

## Basel III Disclosures

### For the Quarter Ended December 31, 2018

#### I. Scope of Application

The framework of disclosures applies to **RBL Bank Limited** (hereinafter referred to as the Bank), a scheduled commercial bank, incorporated on August 6, 1943.

The Bank has a non-financial subsidiary, RBL Finserve Ltd (*Formerly Swadhaar Finserve Private Limited*), which is not consolidated for capital adequacy purpose. The bank does not have interest in any insurance entity. As per capital adequacy guidelines under Basel III, the insurance and non-financial subsidiaries / joint ventures / associates etc. of the banks should not be consolidated for the purpose of capital adequacy.

#### Capital Adequacy

##### Regulatory capital assessment

The Bank is subjected to Capital Adequacy guidelines stipulated by Reserve Bank of India (RBI). In line with RBI guidelines under Basel III, the Bank has adopted Standardized Approach for Credit Risk, Standardized Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk while computing its Capital Adequacy Ratio (CAR).

As per capital adequacy guidelines under Basel III, by March 31, 2020 the Bank is required to maintain a minimum CAR of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET I) CAR of 5.5% {8% including CCB}. These guidelines on Basel III are to be implemented in a phased manner. The minimum CAR required to be maintained by the Bank for the Quarter ended December 31, 2018 is 9% {10.875% including CCB} with minimum CET I of 5.5% {7.375% including CCB}.

As on December 31, 2018, total CAR of the Bank stood at 12.86%, well above regulatory minimum requirement of 10.875% (including CCB). Tier I ratio of the Bank stood at 11.58% and CET I ratio at 11.58%.

##### Assessment of adequacy of Capital to support current and future activities

The Bank has a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) which is approved by the Board of Directors (Board). Under ICAAP, the Bank determines adequacy of capital to meet regulatory norms, current and future business needs, including stress scenarios. ICAAP evaluates and documents all risks and substantiates appropriate capital allocation for risks identified under Pillar 1 (i.e. Credit, Market and Operational Risk) as well as Pillar 2.

ICAAP enables the Bank to ensure the adequacy of capital to take care of the future business growth and various other risks that the Bank is exposed to, so that the minimum capital required is maintained on a continuous basis and also at the times of changing economic conditions/ economic recession. The Bank takes into account both quantifiable and non-quantifiable risks while assessing capital requirements. The Bank considers the following risks as material and has considered these while assessing and planning its capital requirements:

- Credit Risk
- Market Risk
- Operational Risk
- Interest Rate Risk in banking Book
- Liquidity Risk
- Credit Concentration Risk
- Business Risk
- Strategic Risk
- Compliance Risk
- Reputation Risk
- Technology Risk
- Model Risk

The Bank has also implemented a Board approved Stress Testing Framework. This involves the use of various techniques to assess the Bank's vulnerability to plausible but extreme stress events. The stress tests cover assessment of Credit Risk, Market Risk, Operational Risk, Liquidity Risk as well as Interest Rate Risk under assumed 'stress' scenarios. Tolerance limits have also been defined for these stress tests. The stress tests are used in conjunction with the Bank's business plans for the purpose of capital planning in ICAAP. The stress tests are performed at periodic intervals and results are reported to the Board.

As per the Bank's assessment, it believes that its current robust capital adequacy position, adequate headroom available to raise capital, demonstrated track record for raising capital and adequate flexibility in the balance sheet structure and business model, the capital position of the Bank is expected to remain robust.

