

**Table DF – 2: Capital Adequacy**

**Qualitative disclosures**

- Bank is maintaining a healthy CRAR during the FY 2018-19 which is commensurate with the size of its operations. As on 31<sup>st</sup> Dec 2018, the position of CRAR is provided in the table below. The bank is well capitalized, given the risk exposure arising from its portfolio of assets.

| Particulars                                 | Minimum Requirement<br>(including CCB &<br>G-SIB buffer) | Position as on<br>31st Dec 18 |
|---|--|-------------------------------|
| Total Capital Ratio                         | 12.01%   | 20.23%                        |
| Tier 1 Capital Ratio                        | 10.01%   | 19.87%                        |
| Common Equity Tier<br>1(CET1) Capital ratio | 8.51%  | 19.87%                        |

- The Bank has a process for assessing its overall capital adequacy in relation to the Bank’s risk profile. The Bank identifies, assesses and manages comprehensively all risks that it is exposed to through sound governance and control practices, risk management framework.
- The Asset Liability Committee (ALCO) of the bank is responsible for market risk management of the bank, policies for hedging and /or mitigating risk and strategies for monitoring future funding activities of the bank. A well-defined Credit and Investment Policy for the bank is in place and the same is reviewed on an annual basis. Impact of Liquidity Risk is assessed through gap analysis for maturity mismatches based on residual maturity in different time buckets and management of the same is done within the prudential limits fixed thereon.

**Quantitative disclosures**

- **The Capital requirements for Credit risk are:**

- For portfolios subject to Standardized approach @ 12.05% Rs.25,123.04 million.
- For Securitization exposures: NIL

- **The Capital requirements for Market risk (under Standardized Duration Approach ) are:**

*(Amount in Rs. Millions)*

| <b>Risk Category</b>   | <b>Amount</b> |
|--|---------------|
| i) Interest rate risk  | 968.76        |
| ii) Foreign Exchange Risk (including Gold)   | 360.00        |
| iii) Equity Risk   | -             |
| iv) Total capital charge for market risk under Standardized Duration Approach (i + ii + iii) | 1,328.76      |

- The Capital charge for Operational Risk under Basic Indicator Approach (BIA) is Rs. 1,300.64 million as on 31<sup>st</sup> Dec 2018. The notional RWA as per BIA for operational Risk is Rs. 16,257.99 mio.

The capital ratios of the bank are as follows:

|  |        |
|--|--------|
| Total Capital Ratio (%)                      | 20.23% |
| Tier I Capital Ratio (%)                     | 19.87% |
| Common Equity Tier 1(CET1) Capital ratio (%) | 19.87% |
| Tier II Capital Ratio (%)                    | 0.36%  |

**Table DF – 3: Credit Risk: General Disclosures for All Banks**

**Qualitative disclosures**

- Bank has adopted the definitions of ‘past due’ and ‘impaired’ (for accounting purposes) as defined by the regulatory authority for Income Recognition and Asset Classification. An account becomes Non Performing Asset if it remains overdue for a period as defined by the Reserve Bank of India. An impaired asset is an asset which has suffered a provision in accordance with the guidelines defined by the Reserve Bank of India on its becoming a Non Performing Asset.
- Bank has a comprehensive Credit Policy for its Operations, which broadly takes care of RBI guidelines on Risk Management Systems. Bank undertakes revision of the credit Policy from time to time in line with the guidelines issued by the Head Office within the framework provided by RBI. Prudential exposure norms, industry exposure limits, loan review mechanism are some of the yardsticks used by the bank for overcoming credit risk. Loan loss provision is being monitored and provided for on a half yearly basis.
- Though the Bank has implemented Basel-II Standardized Approach, Bank has an explicit Borrower Rating System. For the corporate portfolio, the Bank has borrower rating models and facility rating models. The borrower rating models are based on borrower specific characteristics which can be used to deduce the probability of default of the borrowers. The facility rating models are based on facility and transaction characteristics like collaterals, seniority, etc. These models are reflective of the expected loss given default on a particular facility.

