Basel III-Pillar III Disclosures

December 31,2017

Table DF – 2: Capital Adequacy

Assessment of Capital Adequacy:

(a) Bank maintains capital to protect the interest of depositors, general creditors and stake holders against any unforeseen losses

As per the RBI guidelines, Banks have to maintain a Minimum Common Equity Tier 1 (CET 1) of 6.75% (including Capital Conservation Buffer of 1.25%) and minimum CRAR of 10.25%. Bank maintains Common Equity Tier 1 (CET 1) of more than 6.75% and CRAR of more than 10.25%.

(b) In line with RBI guidelines, Bank has adopted following risk management approaches for assessing the capital adequacy:

- **Credit Risk**: Standardised Approach
- **Market Risk**: Standardised Duration Approach
- **Operational Risk**: Basic Indicator Approach

(c) Bank projects capital for the next 3 financial years based on business projections ,policy guidelines, macro-economic scenarios, risk appetite etc

(d) Under Pillar II, Bank considers the following as risks while assessing / planning capital:

- Liquidity Risk
- Credit Concentration Risk
- Interest Rate Risk in Banking Book
- Pension Obligation Risk
- Under estimation of Credit risk under Standardized approach
- Strategic Risk
- Reputation Risk
- Counterparty Credit Risk

(e) Bank also periodically undertakes stress testing in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, interest rate, derivatives and forex on its profitability and capital adequacy.

A comprehensive stress testing framework is put in place. Bank conducts stress test on quarterly basis based on scenarios prescribed by RBI as well as bank specific scenarios. The Stress test results were placed to various apex level committees.

The Bank assesses the impact on the following risks, as part of Stress Test:

- Credit Risk
- Market Risk
- Credit Concentration Risk
- Default Risk
- Liquidity Risk
- Interest Rate Risk in Banking Book (IRRBB)

Bank is conducting the Stress Test on quarterly basis and the result of the same is placed to Credit Risk Management Committee (CRMC)/Risk Management Committee (RMC) of the Board

Quantitative disclosures (as per Basel III guidelines)

(a) Capital requirements for credit risk: (₹ in Million)

Particulars	Solo (Global)	Consolidated
Portfolios subject to standardized approach	119074.64	119127.33
Securitization exposures	NIL	NIL

b)Capital requirements for market risk:

Standardized duration approach (₹ in Million)

Particulars	Solo (Global)	Consolidated
Interest Rate Risk	9954.87	9954.87
Foreign Exchange Risk (including gold)	63.00	63.00
Equity Risk	4436.40	4436.40

