IndusInd Bank

DISCLOSURES UNDER BASEL III CAPITAL REGULATIONS – 30th September 2018

DF-1: Scope of Application

Name of the head of the banking group to which the framework applies: INDUSIND BANK LTD.

(i) Qualitative Disclosures:

IndusInd Bank Limited ('the Bank') is a commercial bank, incorporated on January 31, 1994. The Bank has a non-material non-financial wholly owned subsidiary as on September 30, 2018, and the CRAR is computed on the financial position of the Bank alone.

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 reason if consolidated under only one of the scopes of consolidation
IndusInd Marketing and Financial Services Private Limited, India	Yes	Equity method (under AS 23)	No	NA	NA	The group entity, IndusInd Marketing and Financial Services Private Limited, is an associate where the Bank holds 30% of the equity share capital. This entity is not a financial services company, and hence consolidation is only for accounting purposes.
IndusInd Financial Inclusions Ltd., India	Yes	Line by Line (under AS 21)	Yes	Line by line	NA	NA

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

Name of the entity/Country of incorporation	Principle activity of the entity	Total balance sheet equity	% of banks holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
None / NA	NA	NA	NA	NA	NA

(ii) Quantitative Disclosures:

c) List of group entities considered for consolidation:

As mentioned in Para (i) above, the Bank has a non-material non-financial wholly owned subsidiary. IFIL, a wholly owned subsidiary of the Bank has just been incorporated with a subscribed capital of Rs.70. For the purposes of accounting, the Bank prepares Consolidated Financial Statements wherein the financial statements of the Bank are consolidated with the wholly owned subsidiary under AS 21 and with the associate company under equity method as per AS 23.

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

e) The Bank does not have investment in any insurance entities as on September 30, 2018.

f) There are no restrictions or impediments on transfer of funds or regulatory capital within the banking group as on September 30, 2018.

DF-2: Capital Adequacy

Applicable Regulations:

The Basel III capital regulation has been implemented from April 1, 2013 in India in phases and it will be fully implemented as on March 31, 2019. The Basel III Capital Regulations have been consolidated in Master Circular – Basel III Capital Regulations vide circular No. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 and revised circular No. DBR.No.BP.BC.83/21.06.201/2015-16 dated March 01, 2016.

Basel III Capital Regulations:

Basel III Capital regulations continue to be based on three-mutually reinforcing pillars, viz., minimum capital requirements, supervisory review of capital adequacy, and market discipline. This circular also prescribes the risk weights for the balance sheet assets, non-funded items and other off-balance sheet exposures and the minimum capital funds to be maintained as ratio to the aggregate of the risk weighted assets and other exposures, as also, capital requirements in the trading book, on an ongoing basis and operational risk.

These guidelines also incorporate instructions regarding the components of capital and capital charge required to be provided for by the banks for credit, market and operational risks. It deals with providing explicit capital charge for credit and market risk and addresses the issues involved in computing capital charges for interest rate related instruments in the trading book, equities in the trading book and foreign exchange risk (including gold and other precious metals) in both trading and banking books. Trading book for the purpose of these guidelines includes securities under the Held for Trading category, Available For Sale category, open gold position limits, open foreign exchange position limits, trading positions in derivatives, and derivatives entered into for hedging trading book exposures.

Basel III capital regulations are being implemented in India with effect from April 1, 2013. In order to ensure smooth migration to Basel III without aggravating any near term stress, appropriate transitional arrangements have been made. The transitional arrangements for capital ratios began as on April 01, 2013. However, the phasing out of non-Basel III compliant regulatory capital instruments began as on January 01, 2013. Capital ratios and deductions from Common Equity will be fully phased-in and implemented as on March 31, 2019.

Minimum capital requirements:

The Bank is subject to the capital adequacy guidelines laid down by Reserve Bank of India, which are based on the framework of the Basel Committee on Banking Supervision. As per Basel III Capital Regulations, the Bank is required to maintain a minimum Capital to Risk Weighted Assets (CRAR) of 10.875% (including Capital Conversion Buffer of 1.875%). The Basel III Capital Regulations are implemented effective from April 1, 2013 in a phased manner. The minimum capital required to be maintained by the Bank for the period ended September 30, 2018 is 10.875% with minimum Common Equity Tier 1 (CET1) of 7.375% (including CCB).

Besides computing CRAR under the Pillar I requirement, the 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.

The assessment of future capital needs is effectively done based on the business projections, asset mix, operating environment, growth outlook, new business avenues, regulatory changes and risk and return profile of the business segments. The future capital requirement is assessed by taking cognizance of all the risk elements viz. Credit, Market and Operational risk and mapping these to the respective business segments.

The Summary of Capital requirements for Credit Risk, Market Risk and Operational Risk as on September 30, 2018 is mentioned below:

Risk Type	**Rs in mio.**
Capital requirements for Credit Risk	**1,49,929**
Portfolio Subject to Standardised approach	1,49,929
Securitisation exposures	-
Capital requirements for Market Risk	**7,755**
Standardised Duration Approach	
Interest Rate Risk	6303
Foreign Exchange Risk (including gold)	304
Equity Risk	1149
Capital requirements for Operational Risk	**16,956**
Basic Indicator Approach	16,956
Minimum Capital requirements at 9%	**174,640**
Minimum CRAR + CCB at 10.875%	**211,023**
Total Capital Funds	**277,071**
CRAR #	**14.28%**

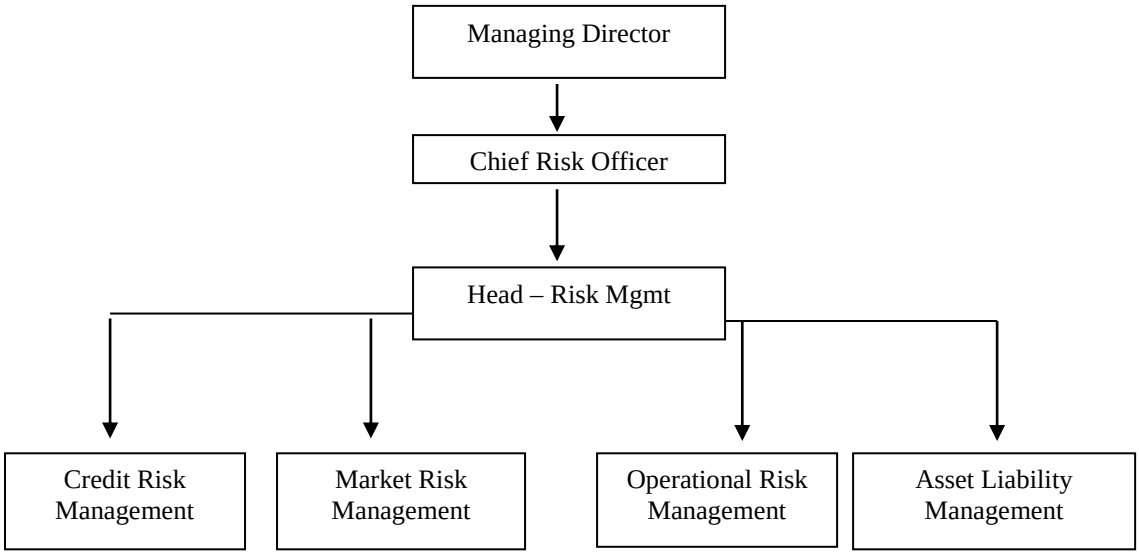
including exposure at IFSC Banking Unit (GIFT City)

Organisation Structure:

Integrated Risk Management: Objectives and Organisation Structure

The Bank has established an Enterprise-wide Risk Management Department, independent of the Business segments, responsible for Bank-wide risk management covering Credit risk, Market risk (including ALM) and Operational risk. The Risk Management Department focuses on identification, measurement, monitoring and controlling of risks across various segments. The Bank has been progressively adopting the best International practices so as to continually reinforce its Risk Management functions.

Organisation Structure:
The set-up of Risk Management Department is hereunder:



Separate Committees, as specified below, are set up to manage and control various risks:

- Risk Management Committee (RMC)
- Credit Risk Management Committee (CRMC)
- Market Risk Management Committee (MRMC)
- Asset Liability Management Committee (ALCO)
- Operational Risk Management Committee (ORMC)

Bank has articulated various risk policies which specify the risks, controls and measurement techniques. The policies are framed keeping risk appetite as the central objective. Against this background, the Bank identifies a number of key risk components. For each of these components, the Bank determines a target that represents the Bank's perception of the component in question.