**Quantitative disclosures**

- Total gross credit risk exposures, fund based & non-fund based separately are:

| <i>(Amount in Rs. Millions)</i> |               |
|---------------------------------|---------------|
| <b>Category</b>                 | <b>Amount</b> |
| Fund Based*                     | 122,457.36    |
| Non Fund Based**                | 30,589.60     |

\* Includes outstanding of Gross Advances

\*\* Includes outstanding of Letter of Credit, Acceptance and Bank Guarantees

- a. Geographic distribution of exposures ,fund based & non-fund based separately are:

| <i>(Amount in Rs. Millions)</i> |                 |                 |
|---------------------------------|-----------------|-----------------|
| <b>Category</b>                 | <b>Overseas</b> | <b>Domestic</b> |
| Fund Based                      | -               | 122,457.36      |
| Non Fund Based                  | -               | 30,589.60       |

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- Industry wise distribution of exposures, (Fund & Non-Fund Based) is as under

(Amount in Rs. Millions)

| INDUSTRY CODE | INDUSTRY NAME   | FUND BASED Amount | NON FUND BASED Amount |
|---------------|---|-------------------|-----------------------|
| 1             | A. Mining and Quarrying (A.1 + A.2)   | -                 | -                     |
| 11            | A.1 Coal  | -                 | -                     |
| 12            | A.2 Others  | -                 | -                     |
| 2             | Food Processing (sum of B.1 to B.5)   | <b>1,857.24</b>   | <b>8.10</b>           |
| 21            | B.1 Sugar   | -                 | -                     |
| 22            | B.2 Edible Oils and Vanaspati   | -                 | -                     |
| 23            | B.3 Tea   | -                 | -                     |
| 24            | B.4 Coffee  | -                 | -                     |
| 25            | B.5 Others  | 1,857.24          | 8.10                  |
| 3             | C. Beverages (excluding Tea & Coffee) and Tobacco (sum of C.1 & C.2)        | <b>891.50</b>     | -                     |
| 31            | C.1 Tobacco and Tobacco Products  | -                 | -                     |
| 32            | C.2 Others  | 891.50            | -                     |
| 4             | D. Textiles (sum of D.1 to D.6)   | <b>1,500.16</b>   | -                     |
| 41            | D.1 Cotton  | -                 | -                     |
| 42            | D.2 Jute  | -                 | -                     |
| 43            | D.3 Handicraft/Khadi (Non Priority)   | -                 | -                     |
| 44            | D.4 Silk  | -                 | -                     |
| 45            | D.5 Woolen  | -                 | -                     |
| 46            | D.6 Others  | 1,500.16          | -                     |
| 5             | E. Leather and Leather Products   | -                 | -                     |
| 6             | F. Wood And Wood Products   | -                 | -                     |
| 7             | G. Paper and Paper Products   | -                 | <b>20.63</b>          |
| 8             | H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels      | -                 | -                     |
| 9             | I. CHEMICALS AND CHEMICAL PRODUCTS (DYES, PAINTS, ETC.) (sum of I.1 to I.4) | <b>16,543.22</b>  | <b>9,117.98</b>       |
| 91            | I.1 Fertilizers   | -                 | 183.94                |
| 92            | I.2 Drugs and Pharmaceuticals   | 15,549.22         | 1,261.67              |
| 93            | I.3 Petro-chemicals (excluding under infrastructure)                        | 180.00            | 18.49                 |
| 94            | I.4 Others  | 814.00            | 7,653.88              |
| 10            | J. Rubber, Plastic and their Products                                       | <b>1,129.69</b>   | 4.27                  |
| 11            | K. Glass & Glassware  | <b>615.00</b>     | 49.23                 |
| 12            | L. Cement and Cement Products   | -                 | -                     |
| 13            | M. Basic Metal and Metal Products (sum of M.1 and M.2)                      | <b>1,771.00</b>   | <b>3,403.61</b>       |
| 131           | M.1 Iron and Steel  | 876.00            | 3,375.45              |
| 132           | M.2 Other Metal and Metal Products  | 895.00            | 28.16                 |