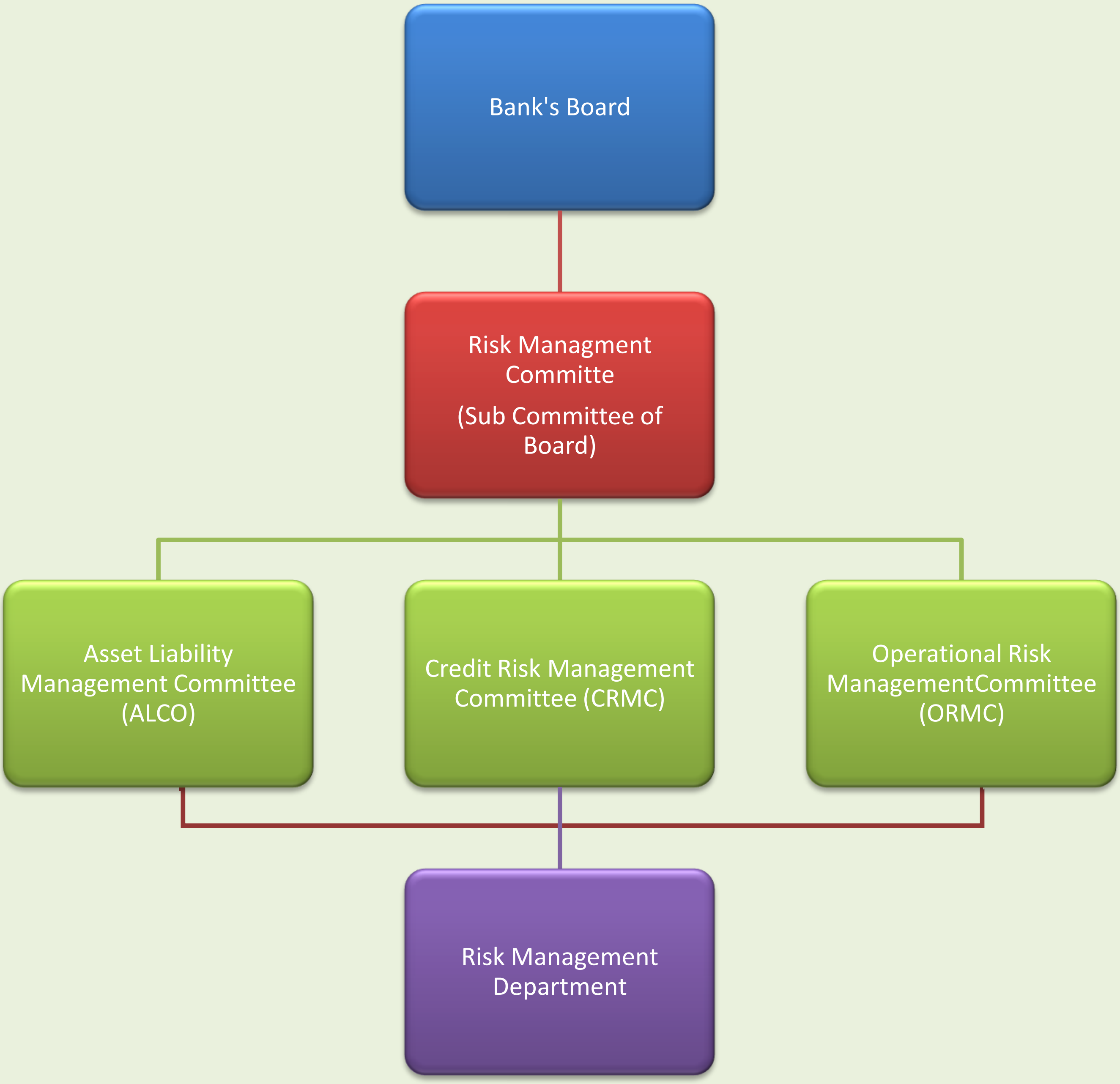
(c)Capital requirements for operational risk: (₹ in Million)

Particulars	Solo (Global)	Consolidated
Basic Indicator Approach	9339.33	9356.40

(d)Common Equity Tier 1 (CET 1), Tier 1 and Total capital ratio (as per Basel III guidelines):

Particulars	Solo (Global)	Consolidated
Common Equity Tier 1 (CET 1),	10.64%	10.81%
Tier 1 Capital Adequacy Ratio	10.99%	11.15%
Total Capital Adequacy Ratio	12.44%	12.60%

Organisation Structure:



Risk Management Architecture:

The Bank's risk management framework is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. An independent Risk Management Department is functioning for effective Enterprise-Wide Risk Management and responsible for assessment, monitoring and reporting of risk exposures across the bank. All the risks the Bank is exposed to, are managed through following three committees viz.,

(i) Credit Risk Management Committee (CRMC)
(ii) Asset and Liabilities Management Committee (ALCO)
(iii) Operational Risk Management Committee (ORMC)

These committees work within the overall guidelines and policies approved by the Board and Risk Management Committee of the Board.

The Bank has put in place various policies to manage the risks. To analyze the enterprise-wide risk and with the objective of integrating all the risks of the Bank, an Integrated Risk Management policy has also been put in place. The important risk policies comprise of Credit Risk Management Policy, Asset Liability Management Policy, Market Risk Management Policy, Operational Risk Management Policy, Internal Capital Adequacy Assessment Process (ICAAP) Policy, Stress Testing Policy, Collateral Management Policy, Disclosure Policy, Reputational Risk Management Policy and Strategic Risk Management Policy.