The risk policies are vetted by the sub-committees, viz. CRMC, MRMC, ALCO, ORMC, etc. and are put forth to RMC, which is a sub-committee of the Board. Upon vetting of the policies by RMC, the same are placed for the approval of the Board and implemented.

Bank has put in place a comprehensive policy on ICAAP, which presents a holistic view of the material risks faced, control environment, risk management processes, risk measurement techniques, capital adequacy and capital planning.

Policies are periodically reviewed and revised to address the changes in the economy / banking sector and Bank's risk profile. Monitoring of various risks is undertaken at periodic intervals and a report is submitted to Top Management / Board.

Credit Risk

Bank manages credit risk comprehensively; both at Transaction level and at Portfolio level. Some of the major initiatives taken are listed below :

- Bank uses a robust Risk rating framework for evaluating credit risk of the borrowers. The Bank uses segment-specific rating models that are aligned to target segment of the borrowers.
- Risks on various counter-parties such as corporates, banks, are monitored through counter-party exposure limits, also governed by country risk exposure limits in case of international trades.

- Bank manages risk at the portfolio level too, with portfolio level prudential exposure limits to mitigate concentration risk.
- Bank has a well-diversified portfolio across various industries and segments, as illustrated by the following data.
    - Retail and schematic exposures (which provide wider diversification benefits) account for as much as 45% of the total fund-based advances.
    - Bank's corporate exposure is fully diversified over 85 industries, thus insulated/minimised from individual industry cycles.

Above initiatives support qualitative business growth while managing inherent risks within the risk appetite.

Market Risk

Key sources of Market risk are Liquidity Risk, Interest Rate Risk, Price Risk and Foreign Exchange Risk. Bank has implemented state-of-the-art Treasury and Market Risk Management systems that support robust risk management capabilities and facilitates Straight-through Processing.

Market Risk is effectively managed through comprehensive framework which supports various measures such as Mark-to-Market, Sensitivity analysis, Value-at-Risk and monitoring through operational limits such as stop-loss limits, exposure limits, deal-size limits, maturity ladder, etc. Market risk measurement and monitoring is governed through a comprehensive Market Risk Management Policy.

Asset Liability Management (ALM)

Bank's ALM system supports effective management of liquidity risk and interest rate risk, covering 100% of its assets and liabilities.

- Liquidity Risk is monitored through Structural Liquidity Gaps, Dynamic Liquidity position, Liquidity Coverage Ratios, Liquidity Ratios analysis and Behavioural analysis, with prudential limits for negative gaps in various time buckets.
- Interest Rate Sensitivity is monitored on Earning perspective and Economic Value perspective through prudential limits for Rate Sensitive Gaps, Modified Duration and other risk parameters.
- Interest Rate Risk on the Investment portfolio is monitored through Value at Risk and Risk Sensitivities on a daily basis. Optimum risk is assumed through duration, to balance between risk containment and profit generation from market movements.

ALCO meetings are convened frequently wherein detailed analysis are presented on liquidity position, interest rate risks, product mix, business growth v/s budgets, interest rate outlook, which helps to review the business strategies regularly and undertake new initiatives.

Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or external events. The Operational Risk Management Policy documents the Bank's approach towards management of operational risk and defines roles and responsibilities of various stakeholders within the Bank. Based on this Policy, the Bank has initiated several measures to manage Operational Risk. The Bank has put in place a structure to effectively manage operational risk through the formation of several internal committees viz. Operational Risk Management Committee, Sub-ORMC, Fraud Risk Management Committee, BCP Steering Committee.

Bank has implemented various Operational Risk management tools such as Risk and Control Self-Assessment (RCSA), KRIs monitoring and Loss Data collection (Basel 8X7 matrix) including Near Miss Events. Bank weighs each new Product and Process enhancements under Operational Risk Assessment Process (ORAP) framework.

The Bank has adopted Business Continuity Policy wherein critical activities, system applications have been identified, recovery plan has been put in place for these critical activities and applications to ensure timely recovery of the Bank's critical operations and services in the event of any crisis. Regular tests are carried out to ascertain BCP preparedness. Business Continuity Steering Committee comprising of senior functionaries of the Bank monitors BCM framework implementation in the Bank.

As per the RBI guidelines, the Bank is following the Basic Indicator Approach for computing capital for Operational Risk.

Systems Risk

Bank's Information Security Policy provides security framework upon which all subsequent security efforts are based and to guide the development and maintenance of a comprehensive information security program. It deals with security of information in various forms like spoken, written, printed and electronic or any other medium and handling of information in terms of creation, viewing, transportation, storage or destruction. It contains the principles that direct managerial decision making and facilitate secure business operations. It is designed to enable management of the Bank to ensure the security of information assets and maintain accountability. It also defines the appropriate and authorized behavior for personnel approved to use the Bank's information assets. The policies and procedures are built around the following principles:

- Treat Information Security Risk in line with Business, Regulatory & Legal requirements
- Ensure Availability, Integrity, Confidentiality of Information, establish Accountability & provide Assurance
- Focus on People, Process & Technology for implementation
- Apply least privilege, need to know / use principles
- Promote Information Security Awareness to create security-aware culture within employees, contractors, third parties and customers.
- Deal with exceptions and violations appropriately
- Focus on Information Security Governance, Assurance & Evolution to ensure suitability, adequacy and effectiveness
- Participation of security team during initial stages of system acquisition & development

Bank is utilizing structure data on its system for Anti-Money Laundering & Enterprise-wide Fraud Management system, risk analytics, enterprise BI. Bank has also started aggregating unstructured data like customer IPs, devices ID, and various social/media in its repository to increase risk management capabilities.

DF-3: Credit Risk: General Disclosures

"Credit Risk" is defined as the probability / potential that the borrower or counter-party may fail to meet its obligations in accordance with agreed terms. It involves inability or unwillingness of a borrower or counter-party to meet commitments in relation to lending, trading, hedging, settlement and other financial transactions.

Credit Risk is made up of two components:

1. **Transaction Risk (or Default Risk),** which represents the risk arising from individual credit exposures and
2. **Portfolio Risk,** which represents the risk inherent in the portfolio of credit assets (concentration of assets, correlation among portfolios, etc.).

Credit risk is found in a variety of transactions across Bank's portfolio including not only loans, off balance sheet exposures, investments and financial guarantees, but also the risk of a counterparty in a derivative transaction becoming unable to meet its obligations. Credit risk constitutes the largest risk to which the Bank is exposed. Bank has adequate system support which facilitates credit risk management and measurement across its portfolio. The system support is strengthened and expanded as and when new exposures are added to the Bank's portfolio.

Bank has articulated comprehensive guidelines for managing credit risk as a part of Credit Risk Policy and related policies framework, Bank Risk Policy, Country Risk Policy, Loan Review Policy and Recovery Policy. Credit risk management systems used at the Bank have been implemented in accordance with these guidelines and best market practices. Credit risk management process focuses on both specific transactions and on groups of specific exposures as portfolios.

Bank's Credit Risk Policy and related policies and systems are framed to achieve the following key objectives:

- Monitoring concentration risk in particular products, segments, geographies etc thereby avoiding concentration risk from excessive exposures to any particular products, segments, geographies etc.
- Assisting in building quality credit portfolio and balancing risks and returns in line with Bank's risk appetite
- Tracking Credit quality migration
- Determining how much capital to hold against each class of assets
- Undertaking Stress testing to evaluate credit portfolio strength
- To develop greater ability to recognize and avoid potential problems
- Alignment of Risk Strategy with Business Strategy
- Adherence to regulatory guidelines

Credit Risk Management at specific transaction level

The central objective for managing credit risk at each transaction level is development of risk measurement and monitoring systems that cover the entire life cycle of the exposure, i.e. opportunity for transaction, assessing the credit risk, granting of credit, disbursement and subsequent monitoring, identifying the obligors with emerging credit problems, remedial action in the event of credit quality deterioration and repayment or termination of the obligation.

The Credit Policies of the Bank stipulates applicability of various norms for managing credit risk at a specific transaction level and more relevant to the target segment of the obligors. It covers all the types of obligors, viz. Corporate, SME, Trader and Schematic Loans such as Loan against Property, Business Loan, Retail Agri, LAS, Gold Loan, Home Loan, Personal Loan, etc.

