted in the system for ensuring that the same is being enforced to minimize exceptions. The limit breaches/exceptions, if any, are analyzed and ratified from the delegated authorities.

The MRG periodically reports on forex, investment and derivative product related risk measures to the senior management and committees of the Board. The Bank also reports to regulators as per the reporting requirements. Based on the risk appetite of the Bank, limits are placed on the risk metrics which are monitored on a periodic basis.

Aggregation of capital charge for market risks as on September 30, 2022

(Amt. in ₹ Crore)

	Risk Category	Capital charge
	Total	**818.94**
i)	Interest Rate Risk	481.84
ii)	Equity Position Risk	309.66
iii)	Foreign Exchange Risk	27.00
iv)	On derivatives (FX Options)	0.45

Table DF-8: Operational Risk

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people & systems or from external events inherent in Bank's business activities. This includes legal risk, but excludes strategic and reputational risks.

Operational Risk Management Framework

The Bank has a well-defined Operational Risk Management Policy in place. The main objectives of the policy are identification and assessment of operational risks attached to banking activities and developing capabilities, tools, systems and processes to monitor and mitigate these risks.

The Bank has a robust Operational Risk Management Framework and has also established an enabling organizational structure comprising Board of Directors, Risk Management Committee (RMC)of the Board and Operational Risk Management Committee (ORMC) for effective management of Operational Risk. Review reports on Operational Risk management activities are periodically presented to ORMC and RMC of the Board by the ORM Cell.

At present, the Bank is following the Basic Indicator Approach for computation of capital charge for Operational Risk. The Bank is putting concerted efforts to further improve its Operational Risk management systems & procedures. The Bank has framed and implemented Key Risk Indicator and Risk & Control Self-Assessment frameworks for identification & assessment of Operational Risks. Further, the Bank has procured Comprehensive Operational Risk Evaluator System (CORE) for management of operational risks. The Bank has also been collecting operational risk loss data and categorizing into various loss event types in accordance with the RBI guidelines. ORM Section also conducts Stress Testing exercise periodically for Operational Risk Losses to study its impact on capital and profit. Training programmes on Operational Risk Management are periodically conducted for continued sensitization of field functionaries as well as officers working at various at operational levels to strengthen the first line of defence.

Bank's initiatives for implementation of Business Continuity Management (BCM)

To ensure continuity of critical Banking operations and safeguard the precious human life in the unlikely event of business disruption/disaster for rendering vital banking services to the customers, the Bank already has a robust and resilient Business Continuity Management System (BCMS) in place which is guided by Business Continuity Management (BCM) Policy approved by the Board. Moreover the bank's Business continuity management system has also been accredited with ISO 22301 certification for compliance with the standards of ISO 22301.

BCM comprises Business Continuity Plan (BCP) and Disaster Management Plan (DMP). The BCM documents, for various Core, support and centralised functions inter alia, incorporate the modalities, in an event of business disruption/disaster and consequent recovery strategies & plans. The resilience of these plans under different disruption scenarios are tested on an ongoing basis through mock evacuation drills, Holistic DR Drill for critical IT applications and BCP testing exercises. To mitigate the risk of system failure, the Bank has set up a Disaster Recovery (DR) site at Chennai & a near DR site at Mumbai. The Bank periodically carries out DR drill exercises to test the capabilities of DR site. Reporting of any disruption incidence & BCM activities is automated through the application software i-DaB.

The Bank has developed a mobile based application called ***i*on BCP** to facilitate invocation of BCP by retail branches in case of disruption to carry out critical activities from the alternate branch. ***i*on BCP** facilitates in secure transmission of vouchers to alternate branch for faster processing and is especially helpful for isolated branches.

Table DF-9: Interest Rate Risk in the Banking Book (IRRBB)

IRRBB refers to the potential impact on the Bank's earnings and economic value of assets and liabilities due to adverse movement in interest rates. Besides the general change in interest rate, variation in the magnitude of interest rate change among the different products/ instruments (e.g., yield on Government securities, interest rate on term deposits, lending rate on advances etc.,) it is also a significant source of interest rate risk. Changes in interest rates affect the Bank's earning through variation in its Net Interest Income (Interest Income minus Interest Expenses) as well as economic value of equity through net variation in economic value of assets and liabilities. The extent of change in earning and economic value of equity primarily depends on the nature and magnitude of maturity and re-pricing mismatches between the Bank's assets and liabilities.