All the policies are reviewed at a minimum on annual basis by Risk Management Committee (RMC)/ Board. In order to disseminate the risk management concepts and also to sensitize the field level functionaries, the relevant policies were circulated to the branches, in addition to imparting training at the Bank's training colleges.

Credit Risk:

Risk Management Systems are in place to identify and analyze the risks at the early stage and manage them by setting and monitoring prudential limits besides taking other corrective measures to face the changing risk environment.

Limit Framework:

In order to limit the magnitude of credit risk and concentration risk, a limit framework has been laid down for following type of exposures:

- Single and group borrower exposure
- sensitive sector exposure
- unsecured exposure
- interbank exposure
- country-wise exposure
- Internal rating wise exposure
- Geographical exposure
- Term loan exposure
- Industry-wise exposure
- Interbank exposure

These exposure limits are monitored on regular basis and placed to various apex level committees of the Board.

Rating Model: All credit proposals are subject to a rigorous credit risk rating/scoring process to support credit decision making as well as to enhance risk management capabilities for portfolio management, pricing and risk based capital measurement.

Software driven rating mechanism is in place to assign the rating to ensure credit quality besides an entry level scoring system. The output of the rating models is used in decision making i.e. sanction, pricing and monitoring of credit portfolio. In order to ensure robustness of the rating models, the rating models have been subjected to validation by an external agency.

Scoring model: The Bank has developed entry level scoring models. All the fresh sanctions coming under personal loan products are subjected to entry level scoring

Loan review mechanism and Credit audit system are in place for the periodical review/audit of the large value accounts and bring about qualitative improvements in credit administration of the Bank. In addition, Standard Assets Monitoring Committee reviews the Special Mention Accounts periodically to initiate timely action to prevent slippage of standard assets to non performing assets. As a part of monitoring mechanism, accounts which are downgraded from investment category are identified and monitored closely on quarterly basis.

Migration analysis of ratings is done on annual basis. Also weighted average rating of industry-wise portfolio of the Bank is done on quarterly basis. Analysis of rating wise distribution of advances is also carried out on quarterly basis.

Adopting best risk management practices, credit proposals (except schematic loan proposals) coming under sanctioning powers of Corporate Office are scrutinised by the Risk Management Department.

Asset Liability Management:

Asset liability Management framework facilitates bank to measure, monitor and control liquidity risk and interest rate risk on its balance sheet. This helps in providing suitable strategies for asset liability management. The asset liability management framework consists of the following key components

- Liquidity risk management
- Interest rate risk management
- Balance sheet and Basel III liquidity ratios
- Stress Testing and scenario analysis
- Contingency funding plan

Bank has set in place ALM policy to achieve two primary objectives as listed below:

Short Term Objective:

- To optimize the Net Interest Margin (NIM) of the Bank
- To provide adequate liquidity
- To manage re-pricing risk

Long Term Objective:

- To maximize the shareholder's wealth

Asset Liability Management is the function of Asset Liability Management Committee (ALCO). It operates under the guidance and supervision of the Board and/or Sub-Committee of Board on Risk Management. It meets at regular intervals to review the interest rate scenario, product pricing for both deposits and advances, maturity profile of the incremental assets and liabilities, demand for Bank funds, cash flows of the Bank, profit planning and overall Balance Sheet Management.

Liquidity risk is measured and monitored through two approaches-Flow approach and Stock approach. Flow approach involves comprehensive tracking of cash flow mismatches and is done through preparation of Structural liquidity statement on a daily basis. Appropriate tolerance levels/prudential limits have been stipulated for mismatches in different time buckets. Under Stock Approach various balance sheet ratios are prescribed with appropriate limits. The compliance of ratios to the prescribed limits ensures that the Bank has managed its liquidity through appropriate diversification and kept it within the sustainable limit. The Bank also assesses its short-term liquidity mismatches and reports the same in the short term dynamic liquidity report which represents the cash flow plans of various asset and liability generating units and seasonal variation of cash flow patterns of assets and liabilities of the bank over a period of 1-90 days.