#### Capital requirements for various risks

A summary of Bank's capital requirement for credit, market and operational risk along with CAR as on December 31, 2018 is presented below: (₹ In Millions)

| SN  | Particulars  | 31.12.2018  |
|-----|--|---|
| (a) | Capital requirements for Credit risk:<br>- Portfolios subject to standardized approach   | <b>53,847.96</b>                                  |
| (b) | Capital requirements for Market risk:<br>Standardized duration approach<br>- Interest rate risk<br>- Foreign exchange risk (including gold)<br>- Equity risk | <b>1,938.15</b><br><b>117.00</b><br><b>415.37</b> |
| (c) | Capital requirements for Operational risk:<br>- Basic indicator approach   | <b>3,026.93</b>                                   |
| (d) | Capital Adequacy Ratios<br>- Total Capital Adequacy Ratio (%)<br>- Tier-1 Capital Adequacy Ratio (%)<br>- Common Equity Tier-1 Capital Adequacy Ratio (%)    | <b>12.86%</b><br><b>11.58%</b><br><b>11.58%</b>   |

## II. Credit Risk: General Disclosures

### Policy and Strategy for Credit Risk Management

Credit Risk is defined as the probability of losses associated with reduction in credit quality of borrowers or counterparties leading to non-payment of dues to the Bank. In the Bank's portfolio, losses arise from default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlements, or any other financial transaction.

The Bank has put in place Commercial Credit Policy, Investment Policy, Recovery Policy, Enterprise Risk Management Policy, Policy on Transfer of Asset through Securitization & Direct Assignment of Cash Flows, Customer Suitability & Appropriateness Policy, Retail Assets Credit Policy duly approved by the Board whereby credit risk can be identified, quantified and managed within the framework that is considered consistent with the scale, size of business and risk appetite of the Bank. These policies prescribe various methods for credit risk identification, measurement, grading, monitoring, reporting, risk control / mitigation techniques and management of problem loans/ credit.

Credit Risk Management is ensured through following initiatives:

- A rigorous control framework from which only authorized departures are permitted;
- Clear, agreed roles and responsibilities;
- Qualified, experienced and well-motivated personnel;
- A predetermined credit risk measurement and monitoring methodology;
- Consistent reporting and relevant MIS;
- A statement of operating principles;
- Robust systems, applications and data warehousing architecture.
  - Monitoring is done through identifying and monitoring Early Warning Signals (EWS)/ Watch List (WL)/ Adversely labeled (AL) cases, Prudential Limits, Sensitive & Co-related sectors, Industry concentration, Individual & Group exposure, analysis of Quarterly Call Report's (QCR's) etc as articulated in the Commercial credit Policy.

### Organizational Structure for Credit Risk Management function

The organizational structure of the Bank for Credit Risk Management function has the Board of Directors at the apex level that maintains overall oversight on the management of risks. The Risk Management Committee of Board (RMCB) devises policy and strategy for integrated risk management which includes credit risk. RMCB approves the Bank's credit policies, prudential exposure limits, business segments, credit assessment and approval system, margin and collateral management, credit documentation, credit pricing framework, credit administration and monitoring system, non-performing assets management policy, credit risk management system and exception management.

At operational level, Management Credit Committee (MCC) is responsible for operationalizing the credit policy and implementing credit framework as approved by the Board. The committee recommends policies on standards for presentation of credit proposals, financial covenants, ratings, prudential limits on large credit exposures, standards for loan collaterals, etc. MCC also

oversees portfolio risk management, loan review mechanism, risk concentrations, pricing of loans, provisioning and other regulatory/ legal compliances. In addition, the committee has financial authority to approve credit proposals in line with Board approved policy.

MCC is assisted by the Executive Credit Committee (ECC), which does not possess financial authority, but plays an important role towards setting portfolio quality standards. The committee reviews portfolio underwriting standards, approves policy deviations and monitors various other portfolio quality metrics on a periodic basis.

Central Credit Committee (CCC) decisions commercial credit proposals as per defined authority matrix and is governed by the Terms Of Reference as decided by the MCC.

Agri. Credit Committee (ACC) decisions agricultural credit proposals as per defined authority matrix and is governed by the Terms Of Reference as decided by the MCC.

The Bank has 2 committee formed for Retail Assets Secured Lending. Regional Credit Committee (RCC) decisions Retail LAP credit proposals as per the defined authority matrix and is governed by Product Approval Committee (PAC). Central Credit Committee (CCC) decisions Retail Loan against Property (LAP) and Working Capital Finance (WCF) proposals as per the defined authority matrix and is governed by Retail Assets policy approved by PAC.