Major components of Credit Risk and related Policies are mentioned below:

- Transaction with customer/ prospective customer is undertaken with an aim to build long term relationship.
- All the related internal and regulatory guidelines such as KYC norms, RBI prudential norms, etc. are adhered to while assessing the credit request of the borrower.
- Credit is granted with due diligence and detailed insight into the customer's circumstances and of specific assessments that provide a context for such credits.
- Facility is granted based on customer's creditworthiness, capital base or assets to assure that the customer is able to substantiate the repayment. Due regard is also placed to the industry in which the customer is operating, the business specific risks and management capability and their risk appetite.
- Regular follow-up of overall health of the borrower is undertaken to assess whether the basis of granting credit has changed.
- When loans and credits are granted to borrowers falling outside preferred credit rating, the Bank normally obtains sufficient collateral. However, collaterals are not the sole criterion for lending, which is generally done based on assessing the business viability of the borrower and the adequacy of the expected cash flows.
- Bank has defined exposures limit on the basis of internal risk rating of the borrower.

- Bank is particularly cautious while granting credits to businesses in affected or seasonal industries.
- Bank also grants unsecured credit to borrowers with high standing and low credit risk profile based on detailed financial analysis & established credit history.
- In terms of Bank's Country risk Policy, due caution is exercised when assuming risk in countries with an unstable economic or political scenario.

Beside the acceptability norms defined in the policies/manual for an individual transaction, Bank has also implemented various credit related product programmes which enables efficient appraisal, assessment, delivery, supervision and control of tailor made loan products targeted at specific customer segments. Customers covered under Business Banking product programme are evaluated using a scoring/rating model developed based on segment specific risk profile.

Consumer Finance Division appraises loan application based on robust set criteria defined in the respective product programmes. Further as a mechanism to assess the credit quality, customers are also evaluated through application scoring models which are segment specific. Further, post disbursement, the quality of the account is tracked by means of a Behavioral score.

Customers under Credit Cards segment are evaluated by means of robust customer selection criteria that include variety of factors.

Bank has also put in place a detailed policy for portfolio acquisition which stipulates various criteria for asset selection including due diligence, transfer of risks and rewards of the underlying portfolio, credit enhancements, portfolio risk management and monitoring in accordance with RBI guidelines.

Credit Approval Committee

In general, the Bank has put in place the principle of 'Committee' or 'Approval Grids' approach while according sanctions to credit proposals. This provides for an unbiased, objective assessment/evaluation of credit proposals. Such Committees include atleast one official from an independent department, which has no volume or profits targets to achieve. The official of the independent department is a mandatory member of the Credit Committee. The spirit of the credit approving system is that no credit proposals are approved or recommended to higher authorities unless all the members of the 'Committee' or 'Approval Grids' agree on the acceptability of the proposal in all respects. In case of disagreement the proposal is referred to next higher Committee whose decision to approve or decline with conditions is final.

Individual Powers for small value proposals have been given to senior officials in the Credit Department, who do not have volume/ profit targets to achieve. The "Four-eyes" principle is followed in all such cases.

Following 'Approval Grids' are constituted:

- **Corporate & Commercial Banking Segment :**
  - Individual powers (small exposures) to Zonal Heads of Credit, Segment heads of Credit and Head (Corporate Credit)
  - Corporate Office Credit Committee (COCC)
  - Executive Credit Committee (ECC)

- **Consumer Banking (CB) Segment (A):**
  Scheme of delegation under Consumer Banking Segment includes Vehicle financing, personal loans, housing loans and other schematic loans under multi-tier Committee based approach as under:
  - Branch Credit Committee – Consumer Banking (BCC – CB)
  - Regional Credit Committee – Consumer Banking (RCC - CB)
  - Corporate Office Credit Committee – Consumer Banking (COCC- CB I & II)
  - Executive Credit Committee

- **Consumer Banking (CB) Segment (B):**
  The scheme of delegation under Consumer Banking Segment includes Business Banking, Loan against Property, Business loans, Retail Agri (KCC), Supply Chain Finance and other schematic loans under multi-tier Committee based approach as under:

- ☞ Joint Sanction on Four Eye Principle
- ☞ Zonal Credit Committee (ZCC)
- ☞ Corporate Office Credit Committee – I & II
- ☞ Executive Credit Committee

Apart from this, Bank has schematic loans also like Gold Loan & LAS which are sanctioned by branches / Operations upto defined limit of exposure under the respective product program. These are relatively smaller loans and fully secured by liquid collaterals.

Scheme of delegation of power applicable for all business segments are approved by Board of Directors.

The credit proposals which are beyond the delegated powers of ECC are placed to Committee of Directors (COD) for approval.

Risk Classification

Bank monitors the overall health of its customers on an on-going basis to ensure that any signal of weakening of a customer's earnings or liquidity is detected as early as possible. As part of the credit process, customers are classified according to the credit quality in terms of internal rating, and the classification is regularly updated on receipt of new information/ changes in the factors affecting the position of the customer.

Bank has operationalized following risk rating/ scoring models basis on the target segment of the borrower:

- Large Corporate, Small & Medium Enterprises, NBFC
- Trading entities, Capital Market Broker and Commodity Exchange Broker
- Financial Institutions/Primary Dealers and Banks
- Retail customers (Schematic Loans) – who are assigned credit scoring

Customers under Business Banking segment, Retail Agri, Loan against credit card receivables are assessed for credit quality using a scoring/rating model. The score serves a measure to categorise the customers into various risk classes which are further calibrated to different risk grades. Bank has also implemented rating models for assessing risk under Lease Rental Discounting and Warehouse Receipts Financing products.

Rating grades in each rating model, other than the segments driven by product programmes, is on a scale of 1 to 8, which are further categorised by assigning +/- modifiers to reflect the relative standing of the borrower within the specific risk grade. Model-specific rating grades are named distinctly. Each model-specific rating grade reflects the relative ratings of the borrowers under that particular segment. For instance, L4 indicates a superior risk profile of a Large Corporate, when compared to another Large Corporate rated L5.

In order to have a common risk yardstick across the Bank, these model specific ratings are mapped to common scale ratings which facilitate measurement of risk profile of different segments of borrower by means of common risk ladder.

Various purposes for which the rating/scoring models are used are mentioned hereunder:

- ☞ Portfolio Management
- ☞ Efficiency in lending decision
- ☞ To assess the quality of the borrower – single point reference of credit risk of the borrower
- ☞ Preferred rating norms for assuming exposures
- ☞ Prudential ceiling for single borrower exposures – linked to rating
- ☞ Frequency of review of exposures
- ☞ Frequency of internal auditing of exposures
- ☞ To measure the portfolio quality

- ☞ Target for quality of advances portfolio is monitored by way of Weighted Average Credit Rating (WACR).
- ☞ Pricing credit
- ☞ Capital allocation (under IRB approaches)

Credit Quality Assurance:

Bank has also adopted Loan Review Mechanism (LRM), which involves independent assessment of quality of an advance, effectiveness of loan administration, compliance with internal policies of Bank and regulatory framework and portfolio quality. It also helps in tracking weaknesses developing in the account for initiating corrective measures in time. LRM is carried out by Credit Quality Assurance team, which is independent of Credit and Business functions.

Credit Risk Management at Portfolio level:

Accumulation of individual exposures leads to portfolio, which creates the possibility of concentration risk. Concentration risk, on account of borrowers/ products with similar risk profile, may arise in various forms such as Single Borrower, Group of Borrowers, Sensitive Sector, Industry–wise exposure, Unsecured exposure, Rating wise exposure, Off Balance sheet exposure, Product wise exposure, etc. Credit risk concentration is addressed by means of structural and prudential limits stipulated in the Credit Risk Policy and other related policies.

Concentration risk on account of exposures to counter-parties (both single borrower and group of borrowers), Industry-wise, Rating-wise, Product-wise, etc., is being monitored by Risk Management Dept (RMD). For the purpose, exposures in all business units, viz. branches, treasury, investment banking, etc., by way of all instruments (loans, equity/debt investments, derivative exposures, etc.) are considered. Such monitoring is carried out at monthly intervals. Besides this, respective business units are monitoring the exposure on continuous real-time basis.

Concentration risk is further evaluated in terms of statistical measures and benchmarks. Detail analysis of portfolio risk and control measures is carried out on a monthly basis on various parameters. Further, a comprehensive Stress Testing framework based on several factors and risk drivers assessing the impact of stressed scenario on Credit quality, its impact on Bank's profitability and capital adequacy is placed to Top Management /Board every quarter. The framework highlights the Bank's credit portfolio under 3 different levels of intensity across default, i.e. mild, medium and severe, and analyses its impact on the portfolio quality and solvency level.

Impaired credit - Non Performing Assets (NPAs):

Bank has an independent Credit Administration Department that constantly monitors accounts for irregularities, identifies accounts for early warning signals for potential problems and identifies individual NPA accounts systematically.