For measurement and monitoring of Interest rate risk, currency wise, both Traditional gap approach and Duration gap approaches are followed. The short-term impact of interest rate movements on NIM is worked out through “Earnings at Risk” approach taking into consideration Yield curve risk, Basis risk and Embedded Options Risk. The long-term impact of interest rate movements on Market Value of Equity is also worked out through Duration Gap approach. The monthly interest rate sensitivity statement is reviewed by ALCO / Board.

Stress testing of liquidity risk and interest rate risk is conducted on regular interval as per the RBI defined and internally defined stress scenarios. The results from internal Liquidity stress testing are used to draw contingency funding plan under different liquidity stress scenarios.

In addition to the above, bank is computing Liquidity Coverage Ratio (LCR) as per latest guidelines issued by RBI and is using it as a risk measurement tool to manage short term liquidity. On a monthly basis LCR statement is reviewed by ALCO.

Market Risk Management:

Market risk is the possibility of loss caused by adverse movements in the market variables. The Bank for International Settlements (BIS) defines market risk as "the risk that the value of 'on' or 'off' balance sheet positions will be adversely affected by movements in equity and interest rate markets, currency exchange rates and commodity prices". Thus, Market Risk is the risk to the bank's earnings and capital due to changes in the market level of interest rates or prices of securities, foreign exchange and equities, as well as the volatilities of those changes. The objective of market risk management is to assist the business units in maximizing the risk adjusted return by providing analytics driven inputs regarding market risk exposures, portfolio performance vis-à-vis risk exposures and comparable benchmarks. Following risks are managed under Market Risk.

- Interest Rate Risk
- Exchange Rate Risk
- Equity Price Risk

The market risk may also arise from changes in commodity prices and volatility. However, Bank does not have any exposure to commodity related markets.

Market Risk Management (MRM) Framework of the bank is as follows:

a) **Risk Identification:** The Policy is focused on setting a framework for identifying, assessing and managing market risk in order to provide clarity on various dimensions of risk identification and recognition to each of the business functions.
b) **Risk Measurement and Limits:** Bank recognizes that no single risk statistic can reflect all aspects of market risk. Therefore, various statistical and non-statistical risk measures are used to enhance the stability of risk measurement of market risk. Together, these risk measures provide a more comprehensive view of market risk exposure than any single measure. Market risk is managed with various metrics viz. Value at Risk (VaR), Earnings at Risk (EaR), Modified duration (MD), PV01 Limits, Net Overnight Open Position Limits (NOOPL), Individual Gap Limit (IGL) and Aggregate Gap Limit (AGL) currency wise and also through sensitivity analysis. Stress testing is also conducted on a regular basis to monitor the vulnerability of the bank to extreme but plausible unfavourable shocks.
c) **Risk Monitoring:** Bank monitors and controls its risk, using various internal and regulatory risk limits for trading book which are set based on economic scenario, business strategy, management experience and Bank's risk appetite. Rate scan is carried out to ensure that transactions are executed and revalued at prevailing market rates.
d) **Risk Reporting:** Mid Office monitors treasury operations on day to day basis. A daily report is placed to Chief Risk Officer and on monthly basis to ALCO. Capital charge on account of Market Risk is computed and reported to ALCO and Board on quarterly basis. Stress testing is done for assessing market risk as per framework prescribed in Stress Test Policy and reported to ALCO on Quarterly basis.

Market risk management is governed by comprehensive board approved Market Risk Management Policy, Investment Policy, Stress Testing and Derivative Policy to ensure that the risks spread across different activities carrying an underlying market risk are within the stipulated risk appetite of the bank. All the policies are benchmarked with industry-best practices and RBI regulations. The risk reporting mechanism in the Bank comprises disclosures and reporting to the various management committees.

Operational Risk:

Operational risk is now on the focus of intense interest among industry participants, regulators and other stake holders. The bank has put in place Operational Risk Management Frame work (ORMF) and Operational Risk Management systems (ORMS) to ensure effective governance, risk capture and assessment and quantification of operational risk exposure. Operational risk is well managed by using appropriate qualitative & quantitative methods and established internal control systems in day to day management processes and adopting various risk mitigating strategies. The risk perceptions in various products / processes are critically analysed and corrective actions if required, are initiated.

