Table DF – 2: CAPITAL ADEQUACY

Qualitative disclosures:

Reserve Bank of India has issued guidelines on implementation of Basel III capital regulations in India to be implemented in a phased manner effective from April 1, 2013 with Banks disclosing Basel III capital ratios from the quarter ending June 30, 2013. The bank is complying with the same.

The Bank has computed capital for market risk and operational risk as per the prescribed guidelines at the bank's Central Office, based on the relevant data. In computation of capital for Credit risk under Standardized Approach, the bank has relied upon the borrower-wise data captured from each individual branch besides portfolios held at Central Office of the bank. In all loan types, the credit risk capital computation is done on borrower basis or facility type basis as per the segmentation advised in the RBI guidelines. For this purpose, the Bank has developed in-house software, which enables computation of capital for credit risk of the advances portfolio of the branches and generation of the requisite reports at the Branch level, Regional Office level and Central Office level through CBS System.

RBI has prescribed that banks are required to maintain a minimum total capital (MTC) of 9% of total risk weighted assets (RWAs) i.e. capital to risk weighted assets (CRAR). The framework issued by RBI prescribes maintenance of a minimum Tier-1 CRAR of 7% with a minimum CET 1 of 5.5%. Total Capital (Tier 1 Capital plus Tier 2 Capital) must be at least 9% of RWAs on an ongoing basis. As per Basel III guidelines, in addition to the minimum Common Equity Tier 1 capital of 5.5% of RWAs, banks are also required to maintain a capital conservation buffer (CCB) of 2.50% of RWAs in the form of Common Equity Tier 1 capital with a transitional arrangement from 31.03.2016 to 31.03.2020 with an increase of 0.625% every year. As on 31.03.2022, Banks should maintain CCB of 2.50%.

The Bank has put in place a policy on Internal Capital Adequacy Assessment Process (ICAAP) and the framework in consideration of the relevant risk factors of the bank as a measure towards adequacy of capital available to meet the residual risk as part of Pillar 2 requirements of the revised framework commensurate with the bank's overall risk profile. In framing the policy, the bank has taken into consideration the requirements prescribed by the RBI in their guidelines and bank's risk appetite.

As part of Basel III framework RBI has introduced Leverage Ratio concept. The leverage ratio is the ratio of Tier-1 capital (Common Equity + Additional Tier I) and total exposure (as defined under Basel III). The leverage ratio has to be maintained on a quarterly basis. Final guidelines were issued vide RBI circular RBI/2018-19/225 DBR.BP.BC.No. 49/21.06.201/2018-19 dated: 28.06.2019 where in it was decided that Non - Domestic Systemically Important Banks (DSIBs) have to maintain a leverage ratio of 3.50% w.e.f 01.10.2020. Bank's Leverage Ratio for the June 2022 is 4.67% as against 3.50 % being stipulated by RBI

RBI has issued guidelines on two minimum standards Viz. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) for funding liquidity. The LCR promotes short term resilience of banks to potential liquidity disruptions by ensuring that bank have sufficient high quality liquid assets (HQLA) to survive an acute stress scenario lasting for 30 days.

Bank Liquidity Coverage Ratio (LCR) for June 2022 is 168.70% and Net Stable Funding Ratio (NSFR) for June 2022 is 143.61%. Details are annexed.

(Rs. in crore)

Quantitative Disclosures:	As on 30.06.2022
a) Capital requirements for credit risk • Portfolios subject to standardized approach • Securitization exposures	 8653.91 0.00
b) Capital requirements for market risk: Standardized duration approach • Interest rate risk • Foreign Exchange risk • Equity risk	 428.42 5.40 394.35
c) Capital requirements for operational risk a) Basic indicator approach b) The Standardized Approach	 1205.31 0.00
d) Total and Tier 1 capital ratio: For the top consolidated group; and • Total Capital • Total Capital Ratio CRAR • Total Tier I Capital • Common Equity Tier-I Capital Ratio	(in Percentage) **17976.21** **14.79%** **14279.28** **11.75%**

Table DF-3:

CREDIT RISK: GENERAL DISCLOSURES FOR ALL BANKS

Qualitative disclosures:

Credit Risk is the possibility of losses associated with diminution in the credit quality of borrowers or counter parties. In a Bank's portfolio, Credit Risk arises mostly from lending and investment activities of the Bank if a borrower / counterparty is unable to meet its financial obligations to the lender/investor. It emanates from changes in the credit quality/worthiness of the borrowers or counter parties. Credit risk also includes counterparty risk and country risk.