Bank has also set up Financial Restructuring and Reconstruction (FRR) Dept for managing and monitoring defaulted accounts, carrying out restructuring, wherever feasible and following up for recoveries of dues.

Bank follows applicable RBI guidelines while classifying Non-performing Assets (NPAs). The guidelines are as under:

a) An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank
b) A Non Performing Asset (NPA) is a loan or an advance where;
    i. interest and / or installment of principal remains overdue for a period of more than 90 days in respect of a term loan,
    ii. the account remains 'out of order', in respect of an Overdraft / Cash Credit (OD/ CC),
    iii. the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,

iv. installment of principal or interest thereon remains overdue for two crop seasons for short duration crops,
v. installment of principal or interest thereon remains overdue for one crop season for long duration crops,
vi. amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of RBI guidelines on Securitisation dated February 1, 2006.
vii. 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.

Out of Order status: An account should be treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit / drawing power. 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'.

Overdue: Any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank.

Credit Risk Exposures

(a) Total Gross Credit Risk Exposures as on 30th September, 2018

	Rs in mio
Fund Based*	2,279,215
Non-Fund Based**	848,987
Total Exposures	**3,128,202**

* Includes all exposures such as Cash Credit, Overdrafts, Term Loan, Cash, SLR securities etc., which are held in banking book.
** Off-Balance items such as Letter of Credit, Bank Guarantee and credit exposure equivalent of Inter-bank forwards, merchant forward contracts and derivatives, etc.

(b) Geographic Distribution of Exposures as on 30th September, 2018

	Domestic (Rs in mio)	**Overseas (Rs in mio)**
Fund Based	2,279,215	-
Non-Fund Based	848,987	-
Total Exposures	**3,128,202**	-

(c) Industry-Wise Distribution of Exposures as on 30th September, 2018

Industry Name	**Fund Based (Rs in mio)**	**Non-Fund Based (Rs in mio)**
NBFCs		
NBFCs (other than HFCs)	73,687	12,805
NBFC – AFC (Asset Finance Company)	4,181	12
NBFCs (Micro Finance Institution)	16,994	-
Construction		
Constn related to infra.- EPC	47,194	15,535
Roads/other infra project	38,109	19,426
Contract Construction - Civil	16,295	29,793

Industry Name	Fund Based (Rs in mio)	Non-Fund Based (Rs in mio)
Real Estate		
Real Estate Developers	75,142	8,172
Lease Rental Discounting - Real Estate	40,544	-
Housing Finance Companies	14,209	4,923
Loans against Property (Corporate)	3,469	-
Power		
Power Generation	55,291	74,855
Power Transmission	9,342	9,095
Power Distribution	8,749	238
Power Trading	-	2,635
Cables		
Telecom Cables	528	890
Power Cables	747	907
Steel		
Steel-Long Products	4,248	853
Steel Flats-CR,GP/GC	23,663	1,436
Steel Flats- HR	16,765	6,245
Steel – Alloy	1,708	859
Steel Pipes	5,020	2,356
Sponge Iron	99	78
Casting & Forgings	3,898	1,309
Stainless Steel	2,322	139
Pig Iron	400	60
Textiles		
Textiles - Readymade Garments	5,027	634
Textiles - Cotton fabrics	3,320	1,492
Textiles -Cotton fibre / yarn	2,167	179
Textiles - Manmade fibres / yarn	4,362	242
Textiles-Texturising	294	41
Textile-Blended Yarn	442	5
Textile – Jute	195	-
Textiles - Synthetic Fabrics	1,367	179
Textile – Silk	130	15
Textile – Machinery	133	4
Cotton ginning, Cleaning, Baling	513	-
Telecom		
Telecom – Cellular	5,970	93,383
Telecom Equipments	2,890	1,396
Pharmaceuticals		
Pharmaceuticals - Bulk Drugs	5,044	3,026
Pharmaceuticals – Formulations	4,979	1,038
Chemicals		
Chemicals – Organic	4,279	2,360
Chemicals – Inorganic	2,282	591

Industry Name	Fund Based (Rs in mio)	Non-Fund Based (Rs in mio)
Fertilisers		
Fertilisers – Phosphatic	1,324	6
Fertilizers – Nitrogenous	1,969	3,064
Paper		
Paper - Writing and Printing	3,428	2,901
Paper – Industrial	4,137	2,276
Paper Newsprint	98	-
Petroleum & Products	11,288	29,417
Gas Distribution	-	57,099
Engineering & Machinery	8,170	32,598
Gems and Jewellery	78,329	5,213
Edible Oils	2,652	1,410
Auto Ancillaries	8,856	3,850
Diversified	19,352	9,546
Hospital & Medical Services	11,763	1,074
Food Credit	4,873	338
Aluminium	1,350	3,446
Capital Market Brokers	2,021	10,980
Rubber & Rubber Products	2,336	89
Lease Rental Discounting - Others	6,601	-
Plastic & Plastic Products	6,471	2,643
Food Product & Beverages and other food processing	18,623	1,677
Sugar	-	895
SME - Miscellaneous-Mfg.	7,365	1,900
Electronic components	876	547
Commodity Market Brokers	337	1,702
Beverage, Breweries, Distilleries	-	-
Hotels & Tourism	5,242	3,933
Glass & Glass Products	342	710
Shipping	2,027	5,372
Educational Institutions	8,138	1,071
Computers - Hardware	629	130
Coal	-	134
IT Enabled Services	9,430	5,273
Electrical fittings	1,665	1,703
Petrochemicals	-	28,320
Banks	19,561	91,343
Animal Husbandry	106	-
Mining, Quarrying & Minerals	4,532	2,517
Construction Equipment	1,188	436
Airlines	10,139	0
Wood and Wood Product	439	21
Leather & leather Products	2,002	553
Tiles / Sanitaryware	2,224	1,945
Transport Services	-	-
Oil and Gas Exploration	16	16,773
Electric Equipment	3,791	3,626
Media, Entertainment & Advt.	9,937	2,593
Organised Retailing	6,188	4,798

Industry Name	Fund Based (Rs in mio)	Non-Fund Based (Rs in mio)
Trading – Wholesale	59,571	15,683
Trading – Retail	43,180	2,547
Services	39,934	35,710
Credit Cards	31,850	-
Other Retail Assets	67,976	-
Consumer Finance	5,55,350	-
Other Industries	54,751	1,11,080
Residual Assets	6,30,790	42,839
Total Exposure	**22,79,215**	**8,48,987**

Exposures to industries (other than Consumer Finance) in excess of 5% of total exposure

Industry	Fund Based(Rs in mio)	Non-Fund Based (Rs in mio)
-	-	-

(d) Residual Contractual Maturity breakdown of assets

(Rs in mio)

Assets	1D	2 - 7D	8 - 14D	15 - 30D	31D - 2M	>2M - 3M	> 3M - 6M	> 6 M - 1 Y	> 1Y - 3Y	> 3Y - 5Y	> 5Y - 7Y	> 7Y - 10Y	> 10Y - 15Y	> 15Y	Total
Cash	12,344	-	-	-	-	-	-	-	-	-	-	-	-	-	12,344
Balances with RBI	4,422	-	-	4,945	2,208	3,066	5,185	11,586	9,126	9,216	6,204	3,438	6,802	9,111	75,309
Balances with other Banks	92,740	1,305	-	-	-	-	-	-	1,627	-	-	-	-	-	95,672
Investments	-	413	-	-	8,794	1,933	36,163	39,267	61,641	36,971	47,711	99,903	76,911	91,176	5,00,885
Advances	40,086	74,099	38,244	68,340	68,699	90,234	1,35,033	1,99,413	5,21,569	1,87,647	78,897	68,259	79,538	23,384	16,73,443
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	13,634	13,634
Other Assets	17,314	2,695	34,204	4,733	950	2,992	45,724	9,831	8,359	9,253	11,047	6,809	-	-	1,53,912

Note: Advances inclusive of BRDS Rs 4200 crs

(e) Movement of NPAs and Provision for NPAs as on 30th September, 2018

(Rs in mio)

A Amount of NPAs (Gross)	**17,814**
Sub-standard	8,015
Doubtful 1	3,267
Doubtful 2	4,325
Doubtful 3	1,766
Loss	441
B Net NPAs	**7,876**
C NPA ratios	
Gross NPA to Gross advances (%)	1.09%
Net NPA to Net advances (%)	0.48%
D Movement of NPAs (Gross)	
Opening Balance as on 01.04.18	17,049
Additions during the period	8,946
Reductions during the period	8,181
Closing Balance as on 30.09.2018	**17,814**