Recognizing the importance of interest rate risk management, the Bank has put in place an appropriate ALM system which incorporates the Board approved interest rate risk management policy, procedures and limit structure in line with the RBI guidelines. The objectives of interest rate risk management are to identify the sources of risks and to measure their magnitude in terms of appropriate methods. It also includes appropriate funding, lending and off-balance sheet strategies with respect to maturity structure, pricing, product and customer group mix within the overall framework. The Bank's tolerance level for IRRBB is specified in terms of potential impact of net interest income and economic value of equity. The Asset Liability Committee (ALCO) of the Bank is responsible to ensure regular measurement, monitoring and control initiatives for the Bank's interest rate risk management. Risk Management Department (ALM) regularly measures and monitors ALM mismatches and reports to ALCO for deciding on strategies for effective management. Adequate information system has also been put in place for system based ALM report generation on a daily basis.

Measurement and monitoring of IRRBB are carried out through the methods of Interest Rate Sensitivity (re-pricing) gap and Duration gap analysis covering both earning (impact on net interest income) and economic value perspective (impact on economic value of equity). Preparation of interest rate sensitivity gap report involves bucketing of all interest rate sensitive assets and liabilities into different time buckets based on their respective remaining term to maturity or next re-pricing date, whichever is earlier. Assumptions made for this report are for bucketing of core current and saving bank deposits into "over 1 year to 3 years", Pre-payment of Term loans, Renewal pattern of Term Deposits etc. based on Behavioural Analysis carried out half yearly and approved by ALCO. Duration gap analysis is undertaken based on computation of duration and present value of future cash flows of the interest rate sensitive assets and liabilities.

ALCO regularly monitors the interest rate risk exposures and suggests appropriate steps/ provides directions on composition and growth of deposits and advances, pricing of deposits and advances and management of money market operations and investment books etc., to control IRRBB within the prescribed internal limits.

Impact of parallel shift in Interest Rate by 100 basis points (Time Horizon: 1 year)		
	Scenario	Impact (Rs Crores) Sept 22
Earnings at Risk (EAR)	Increase by 100 bps	524.10
	Decrease by 100 bps	(524.10)
Economic Value of Equity (EVE)	Increase by 100 bps	(219.62)
	Decrease by 100 bps	219.62

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

The Bank follows a structured process to ascertain the credit risk of an asset relationship with a counter-party covering both fund based and non-fund based facilities. Suitable policy frameworks are put in place in the form of Credit policy, Counterparty-Bank Policy, Market Risk &Derivative Policy, Investment Policy, Collateral Management Policy and Country Risk Policy which outline the guiding principles to manage Counterparty Credit Risk (CCR). In line with regulatory guidelines, the Credit policy of the Bank stipulates broad contours of counterparty credit exposure limits in respect of single borrower and borrowings by a group in relation to the Bank's capital fund. In addition, various internal thresholds are stipulated prudentially in relation to Net Worth, Total Committed Exposures (TCE), Total Outstanding exposure, Advances etc. Prudential limits in the form of sectoral limits are also stipulated in addition to applicable regulatory norms on the capital market segment. Currently, the Bank is computing capital on CCR following the standardized approach and adhering to regulations under Basel III.

The Bank’s rating module, encompassing various rating models, supports internal credit rating of counter-party. Product specific guidelines are also defined in terms of customer suitability and appropriateness along with applicable terms and conditions. The Bank also has a Credit Support Annex (CSA) arrangement with select counter-party banks. CSA defines the terms under which collateral is transferred between derivative counterparties to mitigate the credit risk arising from derivative positions. The process of Collateral Management covers the entire gamut of activities right from its acceptability to its legal enforceability at the time of need. In establishing credit reserve, the Bank caters to various alternative techniques including escrow mechanism and charges thereon, activating Debt Service Reserve Account

(DSRA), lien mark on deposits with the Bank, stipulating conditions towards higher margin, obtaining personal and third party guarantee etc. Credit filtering standards and product guidelines of the Bank capture the associated wrong way risk exposure. The notional value of credit derivatives (including hedges) and the distribution of current credit exposure by types of credit exposure:

As on Sept. 30, 2022
(Amt. in ₹ Crore)

Derivatives	Notional	Current Exposure
Interest Rate Swaps	11924.62	155.39
Currency Swaps	2367.32	491.37
Currency Options	229.66	0.39
Forwards	168386.92	6267.15
Banking Book (including DIFC)	**Notional**	**Current Exposure**
Interest Rate Swaps	0.00	0.00
Currency Swaps	14.91	5.51