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|           |   |                   |                  |
|-----------|---|-------------------|------------------|
| 14        | N. ALL ENGINEERING (sum of N.1 & N.2)                           | <b>5,712.20</b>   | <b>1,745.39</b>  |
| 141       | N.1 Electronics   | 1,410.48          | 914.83           |
| 142       | N.2 Others  | 4,301.72          | 830.56           |
| 15        | O. Vehicles, Vehicle Parts and Transport Equipments             | <b>15,367.07</b>  | 1,261.65         |
| 16        | P. Gems and Jewellery   | -                 | -                |
| 17        | Q. Construction   | -                 | 3,279.43         |
| 18        | R. Infrastructure (sum of R.1 to R.4)                           | <b>5,649.13</b>   | <b>1,321.65</b>  |
| 181       | R.1 Transport (sum of R.1.1 to R.1.5)                           | <b>4,186.50</b>   | -                |
| 1811      | R.1.1 Railways  | -                 | -                |
| 1812      | R.1.2 Roadways  | -                 | -                |
| 1813      | R.1.3 Airport   | -                 | -                |
| 1814      | R.1.4 Waterways   | 4,186.50          | -                |
| 1815      | R.1.5 Others  | -                 | -                |
| 182       | R.2 Energy (sum of R.2.1 to R.2.4)                              | <b>1,462.63</b>   | -                |
| 1821      | R.2.1 Electricity (generation-transportation and distribution)  | -                 | -                |
| 18211     | R.2.1.1 State Electricity Boards                                | -                 | -                |
| 18212     | R.2.1.2 Others  | -                 | -                |
| 1822      | R.2.2 Oil (storage and pipeline)                                | 1,462.63          | -                |
| 1823      | R.2.3 Gas/LNG (storage and pipeline)                            | -                 | -                |
| 1824      | R.2.4 Others  | -                 | -                |
| 183       | R.3 Telecommunication   | -                 | 1,321.65         |
| 184       | R.4 Others (sum of R.4.1 to R.4.3)                              | -                 | -                |
| 1841      | R.4.1 Water Sanitation  | -                 | -                |
| 1842      | R.4.2 Social & Commercial Infrastructure                        | -                 | -                |
| 1843      | R.4.3 Others  | -                 | -                |
| 19        | Other Industries  | <b>473.10</b>     | 87.62            |
| 20        | All Industries (sum of A to S)                                  | 51,509.30         | 20,299.57        |
| 21        | Residuary Other Advances (to tally with gross advances) (a+b+c) | <b>70,948.06</b>  | <b>10,290.03</b> |
| 211       | a. Education Loans  | -                 | -                |
| 212       | b. Aviation sectors   | -                 | -                |
| 213       | c. Other Residuary Advances                                     | 70,948.06         | 10,290.03        |
| <b>22</b> | <b>Total Loans and Advances</b>                                 | <b>122,457.36</b> | <b>30,589.60</b> |

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- The residual contractual maturity break down of Assets is as follows:

(Amount in Rs. Millions)

| Maturity Pattern                | Advances*         | Investments (gross)** | Foreign Currency Assets |
|---------------------------------|-------------------|-----------------------|-------------------------|
| 1 day                           | 2,281.30          | 63766.73              | 8,516.37                |
| 2-7 days                        | 21,832.83         | 4613.33               | 5,225.63                |
| 8-14 days                       | 9,868.73          | 3302.94               | 5,825.03                |
| 15- 30 days                     | 15,079.91         | 11543.26              | 2,839.62                |
| 31 days to up to 2 months       | 14,474.32         | 4037.56               | 9,454.52                |
| Over 2 months to up to 3 months | 8,508.60          | 2574.91               | 1,020.87                |
| 3-6 months                      | 19,362.79         | 3107.72               | 3,337.49                |
| 6-12 months                     | 26,506.83         | 1643.34               | 784.97                  |
| 1-3 years                       | 2,996.73          | 4490.87               | -                       |
| 3-5 years                       | 681.03            | 16.52                 | 1.51                    |
| 5-7 years                       | 152.71            | 0.36                  | -                       |
| 7-10 years                      | 2.84              | 0.41                  | -                       |
| 10-15 years                     | 7.04              | 0                     | -                       |
| Over 15 years                   | 1.71              | 0.07                  | -                       |
| <b>Total</b>                    | <b>121,757.36</b> | <b>99,098.02</b>      | <b>37,006.01</b>        |