E Movement of provision for NPAs	
Opening as on 01.04.18	9,592
Provision made till 30.09.18	4,185
Write off	3,048
Write back of excess provisions	791
Any other adjustments, including transfers between provisions	0
Closing as on 30.09.2018	**9,938**

Particulars	Amount (Rs in mio)
Write offs booked directly to income statement	Refer to E above
Recoveries booked directly to income statement	117

(f) Non Performing Investments and Movement of provision for depreciation on Non Performing Investments

(Rs in mio)

A	Amount of Non-Performing Investments	290
B	Amount of provisions held for non-performing investments	271
C	Movement of provisions for depreciation on investments	
	Opening as on 01.04.18	**2086**
	Add: Provisions made till 30.09.18	1848
	Less: Write-off/ write-back of excess provisions	-
	Closing Balance as on 30.09.18	**3934**

(g) Major Industry Break up of NPA and Provision

(Rs in mio)

Industry	Gross NPA	Specific Provision
NPA in Top 5 Industry	19	12

(h) Geography wise Distribution of NPA and Provision

(Rs in mio)

Geography	Gross NPA	Specific Provision
Domestic	17,814	9,938
Overseas	-	-
Total	**17,814**	**9,938**

DF-4: Credit risk: Disclosures for Portfolios Subject to the Standardised Approach

As per the Basel II guidelines on Standardised approach, the risk weight on certain categories of domestic counter parties is determined based on the external rating assigned by any one of the accredited rating agencies, i.e. CRISIL, ICRA, CARE, India Rating Pvt. Ltd, Brickworks Ratings India Pvt. Ltd and SMERA. For Foreign counterparties and banks, rating assigned by S&P, Moody's and Fitch are used.

Bank computes risk weight on the basis of external rating assigned, both Long Term and Short Term, for the facilities availed by the borrower. The external ratings assigned are generally facility specific. Bank follow below mentioned procedures as laid down in Basel II guidelines for usage of external ratings:

- Ratings assigned by one rating agency are used for all the types of claims on the borrowing entity.
- Long term ratings are used for facilities with contractual maturity of one year & above. Short term ratings are generally applied for facilities with contractual maturity of less than one year.
- If either the short term or long term ratings attracts 150% risk weight on any of the claims on the borrower, Bank assigns uniform risk weight of 150% on all the unrated claims, both short term and long term unless the exposure is subjected to credit risk mitigation.

- In case of multiple ratings, if there are two ratings assigned to the facility that maps to different risk weights, the rating that maps to higher risk weight is used. In case of three or more ratings, the ratings corresponding to the two lowest risk weights is referred to and the higher of those two risk weights is be applied. i.e., the second lowest risk weight.
- For securitized and guaranteed transactions, SO ratings assigned by the rating agency are applied for arriving at the risk weights.

Risk Weight-wise distribution of Gross Credit Exposures -

Category	Rs in mio.
Below 100% Risk Weights	2,159,463
100% Risk Weights	647,004
More than 100% Risk Weights	321,735
Deducted	-

DF-5: Credit risk mitigation: Disclosures for standardised approach

Bank mitigates credit exposure with eligible collaterals and guarantees to reduce the credit risk of obligors as stipulated under Basel II. In principle with mitigating credit risk, Bank has put in place a comprehensive Policy on Credit Risk Mitigants and Collaterals for recognizing the eligible collaterals and guarantors for netting the exposures and reducing the credit risk of obligors. Basic procedures and descriptions of controls as well as types of standard/acceptable collaterals, guarantees necessary in granting credit, evaluation methods for different types of credit and collateral, applicable "haircuts" to collateral, frequency of revaluation and release of collateral are stipulated in the Bank's credit policy, policy on collateral management and credit risk mitigant policy. The Bank uses net exposure for capital calculations after taking cognizance of eligible financial collaterals. All collaterals and guarantees are recorded and the details are linked to individual accounts. Perfection of security interest, date, currency and correlation between collateral and counterparty are also considered.

As lending is subject to default risk, Bank accepts collateral securities to minimize the impact of loss and consequently reducing the credit risk. The type of collaterals is determined based on the nature of facility, product type, counter party risk and its credit quality. However, as explained earlier, collateral is not the sole criteria for granting credit. For Corporate and SME clients, working capital facility is generally secured by charge on current assets and Term loan is secured by charge on fixed assets. In case of project financing, Bank generally stipulates escrow of receivables/project cash flows along with the charge on underlying project assets. The credit risk policy clearly defines the types of secondary securities and minimum percentage in relation to the total exposures that is required to be obtained in case of credit granted to obligors falling outside the preferred rating grade. Credit facilities are also granted against the security of assets such as cash deposits, NSC, guarantee, mortgages, pledge of shares and commodities, bank guarantees, accepted bills of exchange, assignment of receivables etc. The credit facilities, in terms of risk policies, are secured by secondary collaterals such as cash deposits, NSC, guarantee, mortgages, fixed assets etc. Bank also grants unsecured credit to the borrowers with high standing and low credit risk profile. Customers under Credit card programme are assessed by means of comprehensive customer selection parameters.

For Business Banking clients, who are driven by product programmes and templated scoring models, the facilities are ordinarily secured by adequate collaterals. The programmes have a robust mechanism for collateral acceptance, valuation and monitoring.

In case of schematic products such as Home Loan, LAP, Auto Loan, etc., Loan to value ratio, margin and valuation/revaluation of collaterals is defined in the respective product programme. The valuation is generally carried out by the empanelled valuer of the Bank. Bank has also put in place approved product paper on loan against warehouse receipts, shares and other securities. The margin, valuation and revaluation of the assets are specified in the product note.

The credit approving authorities also decides on the type and amount of collaterals for each type of facility on a case-to-case basis. For schematic loans and facilities offered under product programme, securities are obtained as defined in the product notes.

Eligible financial asset collateral and guarantor

For the purpose of credit risk mitigation, i.e. offsetting the amount of collateral/ basket of collaterals against the individual/ pool of exposures to which the collaterals are assigned, financial asset collateral types are defined by the Bank as per the Capital Adequacy Framework to include Fixed deposits, KVP, IVP, NSC, Life Insurance Policies, Gold, Securities issued by Central and State Governments and units of Mutual Fund. On a similar note, the eligible guarantors are classified into the following categories:

- Sovereigns, Sovereign entities, Banks and Primary Dealers with lower risk weights than the counterparty
- Other entities including guarantee cover provided by parent, subsidiary and affiliate companies when they have lower risk weight than the obligor.

(₹ in mio.)

Particulars	Eligible Financial Collaterals	Supported by guarantee
Exposure before applying eligible mitigants	299,802	16515
Exposure after applying eligible mitigants	181,419	-

DF-6: Securitisation Exposures: Disclosure for standardised approach

Securitisation "means a process by which a single performing asset or a pool of performing assets are sold to a bankruptcy remote Special Purpose Vehicle (SPV) and transferred from the balance sheet of the originator to the SPV in return for an immediate cash payment.

SPV" means any company, trust, or other entity constituted or established for a specific purpose - (a) activities of which are limited to those for accomplishing the purpose of the company, trust or other entity as the case may be; and (b) which is structured in a manner intended to isolate the corporation, trust or entity as the case may be, from the credit risk of an originator to make it bankruptcy remote.

Bank had neither originated any securitization transactions by way of sale of securitised assets, nor retained any exposure on such assets, actual conditional, or contingent, during the period ended September 30, 2018.

The Bank, in the past, had carried out securitization transaction and such deals were done on the basis of 'True Sale', which provides 100% protection to the Bank from the default in case of assets originated by it. All risks in the securitised portfolio were transferred to the Special Purpose Vehicle (SPV). Post-securitisation, Bank continued to service the loans transferred under securitization. Bank had also provided for credit enhancements in the form of cash collaterals to a minimum extent.

The Bank, in the past, had securitized its assets with the objectives of managing its funding requirements, improving liquidity, reducing credit risk and diversifying the portfolio risk, managing interest rate risk, and capital adequacy. The Bank has not securitised any of its portfolios for the past 9 years.

Apart from managing credit risk, Bank also considers different types of risks viz. interest rate risk and liquidity risk for the retained assets or acquired portfolio and ensure its adequate assessment and mechanism for mitigating the same. The securitized portfolio, both the retained part and acquired assets are monitored regularly in terms of various risk parameters such as repayment, cash flows to service the interest, principal and other charges, counterparty risk, servicer's capability, underlying asset risk profile and interest rate risk.