The roles and responsibilities of the key functions involved in credit risk management are as detailed below:

- Credit Risk Department (CRD) – The CRD has an independent reporting to Chief Credit Officer (CCO) of the Bank and has credit recommendation and approval authorities at different levels. The CRD takes decisions on all applications in accordance with policies applicable to the specific proposal / product / scheme. To ensure complete independence, and to avoid any conflict of interest, the CRD is not assigned any business targets.
- Credit Administration Department (CAD) – The CAD at Corporate / Regional level acts as the third eye after business and CRD to ensure compliance with the Bank's policies and prudent lending requirements.
- Recoveries and Collections Department– The Recovery Department monitors NPA's and manages restructuring of advances after examining viability of the unit, follows up for recoveries very closely and provides guidance to the Relationship Manager (RM's) / Branch Managers responsible for collections and actively participates in the recovery effort where warranted.
- Portfolio Risk Department– The primary responsibility of Portfolio Risk include overall portfolio analysis and reporting the same to Board, review of internal rating system, monitoring prudential limits and loan reviews, submission of credit related returns/ MIS at periodic intervals.

### **Credit risk measurement, mitigation, monitoring & reporting systems**

Credit Origination and Appraisal System

There are separate Credit Origination and Appraisal Processes for Wholesale, Agri. and Retail segments. Within the Wholesale and Agri. segments, Bank has adopted underwriting standards for different client segments that is based, inter alia, on internal risk ratings, availability of security and other risk parameters. The credit sanctions are provided by experienced credit professionals and / or credit committees with delegated approval authorities as per Bank's Board approved credit policy, basis detailed appraisal memorandum that takes into account business and financial risks of the proposal. The Retail segment, on the other hand, relies largely on standardized product programs for credit risk assessment and approvals.

#### Credit Rating Framework

The Bank has put in place an internal rating system for Wholesale segment. The rating system uses various models, depending upon size of company as well as specialized models for Non-Banking Finance Companies (NBFC), Micro Finance Institutions (MFI) and Traders. The internal rating system is a step towards migration to Advanced Approach for Credit Risk as per Basel III.

The rating system is based on a two dimensional rating framework, Borrower Rating and Facility Rating. The Borrower Rating is determined first, which is based on assessment of Industry Risk, Business Risk, Management Risk and Financial Risk along with Project Risk / Conduct of Account (if applicable). This is calibrated to the Probability of Default (PD). The Facility Rating is based on Borrower Rating, and takes into account security structure, therefore is a combination of PD and LGD (Loss Given Default).

Besides, the Bank continues to endeavor to have all facilities above ₹ 5 crore, to have external ratings.

#### Credit Documentation

The objective of credit documentation is to clearly establish the debt obligation of borrower to the Bank. In most cases, standardized set of documents are used as applicable, depending upon the type of credit facilities and the borrower entity. In cases of credit facilities for structured finance/ customized credit facilities for which standard documents have not been prescribed or are not appropriate, the documentation would be done on case to case basis in consultation with the Legal department/ outside lawyers.

#### Delegation of powers

The Bank has adopted 'Four Eyes' principle for credit approval. The principle dictates that generally at least two people must create, examine and approve a credit proposal. Most of the loan proposals require Joint Signature Approvals (JSA). This helps to avoid credit approval based on judgment of one functionary alone, ensures compliance and reduces risk from errors & prejudices. The Bank has also adopted Committee Approach for sanctioning high value credit proposals. Board Investment & Credit Committee (BICC), Management Credit Committee (MCC), Central Credit Committee (CCC), Agri. Credit Committee (ACC), Retail Assets Credit Committee approve credit proposals as per authority matrix.

#### Post Sanction Monitoring

The Bank has evolved a process to ensure end-use of funds is for the purpose for which credit limits are sanctioned. Further, it is ensured that the security obtained from borrowers by way of hypothecation, pledge, etc. are not tampered with in any manner and are adequate.

