

**Table DF – 2: Capital Adequacy**

**Qualitative disclosures**

- Bank is maintaining a healthy CRAR during the FY 2017-18 which is commensurate with the size of its operations. As on 31<sup>st</sup> Dec 2017, 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 (including CCB & G-SIB buffer)	Position as On 31 <sup>st</sup> Dec 2017
Total Capital Ratio	11.00%	21.36%
Tier 1 Capital Ratio	9.00%	21.02%
Common Equity Tier 1(CET1) Capital ratio	7.50%	21.02%

- 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 @ 11% Rs.17, 873.77 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	1,081.89
ii) Foreign Exchange Risk (including Gold)	270.00
iii)Equity Risk	-
iv)Total capital charge for market risk under Standardized Duration Approach (i + ii + iii)	1,351.89

- The Capital charge for Operational Risk under Basic Indicator Approach (BIA) is Rs. 1,291.46 million as on 31<sup>st</sup> Dec 2017. The notional RWA as per BIA for operational Risk is Rs. 16,143.25 mio.

The capital ratios of the bank are as follows:

Total Capital Ratio (%)	21.36%
Tier I Capital Ratio (%)	21.02%
Common Equity Tier 1(CET1) Capital ratio (%)	21.02%
Tier II Capital Ratio (%)	0.33%

**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:

*(Amount in Rs. Millions)*

Category	Amount
Fund Based*	98,211.65
Non Fund Based**	21,499.63

\* 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:

*(Amount in Rs. Millions)*

Category	Overseas	Domestic
Fund Based	-	98,211.65
Non Fund Based	-	21,499.63

- 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)	2,839.09	95.01
21	B.1 Sugar	-	-
22	B.2 Edible Oils and Vanaspati	-	-
23	B.3 Tea	-	-
24	B.4 Coffee	160.00	-
25	B.5 Others	2,679.09	95.01
3	C. Beverages (excluding Tea & Coffee) and Tobacco (sum of C.1 & C.2)	651.96	-
31	C.1 Tobacco and Tobacco Products	-	-
32	C.2 Others	651.96	-
4	D. Textiles (sum of D.1 to D.6)	4,247.69	-
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	4,247.69	-
5	E. Leather and Leather Products	-	-
6	F. Wood And Wood Products	-	-
7	G. Paper and Paper Products	600.00	3.52
8	H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	4,790.63	-
9	I. CHEMICALS AND CHEMICAL PRODUCTS (DYES, PAINTS, ETC.) (sum of I.1 to I.4)	13,289.12	1,452.82
91	I.1 Fertilizers	20.00	-
92	I.2 Drugs and Pharmaceuticals	12,476.12	1,431.76
93	I.3 Petro-chemicals (excluding under infrastructure)	195.00	17.28
94	I.4 Others	598.00	3.79
10	J. Rubber, Plastic and their Products	-	4.27