Table DF-11: Composition of Capital

Table DF-11: Composition of Capital			**₹ Crore**
Common Equity Tier 1 capital: instruments and reserves			**Reference No.**
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	61,472.15	A=A1+B2
2	Retained earnings	-43,785.29	B6
3	Accumulated other comprehensive income (and other reserves)	18,962.23	B3+B4+B5 +E2
4	*Directly issued capital subject to phase out from CET1 capital (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	
	Share application money allowed as CET1, pending allotment	4.81	B7
6	**CET1 capital before regulatory deductions**	36,653.90	B1
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	0.00	
8	Goodwill (net of associated deferred tax liability)	0.00	
9	Intangibles (net of related tax liability)	141.70	F
10	Deferred tax assets associated with accumulated losses	5,283.85	

Table DF-11: Composition of Capital			₹ Crore
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	0.00	
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 CET1 capital instruments	18.62	
	DTA recognition in CET 1 capital upto 10% of banks adjusted CET 1 Capital	3,120.97	
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 capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0.00	
20	Mortgage servicing rights (amount above 10% threshold)	0.00	
21	Deferred tax assets arising from temporary differences	6,957.42	G
22	Amount exceeding the 15% threshold	0.00	
23	of which: significant investments in the common stock of financial sector entities	0.00	
24	of which: mortgage servicing rights	0.00	
25	of which: deferred tax assets arising from temporary differences	6,957.42	
26	National specific regulatory adjustments (26a+26b+26c+26d)	46.10	
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	46.10	
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	
	Other regulatory adjustments (iliquid investment position)	24.72	
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**	9,351.44	

	Table DF-11: Composition of Capital		₹ Crore
29	**Common Equity Tier 1 capital (CET1)**	27,302.46	
	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)	0.00	
33	*Directly issued Capital instruments subject to phase out from AT1 capital*	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)	-	
35	*of which: instruments issued by subsidiaries subject to phase out*	-	
36	**Additional Tier 1 capital before regulatory deductions**	0.00	C
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	-	
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)	-	
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)	-	
41	National specific regulatory adjustments (41a+41b)	-	
41 a	*of which:* Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-	
41 b	*of which:* Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-	
42	Regulatory adjustments applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	-	
43	**Total regulatory adjustments to AT1 capital**	0.00	
44	**Additional Tier 1 capital (AT1)**	0.00	
45	**Tier 1 capital (Tier 1 = CET1 + AT1) (29+44a)**	27,302.46	
	Tier 2 capital: instruments and provisions		

Table DF-11: Composition of Capital			₹ Crore
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	2,285.00	D
47	*Directly issued capital instruments subject to phase out from Tier 2*	0.00	D
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	Provisions	1,555.85	E1
51	**Tier 2 capital before regulatory deductions**	3,840.85	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 capital instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments	0.00	
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 investments in 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)	0.00	
56 a	*of which:* Investments in the Tier 2 capital of unconsolidated 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	-	
57	**Total regulatory adjustments to Tier 2 capital**	0.00	
58	**Tier 2 capital (T2)**	3,840.85	
59	**Total capital (Total capital = Tier 1 + Tier 2)**	31,143.31	
60	**Total risk weighted assets (60a+60b+60c)**	1,58,589.77	
60 a	**of which: total credit risk weighted assets**	1,25,766.15	
60 b	**of which: total market risk weighted assets**	10,236.81	
60 c	**of which: total operational risk weighted assets**	22,586.81	
Capital ratios and buffers			
61	**Common Equity Tier 1 (as a percentage of risk weighted assets)**	17.22%	

Table DF-11: Composition of Capital			₹ Crore
62	**Tier 1 (as a percentage of risk weighted assets)**	17.22%	
63	**Total capital (as a percentage of risk weighted assets)**	19.64%	
64	**Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)**	8.00%	
65	*of which: capital conservation buffer requirement*	2.50%	
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)	9.22%	
National minima (if different from Basel 3 minimum)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)		
70	National Tier 1 minimum ratio (if different from Basel III minimum)		
71	National total capital minimum ratio (if different from Basel III minimum)		
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities	530.92	
73	Significant investments in the common stock of financial entities	640.23	
74	Mortgage servicing rights (net of related tax liability)	N.A	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	N.A	
Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	1,555.85	
77	Cap on inclusion of provisions in Tier 2 under standardised approach		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	N.A.	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	N.A.	
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)			
80	*Current cap on CET1 capital instruments subject to phase out arrangements*	N.A.	
81	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	N.A.	