Bank has implemented a sophisticated web-based Operational Risk Management System to capture, measure, monitor and manage its operational risk exposure. Bank has built up internal loss data base for more than 10 years.

During the year, monitoring of operational risk through credit spurt and Analysis of frequency & severity of operational loss through statistical technique have been done.

Table DF-3

Credit Risk: General disclosures for all banks

Qualitative Disclosures:

(a) Credit Risk Management:

Credit risk is defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties.

Architecture:
In adherence with various guidelines and leading industry practices, the Bank has set up a robust governance structure for the management of credit risk, ensuring an adequate oversight, monitoring and reporting. The framework establishes the responsibilities of the board of directors.

The Bank has established a Board level sub-committee known as 'Risk Management Committee (RMC)' constituted in terms of RBI guidance note on Risk Management system.

Risk Management Committee (RMC):
The RMC evaluates overall risks faced by the Bank and is responsible for the establishment of an effective system to identify measure, monitor and control risk and recommend to the Board for its approval, clear policies, strategy, risk appetite and credit standards.

The Board has delegated authority to the RMC for credit risk related responsibilities.

The committee oversees credit risk management and ensures that the principal credit risks facing the Bank have been properly identified and are being appropriately managed. The committee approves and periodically reviews the overall risk appetite and credit risk management strategy. The committee reviews the risk management policies, the Bank's compliance with risk management guidelines stipulated by the RBI.

The risk committee also reviews credit risk profile and any major development, internal and external, and their impact on portfolio and as a whole on the bank

Credit Risk Management Committee (CRMC):
CRMC deals with the issues relating to credit policy and procedures, and analyzes, manages and controls credit risk on a bank wide basis.

Loan Review Management Committee: (LRMC):

As a part of Credit risk management process, Loan Review Management Committee (LRMC), at Corporate Office, has been constituted to undertake review of borrowal accounts sanctioned by various Committees at CO and Zonal Credit Committee.

Definitions of past due and impaired (for accounting purpose)

Bank has adopted the definitions of the past due and impaired (for accounting purposes) as defined by RBI for Income Recognition and Asset Classification norms.

The policy of the bank for classifying bank's loan assets is as under:

Non Performing Asset (NPA): A non performing asset (NPA) is a loan or an advance where:

- Interest and/ or installment of principal remain overdue for a period of more than 90 days in respect of a term loan,
- The account remains 'out of order' in respect of an Overdraft/Cash Credit (OD/CC)
- The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- The installment of principal or interest thereon remains overdue for two crop seasons for short duration crops
- The installment of principal or interest thereon remains overdue for one crop season for long duration crops

An OD/CC account is treated as **'out of order'** if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for more than 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 are treated as **'out of order'**.

Non Performing Assets of the Bank is further classified in to three categories as under:

- **Sub standard Assets**

A sub standard asset is one which has remained NPA for a period less than or equal to 12 months.

- **Doubtful Assets**

An asset would be classified as doubtful if it has remained in the sub standard category for 12 months.

- **Loss Assets**

A loss asset is one where loss has been identified by the bank or by internal or external auditors or the RBI inspection.

Credit Risk Management Policy:

The Bank has put in place the Credit Risk Management Policy and the same has been circulated to all the branches. The main objective of the policy is to ensure that the operations are in line with the expectation of the management and the strategies of the top management are translated into meaningful directions to the operational level. The Policy stipulates prudential limits on large credit exposures, standards for loan collateral, portfolio management, loan review mechanism, risk concentrations, risk monitoring and evaluation, provisioning and regulatory / legal compliance.

The Bank identifies the risks to which it is exposed and applies suitable techniques to measure, monitor and control these risks.

While the Board / Risk Management Committee of the Board devises the policy and fixes various credit risk exposures, Credit Risk Management Committee implements these policies and strategies approved by the Board / RMC, monitors credit risks on a bank wide basis and ensures compliance of risk limits.

The Bank studies the concentration risk by (a) fixing exposure limits for single and group borrowers (b) rating grade limits (c) industry wise exposure limits and (d) analyzing the geographical distribution of credit across the Zones. All the Zones are categorized under four segments namely North, South, East and West.