Credit rating and Appraisal Process:

The Bank manages its credit risk through continuous measuring and monitoring of risks at obligor (borrower) and portfolio level. The Bank has a robust internal credit rating framework and well-established standardized credit appraisal / approval process. Credit rating is a facilitating process that enables the bank to assess the inherent merits and demerits of a proposal. It is a decision enabling tool that helps the bank to take a view on acceptability or otherwise of any credit proposal.

The rating models factor quantitative and qualitative attributes relating to Risk components such as Industry Risk, Business Risk, Management Risk, Financial Risk, Project risk (where applicable) and Facility Risk etc. The data on industry risk is regularly updated and supported by CRISIL, based on market conditions.

Accounts having exposure below Rs.100 Lacs are rated under the IMACS (ICRA) risk rating models. Thus all the eligible accounts are subjected to Risk Scores Rating spanning over a number of risk parameters.

Bank has implemented “Retail Scoring Models” for Pushpaka (Vehicle Loan), Clean Loan and Housing loan irrespective of the amount w.e.f 02.01.2017. Bank has developed in-house scoring model for rating Small MSME borrowers requesting for loans upto Rs.10 lacs.

The bank follows a well-defined multi layered discretionary power structure for sanction of loans and advances. Approval Committees have been constituted at all levels covering Exceptionally Large branch / RO / CO for recommending fresh/enhancement proposal to appropriate sanctioning authorities. Specific Sanctioning Powers have been delegated to Branch Managers.

As per Loan Policy Document of the Bank, all the accounts having an exposure above Rs.25 Cr (except MSME) are mandatorily externally rated and the accounts eligible for dynamic rating are rated dynamically.

MSME accounts and all special schemes having an exposure of Rs.25.00 Cr and upto Rs.100.00 Cr are exempted from compulsory External rating.

Credit Risk Management Policies

The bank has put in place a well-structured loan policy and credit risk management policy duly approved by Board. The policy document defines organizational structure, role and responsibilities and processes whereby the Credit Risk carried by the Bank can be identified, quantified and managed within the framework that the Bank considers consistent with its mandate and risk tolerance. Credit risk is monitored by the bank on a bank-wide basis and compliance with the risk limits approved by Board / RMCB is ensured. The Credit Risk Management Committee (CRMC) takes into account the risk tolerance level of the Bank and accordingly handles the issues relating to Safety, Liquidity, Prudential Norms and Exposure limits.

The bank has taken earnest steps to put in place best credit risk management practices in the bank. In addition to Loan Policy and Credit Risk Management Policy, the bank has also framed Interest Rate Policy on Advances, Funds and Investment Policy, Counter Party Risk Management Policy and Country Risk Management Policy etc., which forms integral part of monitoring of credit risk in the bank. Besides, the bank has implemented a policy on collateral management and credit risk mitigation which lays down the details of securities (both prime and collateral) normally accepted by the Bank and administration of such securities to protect the interest of the bank. Presently, some select securities act as mitigation against credit risk (in capital computation), to which the bank is exposed.

CREDIT RISK: GENERAL DISCLOSURES FOR ALL BANKS

(Rs. in Crore)

Quantitative Disclosure:	**30.06.2022**
a) Total gross credit risk exposures:	**302612.14**
Fund based	288172.22
Non fund based	14439.92
b) Geographic distribution of exposures,	
• **Domestic**	
Fund based	150259.24
Non Fund based (LC + LG)	17787.30
• **Overseas**	
Fund based	13284.70
Non Fund based (LC + LG)	1622.90
c) Industry type distribution of exposures, fund based and non-fund based separately	Annexed
d) Residual contractual maturity breakdown of assets	Annexed
e) Amount of NPAs (Gross)	14919.06
• Substandard	2317.89
• Doubtful	10103.22
a. D1	2419.78
b. D2	3070.69
c. D3	4612.75

Quantitative Disclosure:	**30.06.2022**
• Loss	2497.95
f) Net NPAs	3698.12
g) NPA Ratios • Gross NPAs to gross advances • Net NPAs to net advances	 9.12% 2.43%
h) Movement of NPAs (Gross) • Opening balance (01.04.2022) • Additions • Reductions • Closing balance (30.06.2022)	 15298.62 626.86 1006.42 14919.06
i) Movement of provisions for NPAs • Opening balance (01.04.2022) • Provisions made during the period • Write off / Write back of excess provisions • Closing balance (30.06.2022)	 11149.35 132.73 324.77 10957.31
j) Amount of Non-Performing Investments	1605.06
k) Amount of provisions held for non-performing investments *	1507.32
l) Movement of provisions for depreciation on investments • Opening Balance (01.04.2022) • Provisions made during the period • Write-off / Write-back of excess provisions • Closing Balance (30.06.2022)	2416.84 340.17 530.10 2226.91