Table DF-11: Composition of Capital			₹ Crore
82	*Current cap on AT1 instruments subject to phase out arrangements*	N.A.	
83	*Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)*	N.A.	
84	*Current cap on T2 instruments subject to phase out arrangements*	N.A.	
85	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*	N.A.	

Notes to Template

Row No. of the template	Particular	(Rs. In crore)
10	Deferred tax assets associated with accumulated losses	5,283.85
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	6,957.42
	Total as indicated in row 10	12,241.28
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	0
	of which: Increase in Common Equity Tier 1 capital	
	of which: Increase in Additional Tier 1 capital	
	of which: Increase in Tier 2 capital	
26b	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	
	(ii) Increase in risk weighted assets	
50	Eligible Provisions included in Tier 2 capital	1,555.85
	Eligible Revaluation Reserves included in Tier 1 capital	3,745.08
	Total of row 50	5,300.93

Table DF-12: Composition of Capital- Reconciliation Requirements:

Step 1:

(Amt. in ₹ Crore)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date	As on reporting date
A	Capital & Liabilities		
i	Paid-up Capital	10752.40	10752.40
	Reserves & Surplus	75249.32	76408.39
	Minority Interest	126.72	0.00
	Total Capital	**86128.44**	**87160.79**
ii	**Deposits**	230074.81	230241.22
	of which: Deposits from banks	17656.59	17656.59
	of which: Customer deposits	212418.22	212584.62
	of which: Other deposits (pl.specify)	0.00	0.00
iii	**Borrowings**	21691.22	21691.22
	of which: From RBI	2400.00	2400.00
	of which: From banks	7018.16	7018.16
	of which: From other institutions & agencies	0.00	0.00
	of which: Others (pl. specify) Borrowings Outside India, General Refinance, Flexi Bonds and Omni Bonds	7821.06	7821.06
	of which: Capital instruments	4452.00	4452.00
iv	**Other liabilities & provisions**	13747.87	13740.48

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
	Total	**351642.34**	**352833.71**
B	**Assets**		
i	**Cash and balances with Reserve Bank of India**	12989.59	12989.58
	Balance with banks and money at call and short notice	14966.55	14966.46
ii	**Investments:**	93694.14	93048.00
	of which: Government securities	80326.62	80326.62
	of which: Other approved securities	0.00	0.00
	of which: Shares	230.09	138.51
	of which: Debentures & Bonds	5696.61	5696.61
	of which: Subsidiaries / Joint Ventures / Associates	605.89	83.04
	of which: Others (Commercial Papers, Mutual Funds etc.)	6834.93	6803.22
iii	**Loans and advances**	146751.92	146751.92
	of which: Loans and advances to banks	514.78	514.78
	of which: Loans and advances to customers	146237.15	146237.15
iv	**Fixed assets**	9889.78	9882.90
v	**Other assets**	31505.21	31409.55
	of which: Goodwill and intangible assets	0.00	0.00
	of which: Deferred tax assets	12241.85	0.00

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
vi	**Goodwill on consolidation**	0.00	0.00
vii	**Debit balance in Profit & Loss account**	41845.14	43785.29
	Total Assets	**351642.34**	**352833.71**

Step 2:

(Amt. in ₹ Crore)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	
		As on reporting date	**As on reporting date**	**Reference No.**
A	Capital & Liabilities			
i	**Paid-up Capital**	10752.40	10752.40	
	of which: Amount eligible for CET1	10752.40	10752.40	A1
	of which: Amount eligible for AT1	0.00	0.00	
	Reserves & Surplus	**75249.32**	**76408.39**	
	Share Premium	50719.70	50719.75	B2
	Statutory Reserve	3424.43	3424.43	B3
	Capital Reserve	3514.06	3240.38	B4
	Other Disclosed Free Reserve*	9256.86	8552.34	B5
	Credit Balance in P&L account	0.00	0.00	
	Revaluation Reserve	8334.26	8334.26	
	of which: Amount eligible for CET1	3745.08	3745.08	E2
	Minority Interest	**126.72**	**0.00**	
	Total Capital	**86128.44**	**87160.79**	
ii	**Deposits**	**230074.81**	**230241.22**	
	of which: Deposits from banks	17656.59	17656.59	