Bank considers rating of a borrowal account as an important tool to measure the credit risk associated with any borrower and accordingly implemented rating software.

(b) Total gross credit risk exposures, Fund Based and Non-fund based separately.

(₹ in Million)

Particulars	Solo (Global)	Consolidated
Gross Credit Risk Exposures		
Fund Based		
Loans and Advances	1531204.95	1531205.00
Investments	386348.24	386388.80
Other Assets	239336.95	239810.98
Total Fund Based	**2156890.14**	**2157404.78**
Non Fund Based including contingent credit, contracts and derivatives*	648714.41	648946.99
Total Credit Risk Exposure	**2805604.55**	**2806351.77**

*includes notional principles of derivatives exposures, fund based unavailed limits, LC, acceptances Guarantees

(c) Geographic distribution of credit risk exposures Fund based and Non-fund based (solo) separately

(₹ in Million)

Geographical Region	Fund Based	Non Fund Based including contingent credit, contracts and derivatives	Total
Overseas	78655.02	14635.00	93290.02
Domestic	2078235.12	634079.40	2712314.53
Total	2156890.14	648714.41	2805604.55

(d) Industry-wise distribution of exposures (solo) as on 31.12.2017

(₹ in Million)

SL. NO.	MAJOR INDUSTRIES/SECTORS	OUTSTANDING		Global Commited Exposure as on 31.12.2017
		FB BAL	NFB BAL	
1	GEMS and JEWELLERY INCLUDING DIAMOND	1333.32	103.26	1873.82
2	**INFRASTRUCTURE**			
	2.1 POWER	100267.81	11660.56	141994.60
	of which Central Government	5229.40	0.00	7259.00
	State Government	47747.50	5306.40	73938.10
	Private Sector	47290.90	6354.20	60797.60
	2.2 PORTS/ROADS	41145.29	2275.65	60279.28
	2.3.TELECOM	4957.06	29851.29	37107.33
	2.4.OTHER INFRASTRUCTURE	66659.87	3706.13	104629.56
	2.5.EDUCATIONAL INSTITUTION	25293.18	1059.00	36724.82
	2.6.HOSPITAL	5185.36	377.15	9084.16
	2.7.HOTELS	7247.23	249.64	8121.48
3	PETROLEUM AND PETROLEUM PRODUCTS	29639.34	29593.23	82411.29
4	TEXTILES	46010.38	2009.97	59401.80
5	IRON AND STEEL	39045.67	5062.76	53198.85
6	**ALL ENGINEERING**			
	6.1. ALL ENGINEERING-OTHERS	22044.85	21638.49	59292.89
	6.2 .ELECTRONICS and COMPUTERS(HW and SW)	8092.09	1809.39	12078.82
7	**CHEMICAL & CHEMICAL PRODUCTS**			
	7.1.FERTILIZER	588.81	1682.89	3104.34
	7.2.PETROCHEMICAL	23.36	0.00	57.71
	7.3.DRUGS & PHARMACEUTICALS	3713.97	335.68	5108.78
	7.4.OTHERS(CHEMICALS & CHEMICAL PRODUCTS)	5230.12	1471.69	8841.35
8	**FOOD PROCESSING**			
	8.1.SUGAR	6902.36	1042.47	8960.90
	8.2.EDIBLE OIL & VANASPATI	883.49	1641.92	3495.48
	8.3.TEA/COFFEE	1168.82	1.91	1379.58
	8.4.OTHERS(FOOD PROCESSING)	28448.75	3358.64	43365.60
9	COLLIERY, MINING AND QUARRYING	1973.26	195.84	2959.25
10	CEMENT AND CEMENT PRODUCTS	11548.32	2603.49	16619.81
11	LEATHER AND LEATHER PRODUCTS	1240.62	220.47	1723.36
12	CONSTRUCTION CONTRACTORS	18919.86	32657.17	64344.41
13	RUBBER, PLASTICS AND THEIR PRODUCTS (INCLUDING TYRE)	12376.81	3144.61	22951.92
14	AUTOMOBILES(VEHICLES, VEHILCE PARTS AND TRANSPORT EQUIPMENT)	7024.27	1179.14	11168.85
15	BEVERAGES AND TOBACCO	2242.82	666.70	5467.25
16	WOOD AND WOOD PRODUCTS	2339.46	159.38	3147.70
17	PAPER AND PAPER PRODUCTS	6853.70	365.27	8303.30
18	GLASS AND GLASSWARE	3222.16	2363.85	6783.70
19	OTHER METAL AND METAL PRODUCTS	10167.52	861.68	12460.83
20	PRINTING AND PUBLISHING	3383.70	106.80	4268.93