Exposure details on account of securitization transactions

(a) Securitisation exposures in Banking Book

There are no outstanding under the securitization exposures as on 30^{1h} September 2018. No securitization activities were undertaken by the Bank during the period ended 30^{1h} September 2018.

(b) Amount of Assets intended to be securitized within a year:

For the time being Bank does not have any plans to undertake securitization of its assets. However, for the purpose of balance sheet management and if the opportunities arises, securitization of exposure may be explored.

(c) Securitisation exposures in Trading Book:

Aggregate amount of on-balance sheet securitisation exposures retained or purchased broken down by exposure type

Exposure Type	Amount (₹ in mio)
Agriculture Loans	4,342
SME and others	1,861

Aggregate amount of securitisation exposures retained or purchased subject to Comprehensive Risk Measure for specific risk

Exposure Type	Amount (₹ in mio)
Agriculture Loans	4,342
SME and others	1,861

Aggregate amount of securitisation exposures retained or purchased subject to securitisation framework for specific risk broken down into different risk weight bands

Risk Weight band	Amount (₹ in mio)
<100% risk weight	5,824
100% risk weight	379
>100% risk weight	-
Total	**6,203**

Aggregate amount of the capital requirements for the securitisation exposures, subject to the securitisation framework broken down into different risk weight bands:

Risk Weight band	Capital Charge Amount (₹ in mio)
<100% risk weight	258
100% risk weight	35
>100% risk weight	-
Total	**293**

Securitisation exposures deducted from capital

Exposure Type	Exposures deducted entirely from Tier-1 capital	Credit enhancing interest-only strips deducted from total capital	Other exposures deducted from total capital
NA			

DF-7: Market risk in Trading book

Market Risk may be defined as the possibility of loss to a bank caused by changes in the market variables. The market risk for the Bank is governed by the Market Risk Policy and Funds and Investment policy which are approved by the Board. These policies serve to outline the Bank's risk appetite and risk philosophy in respect of Treasury / Forex / Equity / Derivatives / Bullion operations, and the controls that are considered essential for the management of market risks. The policies are reviewed periodically to update it with changed business requirements, economic environment and revised regulatory guidelines.

Sources of market risk:

Market risks arise from the following risk factors:

- Price risk for bonds, forex, equities and bullion
- Interest rate risk for investments, derivatives, etc.
- Exchange rate risk for currencies; and
- Trading / liquidity risk.

Objectives of Market risk management:

The broad objectives of Market Risk management are:

- Management of interest rate risk and currency risk of the trading portfolio.
- Adequate control and suitable reporting of investments, Forex, Equity and Derivative portfolios
- Compliance with regulatory and internal guidelines.
- Monitoring and Control of transactions of market related instruments.

Scope and nature of risk reporting and measurement systems:

Reporting
Market Risk group reports various investments, Foreign exchange positions and derivatives position with their related risk measures to top management daily and to Committees of the Board on a periodic basis. Bank periodically reports the related positions to regulators in compliance with regulatory requirements.

Measurement
Bank monitoring its risks through risk management tools and techniques such as are Value-at-Risk, Modified Duration, PV01, Stop Loss, amongst others. Based on risk appetite of the Bank, various risk limits are placed which are monitored on a daily basis.

Capital requirements for Market risks @ 9%

(₹ in mio)

Market Risk elements	Amount of capital required
Interest Rate Risk	6,303
Foreign Exchange Risk (including gold)	304
Equity Risk	1,149

DF-8: Operational Risk

Bank has framed Operational Risk Management Policy duly approved by the Board. Other policies adopted by the Board that deals with management of operational risk are (a) Information System Security Policy (b) Policy on Know Your Customer (KYC) and Anti Money Laundering Policy (AML) process (c) IT business continuity and Disaster Recovery Plan and (d) Business Continuity Plan (BCP) (e) New Product Programme Policy (f) Framework for Risk and Control Self-Assessment (RCSA) and (g) Risk Event Reporting Framework.

Operational Risk Management Policy adopted by the Bank outlines organization structure and detailed process for management of Operational Risk. Basic objective of the policy is to closely integrate operational management system to risk management processes of the Bank by clearly assigning roles for

effectively identifying, assessing, monitoring and controlling / mitigating operational risk exposures, including material operational losses. Operational risks in the Bank are managed through comprehensive and well-articulated internal control frameworks. Bank has implemented the process of capturing, reporting and assessing risk events at the process level using RCSA framework.

DF-9: Interest rate risk in the banking book (IRRBB)

Interest Rate Risk is the risk of loss in the Bank's net income and net equity value arising out of a change in level of interest rates and / or their implied volatility. Interest rate risk arises from holding assets and liabilities with different principal amounts, maturity dates and re-pricing dates. The Bank holds assets, liabilities and off balance sheet items across various markets with different maturity or re-pricing dates and linked to different benchmark rates, thus creating exposure to unexpected changes in the level of interest rates in such markets. Interest rate risk in the banking book refers to the risk associated with interest rate sensitive instruments that are not held in the trading book of the Bank.

Risk management framework

The Board of the Bank has overall responsibility for management of risks and it decides the risk management policy of the Bank and set limits for liquidity, interest rate, foreign exchange and equity price risks. The Asset Liability Management Committee (ALCO) consisting of Bank's senior management including Managing Director is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Bank (for the assets and liabilities) in line with the Bank's budget and decided risk management objectives. ALCO decides strategies and specifies prudential limits for management of interest rate risk in the banking book within the broad parameters laid down by Board of Directors. These limits are monitored periodically and the breaches, if any, are reported to ALCO.

Monitoring and Control

The Board of Directors has approved the Asset-Liability Management policy. The policy is intended to be flexible to deal with rapidly changing conditions; any variations from policy should be reported to the Board of Directors with recommendations and approval from the ALCO.

The Bank has put in place a mechanism for regular computation and monitoring of prudential limits and ratios for liquidity and interest rate risk management. The Bank uses its system capability for limits and ratio monitoring. The ALCO support group generates periodic reports for reporting these to ALCO and senior management of the Bank. The ALM support group carries out various analyses related to assets and liabilities, forecast financial market outlook, compute liquidity ratios and interest rate risk values based on the earnings and economic value perspective.

Risk measurement and reporting framework:

The estimation of interest rate risk involves interest rate sensitive assets (RSAs) and interest rate sensitive liabilities (RSLs).

The techniques for managing interest rate risk include:

- Interest rate sensitivity gap Analysis
- Earning at Risk Analysis
- Stress Testing

Interest rate sensitivity gap: The gap or mismatch risk as at a given date, is measured by calculating gaps over different time intervals. Gap analysis measures mismatches between rate sensitive liabilities (RSL) and rate sensitive assets (RSA) (including off-balance sheet positions). The report is prepared by grouping liabilities, assets and off-balance sheet positions into time buckets according to residual maturity or next re-pricing period, whichever is earlier. The difference between RSA and RSL for each time bucket signifies the gap in that time bucket. The gap report provides a good framework for determining the earnings impact.

Earning at Risk: Any change in interest rate would impact Bank's net interest income (NII) and the value of its fixed income portfolio (price risk). The interest rate risk is measured by EaR that is the sensitivity of the NII to a 100 basis points adverse change in the level of interest rates.

Stress Testing: The Bank measures the impact on net interest margin (NIM) / EaR after taking into account various possible movement in interest rates across tenor and their impact on the earnings and economic value of the Bank is calculated for each of these scenarios. These reports are prepared on a monthly basis for measurement of interest rate risk

With an upward rate shock of 1% across the curve, as per Rate Sensitive Gaps in INR as on 30.09.2018, the earning shows a decrease of Rs. 184 million.

The impact of change in interest rate by 100 bps and 50 bps has been computed on open positions (as on 30th September, 2018) and shown hereunder against the respective currencies.

Change in interest rates (in bps)				
Impact on NII (₹ in mio)				
Currency	**-100**	**-50**	**50**	**100**
INR	184	92	(92)	(184)
USD	287	143	(143)	(287)
Others	62	31	(31)	(62)
Total	**532**	**266**	**(266)**	**(532)**

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

Counterparty Credit Risk (CCR) is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. An economic loss would occur if the transactions or portfolio of transactions with the counterparty has a positive economic value for the Bank at the time of default. Unlike exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss whereby the market value for many different types of transactions can be positive or negative to either counterparty. The market value is uncertain and can vary over time with the movement of underlying market factors.