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	
	of which: Customer deposits	212418.22	212584.62	
	of which: Other deposits (pl. specify)	0.00	0.00	
iii	**Borrowings**	**21691.22**	**21691.22**	
	of which: From RBI	2400.00	2400.00	
	of which: From banks	7018.16	7018.16	
	of which: From other institutions & agencies	0.00	0.00	
	of which: Others (pl. specify) Borrowings Outside India, General Refinance, Flexi Bonds and Omni Bonds	7821.06	7821.06	
	of which: Capital instruments	4452.00	4452.00	
	-of which			
	a) Eligible Additional Tier 1	0.00	0.00	C
	b)Eligible Tier 2	2285.00	2285.00	D
iv	**Other liabilities & provisions**	**13747.87**	**13740.48**	
	of which: Prudential provisions against standard assets, provision for unhedged foreign currency exposure and excess provisions which arise on account of sale of NPAs included under Tier 2 Capital	1555.85	1555.85	E1
	of which: Share application money received from GOI & LIC allowed as CET1 capital, pending allotment	4.81	4.81	B7
	Total	**351642.34**	**352833.71**	
B	**Asset**			
i	**Cash and balances with Reserve Bank of India**	**12989.59**	**12989.58**	
	Balance with banks and money at call and short notice	**14966.55**	**14966.46**	
ii	**Investments**	**93694.14**	**93048.00**	
	of which: Government securities	80326.62	80326.62	
	of which: Other approved securities	0.00	0.00	
	of which: Shares	230.09	138.51	

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	
	of which: Debentures & Bonds	5696.61	5696.61	
	of which: Subsidiaries / Joint Ventures / Associates	605.89	83.04	
	of which: Others (Commercial Papers, Mutual Funds etc.)	6834.93	6803.22	
iii	**Loans and advances**	**146751.92**	**146751.92**	
	of which: Loans and advances to banks	514.78	514.78	
	of which: Loans and advances to customers	146237.15	146237.15	
iv	**Fixed assets**	**9889.78**	**9882.90**	
	out of which intangibles	146.34	141.70	F
v	**Other Assets**	**31505.21**	31409.55	
	of which: Goodwill and intangible assets	0.00	0.00	
	Out of which:	0.00	0.00	
	Goodwill	0.00	0.00	
	Other intangibles (excluding MSRs)	0.00	0.00	
	Out of which Eligible Deferred tax assets	3120.97	3120.97	G
vi	**Goodwill on consolidation**	0.00	0.00	
vii	**Debit balance in Profit & Loss account**	41845.14	43785.29	B6
	Total Assets	**351642.34**	**352833.71**	

*Includes Foreign Currency Translation Reserve amounting to Rs 1.26 Cr, which does not constitute a free reserve

Step 3:-

(Amt. in ₹ Crore)

Extract of Basel III common disclosure template (with added column) – Table DF-11 (Part I / Part II whichever, applicable)
Common Equity Tier 1 capital: instruments and reserves

		Component of Regulatory capital reported by bank	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	10,752.40	A1
2	Debit balance in Profit & Loss account	43,785.29	B6
3	Accumulated other comprehensive income (and other reserves)	69,681.98	B2+B3+B4+B5+E2
4	Share application money received from GOI allowed as CET1 capital, pending allotment	4.81	B7
5	Directly issued capital subject to phase out from CET1 (only applicable to non- joint stock companies)	-	
6	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
7	Common Equity Tier 1 capital before regulatory adjustments	36,653.90	B1
8	Prudential valuation adjustments	-	
9	Goodwill (net of related tax liability)	-	

<u>Table DF- 13: Main features of regulatory capital instruments</u>

“DF- 13: Main features of regulatory capital instruments issued by the Bank are available on the website under "Regulatory Disclosure Section >> FY 2022-23 (Basel III) >> September 30, 2022".

<u>Table DF-14: Terms and Conditions of Regulatory Capital Instruments issued by the Bank</u>

‘‘DF- 14.The Term Sheets for regulatory capital instruments issued by the Bank are available on the website under "Regulatory Disclosure Section >> FY 2022-23 (Basel III) >> September 30, 2022".