21	AVIATION	5313.26	0.00	5332.65
22	MEDIA AND ENTERTAINMENT	1683.40	4192.69	6108.87
23	LOGISTICS	3469.73	1818.43	6793.31
24	SHIP BUILDING	1290.56	2052.00	8059.18
25	NBFC(INCLUDING MFI/HFC)	142968.96	1957.02	178134.65
	Of which MFI @	8519.80	0.00	9854.10
26	CME – CAPITAL MARKET EXPOSURE	55.40	3783.90	11031.57
27	CRE – COMMERCIAL REAL ESTATE	46480.30	1236.00	58153.00

As on 31.12.2017, the Bank's exposure to the industries stated below was more than 5% of the total gross credit exposure

Sl.No	Industry Classification	Percentage of the total gross credit exposure
1	NBFC	6.35%
2	Power	5.06%

(e) Residual contractual maturity break-up of advances and investments

(₹ in Million)

	Advances	Investments*
1 day	15815.94	180568.00
2-7 days	19717.96	13354.50
8 -14 days	65971.85	5049.70
15 to 30 days	42616.37	12101.40
31 days to 2 months	83970.57	12074.50
Over 2 months to 3 months	112662.84	14846.60
Over 3 months to 6 months	121684.35	60293.80
Over 6 months to 1 year	231475.33	75580.70
Over 1 year to 3 years	433413.90	132123.10
Over 3 years to 5 years	164350.25	41712.50
Over 5 years	191061.04	168220.91
Total	1482740.40	715925.71

*Excludes 50% of listed equities of ₹ 2692.63 Mio

(₹ in Million)

(f)	Amount of NPAs (Gross) – (Solo-Global)	95951.50
	➢ Substandard	18153.10
	➢ Doubtful 1	25773.90
	➢ Doubtful 2	43967.40
	➢ Doubtful 3	3801.70
	➢ Loss	4255.40
(g)	Net NPAs	48986.02
(h)	NPA Ratios	
	➢ Gross NPAs to gross advances	6.27%
	➢ Net NPAs to net advances	3.30%
(i)	Movement of NPAs (Gross)	
	➢ Opening Balance	96239.50
	➢ Additions	9548.70
	➢ Reductions	9836.70
	➢ Closing Balance	95951.50
(j)	Movement of provisions for NPAs (excluding floating provision)	
	➢ Opening Balance	45071.09
	➢ Provisions made during the period	4093.72
	➢ Write Off	4804.14
	➢ Write-back of excess provisions	1452.10
	➢ Closing balance	42908.57
(k)	Amount of Non-Performing investments	591.71
(l)	Amount of Provisions held for non-performing investments	349.32
(m)	Movement of provisions for depreciation on investments	
	➢ Opening balance	2005.35
	➢ Provisions made during the period	4712.59
	➢ Write-off	0.00
	➢ Write-back of excess provisions	9.54
	➢ Closing balance	6708.40

Write off and recoveries that have been booked directly to the income statement for 9 months ended 31.12.2017:

(₹ in Million)

Recovery in Accounts under collection	1513.40
Memorandum of Interest / legal charges / Recovery in written off accounts	350.30

Amount of NPA by Major Industry type

(₹ in Million)

Name of the Industry	Gross NPA	Provisions	Net NPA
1. Basic Metals	36115.80	14566.40	21549.40
2. Infrastructure incl Power	12746.80	6488.60	6258.20
3.Textiles	5195.50	2216.80	2978.70
4.All Engineering	7383.80	2478.60	4905.20
5.Coal & Mining	2775.10	1471.50	1303.60