\*overdraft maturity pattern is as per behavioural study of the bank

Net advances are reported in the above mentioned table. NPA provision amount stands at Rs. 700 million against the outstanding advances of Rs.700 million.

\*\* In case of investments, as per RBI circular ref no. 2015-16/109 DBR.No.BP.BC.26/21.04.098/2015-16 dated 02 July 2015, the bucketing of excess SLR and MSF securities are slotted in Day 1 bucket and mandatory SLR securities as DTL profile.

a. Amount of NPAs (Gross) - Funded

(Amount in Rs. Millions)

| Category     | Amount |
|--------------|--------|
| Sub Standard | -      |
| Doubtful – 1 | 700.00 |
| Doubtful – 2 | -      |
| Doubtful – 3 | -      |
| Loss         | -      |
| NPAs (Gross) | 700.00 |

b. The amount of net NPAs is Nil

- The NPA ratios are as under:
  - Gross NPAs to Gross Advances: 0.57%
  - Net NPAs to Net Advances: Nil

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- The movement of gross NPAs is as under:

*(Amount in Rs. Millions)*

|  | Funded Advances |
|--|-----------------|
| i) Opening Balance at the beginning of the year              | 751.25          |
| ii) Addition during the year                                 |                 |
| iii) Reduction during the year                               | (51.25)         |
| iv) Closing Balance as at the end of the year (i + ii - iii) | 700.00          |

- The movement of provision for NPAs is as under:

*(Amount in Rs. Millions)*

|  | Funded Advances |
|--|-----------------|
| i) Opening Balance at the beginning of the year                | 226.25          |
| ii) Provisions made during the year                            | 525.00          |
| iii) Write-off made during the year                            | -               |
| iv) Write –back of excess provisions made during the year      | (51.25)         |
| v) Closing Balance as at the end of the year (i + ii - iii-iv) | 700.00          |

- Amount of NPA by major industry type:

| Asset Classification | Geography | Sector                             | Amount (Rs. Mio) | Provision |
|----------------------|-----------|------------------------------------|------------------|-----------|
| Doubtful - I         | New Delhi | 3.3 Tourism, Hotel and Restaurants | 700.00           | 100%      |

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- The movement of specific and general provisions is as under:

*(Amount in Rs. Millions)*

| Provisions on account of           | Type of Provision | Opening Balance | Provisions made during year | Write-off | Write-back of excess provisions | Closing Balance |
|------------------------------------|-------------------|-----------------|-----------------------------|-----------|---------------------------------|-----------------|
| NPA (Funded)                       | Specific          | 226.25          | 525.00                      | -         | (51.25)                         | 700.00          |
| NPA (Non Funded)                   | Specific          | 95.80           | 11.95                       | -         | -                               | 107.75          |
| Standard Assets (Loans)            | General           | 348.53          | 120.92                      | -         | -                               | 469.45          |
| Stressed sector Advances           | Specific          | 0.70            | 1.05                        | -         | -                               | 1.75            |
| Incremental exposure beyond NPLL   | Specific          | -               | -                           | -         | -                               | -               |
| Standard Assets (Derivative MTM)   | General           | 73.18           | 107.78                      | -         | -                               | 180.96          |
| Unhedged Foreign Currency Exposure | Specific          | 64.79           | 61.59                       | -         | -                               | 126.38          |
| Country Risk                       | Specific          | 53.76           | 9.75                        | -         | -                               | 63.51           |
| Other Provisions                   | Specific          | 1.12            | -                           | -         | -                               | 1.12            |
| <b>Total</b>                       |                   | <b>864.13</b>   | <b>838.04</b>               | -         | <b>(51.25)</b>                  | <b>1,650.92</b> |