Capital is allocated to CCR exposures taking into consideration the regulatory guidelines on Basel – III capital adequacy computation
Counterparty credit risk is managed and controlled through variety of risk policies and monitoring procedures including, but not limited, to the following:

- Credit Risk Policy
- Bank Risk Policy
- Derivatives Policy and
- Country Risk Policy

It is possible for the counterparty's credit quality to be co-dependent with the level of exposure. This effect is called wrong-way risk if the exposure tends to increase when the counterparty credit quality gets worse. Wrong way risk is controlled through policies that manage industry, country and individual counterparty concentrations.

Exposure on account of Counterparty Credit Risk

(₹ in mio)

Particulars	**Amount**
Gross positive value of contracts	51,933
Netting Benefits	-
Netted current credit exposure	122,699
Collateral held	3,862
Net derivative credit exposure	**118,837**

DF-11 to DF-14: Capital Disclosures

Detailed disclosures with respect to (i) Composition of Capital, (ii) Composition of Capital –Reconciliation Requirements, (iii) Main features of Regulatory Capital Instruments and (iv) Full terms and conditions of Regulatory Capital Instruments are enclosed as per Tables under DF-11, DF-12 and DF-13 respectively. DF-14 has been disclosed separately on the Bank's website under 'Regulatory Disclosures Section'. The link to this section is
http://www.indusind.com/important-links/regulatory-disclosures-section.html

DF-16: Equities – Disclosure for Banking Book Positions

Investments are classified at the time of purchase into Held for trade (HFT), Available for Sale (AFS) and Held to Maturity (HTM) categories in line with the RBI master circular- Prudential Norms for classification, valuation and operation of investments portfolio by Banks. In accordance with the RBI guidelines, investments in equity of subsidiaries and joint ventures (a joint venture will be one where the bank, along with its subsidiaries, holds more than 25 percent of the equity) are required to be classified under HTM category. For capital adequacy purpose, as per the RBI guidelines, equity securities held under HTM category are classified under banking book. Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified as AFS securities.

The amount of equity held in banking book is insignificant as on 30th September, 2018.

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

Leverage Ratio:

Leverage ratio is a non-risk based measure of exposure over capital. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements

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

$$\text{Leverage Ratio} = \frac{\text{Capital Measure (Tier I Capital)}}{\text{Exposure Measure}}$$

Summary comparison of accounting assets vs. leverage ratio exposure measure		
	Item	**(₹ in Million)**
1	Total consolidated assets as per published financial statements	2,483,199
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	(4,696)
4	Adjustments for derivative financial instruments	118,837
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	508,015
7	Other adjustments	-
8	**Leverage ratio exposure**	**3,105,354**

DF-18: Leverage ratio

Leverage ratio		
	Item	**Leverage ratio framework (₹ in Million)**
On balance sheet exposure		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	2,483,199
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(4,696)
3	**Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of lines 1 and 2)	**2,478,503**
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	48,071
5	Add-on amounts for PFE associated with *all* derivatives transactions	70,766
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)**	**118,837**
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	-
15	Agent transaction exposures	-
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	**-**
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	1,315,563
18	(Adjustments for conversion to credit equivalent amounts)	(807,548)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**508,015**
	Capital and total exposures	
20	**Tier 1 capital**	**268,970**
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**3,105,354**
	Leverage ratio	
22	**Basel III leverage ratio**	**8.66%**

Table DF – 11: Composition of Capital

(Rs. Million)

Common Equity Tier 1 capital: Instruments and reserves		**At September 30, 2018**	
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	101,217.08	A=a1+a2
2	Retained earnings	105,510.13	B=b1+b2-b3
3	Accumulated other comprehensive income (and other reserves)	42,300.91	C=c1+c2+c3+c4+c5+c6+c9-c7-c10
4	*Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies1)*	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	**Common Equity Tier 1 capital before regulatory adjustments**	**249,028.12**	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	61.10	
8	Goodwill (net of related tax liability)	-	
9	Intangibles (net of related tax liability)	-	
10	Deferred tax assets [2]	-	
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined-benefit pension fund net assets	-	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
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)	-	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)[3]	-	
20	Mortgage servicing rights[4] (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences[5] (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold[6]	-	
23	*of which: significant investments in the common stock of financial entities*	-	
24	*of which: mortgage servicing rights*	-	

25	*of which: deferred tax assets arising from temporary differences*	-	
26	National specific regulatory adjustments7 (26a+26b+26c+26d)	-	
26a	*of which:* Investments in the equity capital of the unconsolidated insurance subsidiaries	-	
26b	*of which:* Investments in the equity capital of unconsolidated non-financial subsidiaries[8]	-	
26c	*of which:* Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank[9]	-	
26d	*of which:* Unamortised pension funds expenditures	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1	-	
28	**Total regulatory adjustments to Common equity Tier 1**	**61.10**	
29	**Common Equity Tier 1 capital (CET1)**	**248,967.02**	
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	**20,000.00**	
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)	**20,000.00**	D=d1
33	*Directly issued capital instruments subject to phase out from Additional Tier 1*	-	
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 adjustments**	**20,000.00**	
Additional Tier 1 capital: regulatory instruments			
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
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)[10]	-	
41	National specific regulatory adjustments (41a+41b)	-	
41a	*Of which*: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-	

41b	*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 Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	**Total regulatory adjustments to Additional Tier 1 capital**	**-**	
44	**Additional Tier 1 capital (AT1)**	**20,000.00**	
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44)**	**268,967.02**	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
47	Directly issued capital instruments subject to phase out from Tier 2	-	
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[12]	8,104.17	E=c8+e1
51	**Tier 2 capital before regulatory adjustments**	**8,104.17**	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	
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[13] 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)	-	
56a	*of which:* Investments in the Tier 2 capital of unconsolidated subsidiaries	-	
56b	*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**	**-**	
58	**Tier 2 capital (T2)**	**8,104.17**	
59	**Total capital (TC = T1 + T2) (45 + 58)**	**277,071.19**	
60	**Total risk weighted assets (60a + 60b + 60c)**	**1,940,443.26**	
60a	*of which: total credit risk weighted assets*	1,665,875.70	
60b	*of which: total market risk weighted assets*	86,170.90	
60c	*of which: total operational risk weighted assets*	188,396.66	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	12.83	

62	Tier 1 (as a percentage of risk weighted assets)	13.86	
63	Total capital (as a percentage of risk weighted assets)	14.28	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7.375	
65	*of which: capital conservation buffer requirement*	1.875	
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)	-	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.500%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.000%	
71	National total capital minimum ratio (if different from Basel III minimum)	9.000%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities	-	
73	Significant investments in the common stock of financial entities	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	-	
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)	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)			
80	*Current cap on CET1 instruments subject to phase out arrangements*	-	
81	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	-	
82	*Current cap on AT1 instruments subject to phase out arrangements*	-	

83	*Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)*	-	
84	*Current cap on T2 instruments subject to phase out arrangements*	-	
85	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*	-	

Notes to the Template

Row No. of the template	Particulars	(Rs. in million)
10	Deferred tax assets associated with accumulated losses	-
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	-
	Total as indicated in row 10	-
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	-
	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	8,104.17
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	8,104.17

Table DF-12: Composition of Capital- Reconciliation Requirements

Step 1

(Rs. in million)

		Balance sheet as in financial statements As on September 30, 2018	Balance sheet under regulatory scope of consolidation As on September 30, 2018
A	**Capital & Liabilities**		
i.	Paid-up Capital	6,012.96	
	Reserves & Surplus	2,47,520.26	
	Employees' Stock Options Outstanding	111.88	
	Minority Interest	-	
	Total Capital	**2,53,645.11**	
ii	Deposits	**16,82,192.82**	
	of which: Deposits from banks	62,615.87	
	of which: Customer deposits	16,19,576.95	
	of which: Other deposits (pl. specify)	-	
iii	Borrowings	**4,28,280.52**	
	of which: From RBI	-	
	of which: From banks	7,577.41	
	of which: From other institutions & agencies	2,46,600.00	
	of which: Others (pl. specify) Borrowings from outside India	1,54,103.11	
	of which: Capital instruments	20,000.00	
iv.	Other liabilities & provisions	**1,19,080.38**	
	Total Liabilities	**24,83,198.83**	
B	**Assets**		
i	Cash and balances with Reserve Bank of India	**87,653.42**	
	Balance with banks and money at call and short notice	**95,672.10**	
ii	Investments:	**5,00,884.64**	
	of which: Government securities	4,34,228.40	
	of which: Other approved securities	-	
	of which: Shares	1,538.76	
	of which: Debentures & Bonds	49,267.06	
	of which: Subsidiaries / Joint Ventures / Associates	-	
	of which: Others (Commercial Papers, Mutual Funds etc.)	15,850.42	
iii	Loans and advances	**16,31,443.40**	
	of which: Loans and advances to banks	-	
	of which: Loans and advances to customers	16,31,443.40	
iv	Fixed assets	**13,633.63**	
v	Other assets	**1,53,911.64**	
	of which: Goodwill and intangible assets	-	
	of which: Deferred tax assets	4,695.67	
vi	Good will on consolidation	-	
vii	Debit balance in Profit & Loss account	-	
	Total Assets	**24,83,198.83**	