<u>Table DF-16: Equities – Banking Book Positions</u>

DF-16 Qualitative Disclosure

1	Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons	Equity investments in the following are held in the Banking book 1 -Subsidiaries & JVs - These are intended to be held for a long time with an intention to participate in the distribution of profits of the companies. These investments are classified as HTM & AFS. 2. Associates - Most of these investments were originated by the erstwhile Development Financial Institutional (DFI) in fullfillment of its development banking role. Bank intends to divest these investments as and when opportunity arises. These investments are classified as AFS.
2	Discussion of important policies covering the valuation and accounting of equity holdings in the banking book.This includes the accounting techniques and valuation methodologies used ,including key assumptions and practises affecting valuation as well as significant changes in these practises	As per the RBI guidelines, investments classified under HTM category need not be marked to market and carried at acquisition cost. Any diminution, other than temporary, in the value of equity investments is provided for. Any loss on sale of investments in HTM category is recognized in the profit and loss statement. Any profit on sale of investments under HTM category is recognized in the profit and loss statement and is then appropriated to capital reserve, net of taxes and statutory reserve. As per the Investment policy, the quoted equity shares in the Bank's portfolio are marked to market on a daily basis. Equity shares for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at the break-up value (without considering 'revaluation reserves', if any) which is ascertained from the company's latest balance sheet (not more than 18 months prior to the date of valuation). In case the latest balance sheet is not available the shares are valued at Re.1 per company. There has been no change in these practices during the reporting period.

Quantitative Disclosure

Equity Investments in Banking Book:

Sr.No	Description	(Amt. in ₹ Crore)
1	Equity Investments in Banking Book	
	a) Value disclosed in the balance sheet of investments	491.35
	b) Fair value of the investments	2,257.77

	As Bank considers the publicly quoted share value to be the fair value of such shares, there is no material difference between the two values	
2	The types and nature of investments including the amount that can be classified as:	Equity shares
	a. Publicly traded (Listed)	41.51
	b. Privately held (Unlisted)	474.04
3	The cumulative realised gains (losses) arising from sales and liquidations in the reporting period.	387.39
4	Total unrealised gains (losses)*	Nil
5	Total latent revaluation gains (losses)**	1,712.03
6	Any amounts of the above included in Tier 1 and or Tier 2 capital.	Nil
7	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements.	Nil

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

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

Table DF-17: Leverage Ratio – Summary Comparison of Accounting Assets vs. Leverage Ratio Exposure Measure

Sr.No	Item	(₹ Crores)
1	Total consolidated assets as per published financial statements	3,09,048.42
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	65.26
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ration exposure measure	0.00
4	Adjustments for derivative financial instruments	8,244.41
5	Adjustment for securities financing transactions(i.e. repos and similar secured lending)	0.00
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	48,666.11
7	Other adjustments	9,007.40
8	Leverage ratio exposure	3,57,016.80

DF-18: Leverage ratio common disclosure template

Sr.No.	Item	(₹ Crores)	
On –balance sheet exposures		Consolidated	Solo
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	309432.00	308940.12
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(9351.44)	(9617.47)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	300080.56	299322.65
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	3202.42	3202.42

5	Add-on amounts for PFE associated with all derivatives transactions	5041.99	5041.99
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0.00	0.00
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0.00	0.00
8	(Exempted CCP leg of client-cleared trade exposures)	0.00	0.00
9	Adjusted effective notional amount of written credit derivatives	0.00	0.00
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0.00	0.00
11	Total derivative exposures (sum of lines 4 to 10)	8244.41	8244.41
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	4.79	4.79
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0.00	0.00
14	CCR exposure for SFT assets	20.93	20.93
15	Agent transaction exposures	0.00	0.00
16	Total securities financing transaction exposures (sum of lines 12 to 15)	25.72	25.72
17	Off-balance sheet exposure at gross notional amount	154920.55	154908.14
18	(Adjustments for conversion to credit equivalent amounts)	(106254.44)	(106254.44)
19	Off-balance sheet items (sum of lines 17 and 18)	48666.11	48653.70
20	Tier 1 capital	27302.46	26913.20
21	Total exposures (sum of lines 3, 11, 16 and 19)	357016.80	356246.47
22	Basel III leverage ratio (per cent)	7.65%	7.55%

Reconciliation between Total consolidated assets as per published financial statements and On-balance sheet exposure under leverage ratio

Sr. No	Item	(₹ Crores)
1	Total consolidated assets as per published financial statements	3,09,048.42
2	Replacement cost associated with all derivatives transactions, i.e. net of eligible cash variation margin	8,244.41
3	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	25.72
4	Adjustment for Collaterals and adjustments entities outside the scope of regulatory consolidation	409.31
5	On-balance sheet exposure under leverage ratio (excluding derivatives and SFTs)	3,00,778.28

*****