* Includes MTM of NPI Shares Rs.676.57 Crore and MTM of NPI Bonds Rs.107.37 Crore.
Apart from SMP provisions of Rs.617.84 crore NPI provision of Rs.105.54 crore

Residual contractual Maturity break down of Assets (Covers Gross Assets for Global operations)

(Rs. in crore)

Particulars	**Amount**
Day 1	30418.47
2 Days – 7 Days	5601.99
8 Days – 14 Days	5902.26
15 Days – 30 Days	5731.19
31 Days – 2 Months	10966.40
2 Months – 3 Months	10792.19
3 Months – 6 Months	23496.40
>6 Months – 12 Months	42288.18
>1 Year – 3 Years	53393.07
>3 Years – 5 Years	16396.05
> 5 Years	103020.86

INDUSTRY WISE EXPOSURES

(Rs. in crore)

Industry Name	Exposure as on 30.06.2022
Mining and quarrying	**3535.63**
Food Processing	**4206.01**
Of which Sugar	840.99
Of which Edible Oils and Vanaspati	579.39
Of which Tea	172.03
Beverages and Tobacco	**596.19**
Cotton Textiles	**3303.71**
Jute Textiles	**108.57**
Handicraft/ Khadi (Non Priority)	**471.42**
Other Textiles	**3628.82**
Leather and Leather Products	**679.57**
Wood and Wood Products	**700.45**
Paper and Paper Products	**1704.56**
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	**1412.84**
Chemicals and Chemical Products (Dyes, Paints, etc.,)	**4418.42**
Of which Fertilisers	2589.47
Of Which Drugs and Pharmaceuticals	585.87
Of which Others	1243.08
Rubber, Plastic and their products	**1489.00**
Glass & Glassware	**56.35**
Cement and Cement Products	**1324.54**
Iron and Steel	**7255.88**
Other Metal and Metal Products	**3047.50**
All Engineering	**5737.80**
Of which Electronics	1189.24
Vehicles, Vehicle Parts and Transport Equipments	**3641.78**
Gems and Jewellery	**3127.33**
Construction	**746.91**
Infrastructure	**25173.68**
Of which Roadways	7101.11
Of which Energy	11661.18
Of which Telecommunications	3493.90
Other Industries	**143.43**
Residuary Other Advances	**148929.60**
Of which Aviation Sector	181.01
Total Loans and Advances	**225621.00**

Table DF-4:

CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH (as on 30.06.2022)

Quantitative Disclosures

(Rs. in Crore)

Classification	Exposure after Mitigation (EAM)	EAM covered under External Rating	*Unrated*
ADVANCES / INVESTMENT			
Below 100% risk weight	147527.79	17811.13	129716.66
100% risk weight	50715.60	5013.60	45702.00
More than 100% risk weight	4184.75	2433.07	1751.68
Deducted	0.00	0.00	0.00
TOTAL	**202428.14**	**25257.80**	**177170.34**
OTHER ASSETS			
Below 100% risk weight	32226.29	1308.09	30918.20
100% risk weight	6104.64	3.15	6101.49
More than 100% risk weight	0.55	0.00	0.55
Deducted	0.00	0.00	0.00
TOTAL	**38331.47**	**1311.24**	**37020.23**

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

(Rs. in Crore)

	Item	Amount
1	Total consolidated assets as per published financial statements	357147
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	322
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0
4	Adjustments for derivative financial instruments	1770
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	13992
7	Other adjustments	65939
8	**Leverage ratio exposure (1-2-3+4+5+6-7)**	**306647**

Table DF-18: Leverage ratio common disclosure template

(Rs. in Crore)

	Item	Leverage ratio framework (Rs. in Cr)
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	357147
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	67326
3	**Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of lines 1 and 2)	**289821**
	Derivative exposures	
4	Replacement cost associated with all *derivatives* transactions (i.e. net of eligible cash variation margin)	257
5	Add-on amounts for PFE associated with *all* derivatives transactions	1513
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	--
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	--
8	(Exempted CCP leg of client-cleared trade exposures)	--
9	Adjusted effective notional amount of written credit derivatives	--
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	--
11	**Total derivative exposures (sum of lines 4 to 10)**	**1770**
	Securities financing transaction exposures	
12	Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions	--
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	--
14	CCR exposure for SFT assets	0
15	Agent transaction exposures	--
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	**0**
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	32056
18	(Adjustments for conversion to credit equivalent amounts)	(18064)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**13992**
	Capital and total exposures	
20	**Tier 1 capital**	**14279**
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**305582**
	Leverage Ratio	
22	**Basel III leverage ratio**	**4.67%**