Step 2

(Rs. in million)

		Balance sheet as in financial statements As on September 30, 2018	Balance sheet under regulatory scope of consolidation As on September 30, 2018	Ref No.
A	**Capital & Liabilities**			
i.	**Paid-up Capital**	**6,012.96**		a1
	Reserves & Surplus	**2,47,632.14**		
	of which :			
	Share Premium	95,204.11		a2
	Balance in P/L a/c.	88,162.31		b1
	of which			
	Unallocated Surplus	19,559.71		b2
	Current period profits not reckoned for Capital Adequacy purposes	2,211.89		b3
	Statutory Reserve	38,242.67		c1
	General Reserve	13.56		c2
	Capital Reserve	2,233.68		c3
	Investment Allowance Reserve	10.00		c4
	Employee Stock Options Outstanding	111.88		c5
	Foreign Currency Translation Reserve	97.02		c6
	Not reckoned for Capital Adequacy purposes	24.26		c7
	Investment Reserve Account	405.30		c8
	Revaluation Reserve	3,591.90		c9
	of which			
	Not reckoned for Capital Adequacy purposes	1,975.54		c10
	Minority Interest	-		-
	Total Capital	**2,53,645.11**		
ii	**Deposits**	**16,82,192.82**		
	of which: Deposits from banks	62,615.87		
	of which: Customer deposits	16,19,576.95		
	of which: Other deposits (pl. specify)	-		
iii	**Borrowings**	**4,28,280.52**		
	of which: From RBI	-		
	of which: From banks	7,577.41		
	of which: From other institutions & agencies	2,46,600.00		
	of which: Others (pl. specify) Borrowings from outside India	1,54,103.11		
	of which: Capital instruments	20,000.00		
	Eligible AT1 Capital	20,000.00		d1
iv.	**Other liabilities & provisions**	**1,19,080.38**		

	of which: Provision for Standard Advances	*7,698.87*		e1
	of which : DTLs related to goodwill	-		
	of which : Details related to intangible assets	-		
	Total	**24,83,198.83**		
B	**Assets**			
i	Cash and balances with Reserve Bank of India	**87,653.42**		
	Balance with banks and money at call and short notice	**95,672.10**		
ii	**Investments:**	**5,00,884.64**		
	of which: Government securities	4,34,228.40		
	of which: Other approved securities	-		
	of which: Shares	1,538.76		
	of which: Debentures & Bonds	49,267.06		
	of which: Subsidiaries / Joint Ventures / Associates	-		
	of which: Others (Commercial Papers, Mutual Funds etc.)	15,850.42		
iii	**Loans and advances**	**16,31,443.40**		
	of which: Loans and advances to banks	-		
	of which: Loans and advances to customers	16,31,443.40		
iv	Fixed assets	**13,633.63**		
v	Other assets	**1,53,911.64**		
	of which: Goodwill and intangible assets	-		
	Out of which :			
	Goodwill	-		
	Other Intangibles (excluding MSRs)	-		
	Deferred tax assets	4,695.67		
vi	Good will on consolidation	-		
vii	Debit balance in Profit & Loss account	-		
	Total Assets	**24,83,198.83**		

Step 3

(Rs. in million)

	Common Equity Tier 1 capital : instruments and reserves		
		Component of regulator capital reported by bank	**Source based on reference number / 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 (share Premium)	1,01,217.08	A=a1+a2
2	Retained earnings	1,05,510.13	B=b1+ b2-b3
3	Accumulated other comprehensive income (and other reserves)	42,300.91	C=c1+c2+c3+c4+c5+c6+c9-c7-c10
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	**Common Equity Tier I capital before Regulatory adjustments**	**2,49,028.12**	
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	

Table DF-13: Main Features of Regulatory Capital Instruments

Sr. No	Particulars	Equity Shares	Additional Tier 1 Bond (Series I)	Additional Tier 1 Bond (Series II)
1	Issuer	INDUSIND BANK LTD	INDUSIND BANK LTD	INDUSIND BANK LTD
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE095A01012	INE095A08066	INE095A08074
3	Governing law(s) of the instrument	Indian Law	Indian Law	Indian Law
	Regulatory treatment			
4	Transitional Basel III rules	Common Equity Tier I	Additional Tier 1	Additional Tier 1
5	Post-transitional Basel III rules	Common Equity Tier I	Additional Tier 1	Additional Tier 1
6	Eligible at solo/group/ group & solo	Group and Solo	Group and Solo	Group and Solo
7	Instrument type	Common Shares	Perpetual Debt Instrument	Perpetual Debt Instrument
8	Amount recognised in regulatory capital (Rs. in million, as of most recent reporting date)	Rs.6,013 Millions	Rs. 10,000 Million	Rs. 10,000 Million
9	Par value of instrument	Rs. 10 per share	Rs. 1 Million per Bond	Rs. 1 Million per Bond
10	Accounting classification	Shareholder's Equity	Borrowings	Borrowings
11	Original date of issuance	Various	22.03.2017	18.04.2017
12	Perpetual or dated	Perpetual	Perpetual	Perpetual
13	Original maturity date	No Maturity	No Maturity	No Maturity
14	Issuer call subject to prior supervisory approval	No	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	NA	5 years from the deemed date of allotment or any date thereafter, at the sole discretion of the Bank with a prior approval of RBI but subject always to the "condition for exercise of call option"; the call will be for the whole amount of the Bond and not in part.	5 years from the deemed date of allotment or any date thereafter, at the sole discretion of the Bank with a prior approval of RBI but subject always to the "condition for exercise of call option"; the call will be for the whole amount of the Bond and not in part.
16	Subsequent call dates, if applicable	NA	Any date after 22.03.2022, with the prior approval of RBI.	Any date after 18.04.2022, with the prior approval of RBI.
	Coupons / dividends			
17	Fixed or floating dividend/coupon	NA	Fixed	Fixed
18	Coupon rate and any related index	NA	9.50% p.a.	9.50% p.a.
19	Existence of a dividend stopper	NA	Yes	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary	Fully Discretionary	Fully Discretionary
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
23	Convertible or non-convertible	NA	Non-convertible	Non-convertible

Sr. No	Particulars	Equity Shares	Additional Tier 1 Bond (Series I)	Additional Tier 1 Bond (Series II)
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	Yes	Yes
31	If write-down, write-down trigger(s)	NA	Temporary write down at Pre-Specified Trigger Event, which is Common Equity Tier 1 capital falling below the regulatory level. Permanent write down at a Point of Non-Viability (PONV) Trigger Event. The PONV Trigger Event is the earlier of (1) a decision that full permanent write off / other adjustment stipulated by RBI without which the Bank would become non-viable as determined by the RBI, and (2) the decision to make a public sector injection of capital or equivalent support without which the Bank would become non-viable as determined by the relevant authority.	Temporary write down at Pre-Specified Trigger Event, which is Common Equity Tier 1 capital falling below the regulatory level. Permanent write down at a Point of Non-Viability (PONV) Trigger Event. The PONV Trigger Event is the earlier of (1) a decision that full permanent write off / other adjustment stipulated by RBI without which the Bank would become non-viable as determined by the RBI, and (2) the decision to make a public sector injection of capital or equivalent support without which the Bank would become non-viable as determined by the relevant authority.
32	If write-down, full or partial	NA	Fully or Partially	Fully or Partially
33	If write-down, permanent or temporary	NA	Temporary or Permanent	Temporary or Permanent
34	If temporary write-down, description of write-up mechanism	NA	In case of temporary write down, outstanding principal amount of the Bond can be increased in accordance with RBI guidelines. The Bonds may be subject to more than one reinstatement.	In case of temporary write down, outstanding principal amount of the Bond can be increased in accordance with RBI guidelines. The Bonds may be subject to more than one reinstatement.
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA	The Bonds are senior / superior to claims of investors in equity shares and perpetual non-cumulative preference shares issued by the Bank.	The Bonds are senior / superior to claims of investors in equity shares and perpetual non-cumulative preference shares issued by the Bank.
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	NA	-	-