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11	K. Glass & Glassware	514.06	32.96
12	L. Cement and Cement Products	400.00	860.01
13	M. Basic Metal and Metal Products (sum of M.1 and M.2)	3,463.71	251.74
131	M.1 Iron and Steel	1,259.56	223.58
132	M.2 Other Metal and Metal Products	2,204.15	28.16
14	N. ALL ENGINEERING (sum of N.1 & N.2)	7,776.56	1,416.21
141	N.1 Electronics	1,887.89	638.89
142	N.2 Others	5,888.67	777.33
15	O. Vehicles, Vehicle Parts and Transport Equipments	10,137.90	945.89
16	P. Gems and Jewellery	-	-
17	Q. Construction	-	6,184.75
18	R. Infrastructure (sum of R.1 to R.4)	15,430.11	667.87
181	R.1 Transport (sum of R.1.1 to R.1.5)	3,513.13	-
1811	R.1.1 Railways	-	-
1812	R.1.2 Roadways	-	-
1813	R.1.3 Airport	-	-
1814	R.1.4 Waterways	3,513.13	33.34
1815	R.1.5 Others	-	-
182	R.2 Energy (sum of R.2.1 to R.2.4)	1,116.99	-
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)	-	-
1823	R.2.3 Gas/LNG (storage and pipeline)	1,116.99	-
1824	R.2.4 Others	-	-
183	R.3 Telecommunication	10,800.00	634.53
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	81.92	93.60
20	All Industries (sum of A to S)	64,222.75	12,008.67
21	Residuary Other Advances (to tally with gross advances) (a+b+c)	33,988.90	9,490.96
211	a. Education Loans	-	-
212	b. Aviation sectors	-	-
213	c. Other Residuary Advances	33,988.90	9,490.96
<b>22</b>	<b>Total Loans and Advances</b>	<b>98,211.65</b>	<b>21,499.63</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	1,776.82	0.00	4,031.03
2-7 days	15,904.27	73687.88	4,813.53
8-14 days	7,753.02	4939.46	925.76
15- 30 days	31,932.00	5162.15	25,302.43
31 days to up to 2 months	2,626.62	6310.5	348.49
Over 2 months to up to 3 months	3,188.64	1802.88	525.11
3-6 months	6,761.25	3512.85	1,328.02
6-12 months	22,010.63	1074.68	718.59
1-3 years	4,801.03	5122.95	-
3-5 years	1,065.21	385.79	1.09
5-7 years	136.99	0.11	-
7-10 years	3.78	0.01	-
10-15 years	6.78	0	-
Over 15 years	5.54	0.02	-
<b>Total</b>	<b>97,972.59</b>	<b>1,01,999.28</b>	<b>37,994.05</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. 239.06 million against the outstanding advances of Rs.764.06 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	700
Doubtful – 1	-
Doubtful – 2	-
Doubtful – 3	64.06
Loss	-
NPAs (Gross)	764.06

b. The amount of net NPAs is Nil

- The NPA ratios are as under:

➤ Gross NPAs to Gross Advances: 0.78%

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➤ Net NPAs to Net Advances: 0.54%

- The movement of gross NPAs is as under:

(Amount in Rs. Millions)

	Funded Advances
i) Opening Balance at the beginning of the year	102.50
ii) Addition during the year	700.00
iii) Reduction during the year	(38.44)
iv) Closing Balance as at the end of the year (i + ii - iii)	764.06

- The movement of provision for NPAs is as under:

(Amount in Rs. Millions)

	Funded Advances
i) Opening Balance at the beginning of the year	102.50
ii) Provisions made during the year (Apr 17 – Dec 17)	175.00
iii) Write-off made during the year	-
iv) Write –back of excess provisions made during the year	(38.44)
v) Closing Balance as at the end of the year (i + ii - iii-iv)	239.06

- Amount of NPA by major industry type

Asset Classification	Geography	Sector	Amount (Rs. Mio)	Provision
Doubtful 3	New Delhi	M.1 Iron and Steel	64.06	100%
Sub-Standard	New Delhi	3.3 Tourism, Hotel and Restaurants	700.00	25%

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

(Amount in Rs. Millions)

Particulars	Type of Provision	Opening Balance	Provisions made during year	Provisions written back during year	Any Other Adjustments	Closing Balance
NPA(Funded & Non Funded)	Specific	197.77	137.18	-	-	334.95
Standard Assets (Loans and Derivatives)	General	474.69	-	(19.20)	-	455.49
Unhedged Foreign Currency Exposure	Specific	129.64	-	(3.29)	-	126.35
Country Risk	Specific	55.35	-	(7.02)	-	48.33
Other Provisions	Specific	1.12	-	-	-	1.12

<b>Total</b>		<b>858.57</b>	<b>137.18</b>	<b>(29.51)</b>	-	<b>966.24</b>
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- 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)*

	<b>Amount</b>
i) Opening Balance at the beginning of the year	-
ii) Provisions made during the year	232.05
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)	232.05

**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	211,102.16
ii) 100% risk weight exposure outstanding	96,317.74
iii) More than 100%	18,849.06
iv) Deducted	-
<b>Total</b>	<b>326,268.96</b>