- The amount of non-performing investment is NIL.
- The amount of provisions held for non-performing investment is NIL.
- The movement of provisions for depreciation on investments is as under:

*(Amount in Rs. Millions)*

|  | Amount |
|--|--------|
| i) Opening Balance at the beginning of the year                | 325.58 |
| ii) Provisions made during the year                            | 159.34 |
| iii) Write-off made during the year                            | -      |
| iv) Write –back of excess provisions made during the year      | -      |
| v) Closing Balance as at the end of the year (i + ii - iii-iv) | 484.92 |



**Table DF – 4: Credit Risk: Disclosures for Portfolios**  
**Subject to the Standardized Approach**

**Qualitative disclosures**

- Bank has decided to use the ratings of the following credit rating agencies for Credit Exposure of Indian Operations, in line with RBI guidelines:

- (i) Credit Analysis and Research Ltd.
- (ii) CRISIL Ltd.
- (iii) India Ratings and Research Pvt Ltd
- (iv) ICRA Ltd.
- (v) Brickworks
- (vi) SMERA

We have added SMERA Credit Rating Agency name as per RBI circular reference no. DBOD.No.BP.BC.41/21.06.009/2012-13 dated 13<sup>th</sup> September, 2012.

- The Bank has not identified Rating Agencies on the basis of credit exposures.
- For exposure with a contractual maturity of less than or equal to one year (except cash credit, overdraft and other revolving credits), short term ratings given by approved rating agencies to be used.
- For domestic cash credit, overdraft and other revolving credits (irrespective of the period) and for Term Loan exposures of over one year, long term ratings to be used.

**Quantitative disclosures –**

The exposure amounts after risk mitigation ( subject to the Standardized Approach) in different risk buckets are as under:

*(Amount in Rs. Millions)*

|  |                   |
|--|-------------------|
| i) Below 100% risk weight exposure outstanding | 247,556.86        |
| ii) 100% risk weight exposure outstanding      | 97,324.39         |
| iii) More than 100%                            | 24,608.16         |
| iv) Deducted                                   | -                 |
| <b>Total</b>                                   | <b>369,489.41</b> |

**Note:** The above table covers all exposures except those for Market Risk & Operational Risk.

**Leverage Ratio, Capital Measure and Exposure Measure**

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage;

$$\text{Leverage Ratio} = \text{Capital Measure} / \text{Exposure Measure}$$

Following table shows Leverage ratio, Capital Measure and Economic Measure as on 31<sup>st</sup> Dec 18 along with the comparatives of prior three quarter ends:

*(Amount in Rs. Millions)*

|  | As on      |            |            |            |
|--|------------|------------|------------|------------|
|  | 31-Dec-18  | 30-Sep-18  | 30-Jun-18  | 31-Mar-18  |
| Capital Measure (A)                        | 48,101.38  | 45,818.53  | 45,821.38  | 45,082.60  |
| Exposure Measure (B)                       | 361,150.22 | 371,626.24 | 331,156.52 | 313,181.78 |
| On Balance sheet exposure                  | 250,900.25 | 248,263.87 | 230,095.37 | 222,180.93 |
| Derivatives Exposure                       | 87,571.60  | 100,356.69 | 81,207.05  | 76,051.26  |
| Securities Financing transactions exposure | 1,999.64   | -          | -          | -          |
| Off Balance sheet Items                    | 20,678.73  | 23,005.68  | 19,854.10  | 14,949.59  |
| Leverage Ratio (A/B)                       | 13.32%     | 12.33%     | 13.84%     | 14.40%     |