Technical write off during the 9 months ended 31.12.2017: Rs.10934.60 million

Analysis of the ageing of past-due loans (Global) : (₹ in Million)

Details (NPA)	Gross NPA
Less than 1 Year (SS)	18153.10
1 – 2 Years (D1)	25773.90
2 – 3 Years (D2 – 1st Year)	43967.40
3 – 4 Years (D2 – 2nd Year)	3801.70
More than 4 Years	4255.40

Geography-wise NPA (₹ in Million)

	Domestic	Overseas	Global
Amount of NPAs (Gross)	93846.92	2104.58	95951.50
➢ Substandard	18153.10	0.00	18153.10
➢ Doubtful 1	23733.04	2040.86	25773.90
➢ Doubtful 2	43932.01	35.39	43967.40
➢ Doubtful 3	3773.37	28.33	3801.70
➢ Loss	4255.40	0.00	4255.40
Net NPAs	47460.81	1525.21	48986.02

Table DF – 4

Credit Risk: disclosures for portfolios subject to the standardized approach

Qualitative Disclosures:

(a)The Bank uses ratings assigned by the seven Rating Agencies approved by the Reserve Bank of India namely a) CRISIL, b) ICRA, c) CARE, d)India Ratings, e)BRICKWORKS f) SMERA and g) INFOMERICS for the eligible exposures such as Corporate, Public Sector Enterprises, Capital Market Exposures etc. according to the Basel III framework. For overseas credit exposure, bank accepts rating of Standard &Poor, Fitch, Moody's.

The Bank has used the solicited ratings assigned by the above approved credit rating agencies for all eligible exposures, both on balance sheet and off balance sheet, whether short term or long term, in the manner permitted in the RBI guidelines on Basel III capital regulations.

Ratings published by the rating agencies on their website are used for this purpose. Only ratings which are in force as per monthly bulletin published in the website of the concerned rating agencies are taken into account.

For assets in the Bank's portfolio that have contractual maturity less than or equal to one year, short term ratings accorded by the chosen credit rating agencies are considered relevant. For other assets, which have a contractual maturity of more than one year, long term ratings accorded by the chosen credit rating agencies are considered relevant.

Long term/short term ratings issued by the chosen domestic credit rating agencies have been mapped to the appropriate risk weights applicable as per the standardised approach under Basel III capital regulations.

Use of multiple rating assessment:

- If there are two ratings accorded by chosen credit rating agencies that map into different risk weights, the higher risk weight are applied

- If there are three or more ratings accorded by chosen credit rating agencies with different risk weights, the ratings corresponding to the two lowest risk weights should be referred to and the higher of those two risk weights should be applied. i.e., the second lowest risk weight

Quantitative Disclosures:

(b)The total credit risk exposure (Solo-Global) bifurcated after the credit risk mitigation under Standardized Approach is as under:

(₹ in Million)

Solo (Global)	Book Value	Risk Weighted value
Below 100% Risk weight	1860053.12	382729.54
100% Risk weight	625222.66	472327.73
Above 100% Risk weight	320328.76	306646.56
Total	2805604.55	1161703.84

The total credit risk exposure (Consolidated) bifurcated after the credit risk mitigation under Standardized Approach is as under:

(₹ in Million)

Consolidated	Book Value	Risk Weighted value
Below 100% Risk weight	1860303.71	382746.89
100% Risk weight	625719.30	472824.36
Above 100% Risk weight	320328.76	306646.56
Total	2806351.77	1162217.81

Leverage ratio

The Basel III leverage ratio is defined as the capital measure (Tier-1 capital) divided by the exposure measure. As per RBI guidelines, the Basel III leverage for the Bank at the consolidated level as on December 31, 2017 is as follows.

	Capital and total exposures	₹ in Million
A	Tier 1 capital	162765.75
B	Total exposures	2673437.44
	Leverage ratio	
C	**Basel III leverage ratio (A/B)**	**6.09%**