Quarterly Call Reports (QCR) are used to track the borrower's performance on a quarterly basis. Performance, Status of compliance with Internal Risk Triggers, Covenants, Position of Un-hedged FCY exposure & Adherence to specific approval conditions (if any) is tracked on quarterly basis through QCR.

All exceptions related to sanctioned credit facilities are monitored by Credit Administration Department (CAD) using the CAD exception workflow developed by IBM BPM.

#### Early Warning System (EWS)

The Bank has an Early Warning System (EWS) for early identification of problem loan accounts across business segments. EWS works on the basis of various pre-defined symptoms. Such accounts are closely monitored by Relationship Managers (RMs), Credit Risk Department, Special Mention Assets (SMA) Group and CAD. These accounts are also monitored by Executive Credit Committee (ECC) on a monthly basis.

Accounts which the Bank wishes to monitor closely are tagged as "Watch list" accounts. Accounts which exhibit severe stress are tagged as "Adverse Labeled" accounts. Both these categories of accounts receive special management attention. Such accounts are monitored very closely by Senior Management and Board/ RMCB.

In view of the enactment of the Insolvency and Bankruptcy Code, 2016 (IBC), RBI has substituted the existing guidelines on Resolution of Stressed Sectors with a harmonised and simplified generic framework through circular issued in Feb 2018. The Bank is compliant with these guidelines.

#### Review / Renewal of Loans

After a credit facility is sanctioned and disbursed, follow-up and reviews are conducted at periodic intervals. All funded and non-funded facilities granted to a customer are reviewed at least once a year or at more frequent intervals, as warranted.

#### Credit Pricing

Pricing of loans / advances / cash credit / overdraft or any other financial accommodation granted / provided / renewed or discounted usance bills is in accordance with the directives on interest rates on advances issued by RBI as well as internal policies of the Bank. The Bank has also adopted Risk Based Pricing for different categories of customers.

#### Credit Portfolio Analysis

Credit portfolio analysis is carried out at periodic intervals to review entire credit portfolio of the Bank to monitor growth, distribution, concentration, quality, compliance with RBI guidelines & policies of the Bank, accounts under Early Warning System (EWS)/ Watch-List (WL)/ Adversely Labeled (AL) category etc. The same is monitored / reviewed by Senior Management/ Board / RMCB.

### Loan Review Mechanism (LRM) and Credit Audit

The Bank has implemented LRM and Credit Audit framework in line with RBI guidelines. The primary objective includes monitoring effectiveness of loan administration, compliance with internal policies of Bank and regulatory framework, monitor portfolio quality, concentrations, post sanction follow-ups and appraising top management with information pertaining to the audit finding for further corrective actions.

### Non-performing Assets (NPA)

An asset, including a leased asset, becomes non-performing when it ceases to generate income for the Bank.

A non-performing asset (NPA) is a loan or an advance where:

- i) Interest and/ or installment of principal remain overdue for a period of more than 90 days in respect of a term loan. 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.
- ii) The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted;
- iii) Installment of principal or interest thereon remains overdue for two crop seasons for short duration crops, and one crop season for long duration crops;
- iv) The account remains 'out of order' in respect of an Overdraft/ Cash Credit (OD/CC). An account is treated as 'out of order' if:
  - a. the outstanding balance remains continuously in excess of the sanctioned limit / drawing power for more than 90 days; or
  - b. where outstanding balance in principal operating account is less than 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 interest debited during the same period;
- v) The regular/ ad hoc credit limits have not been reviewed/ renewed within 180 days from the due date / date of ad-hoc sanction;
- vi) Drawings have been permitted in working capital account for a continuous period of 90 days based on drawing power computed on the basis of stock statements that are more than 3 months old, even though the unit may be working or the borrower's financial position is satisfactory;
- vii) Bank Guarantees/ Letters of Credits devolved on the Bank which are not reimbursed by the customer within 90 days from the date of payment;
- viii) A loan for an infrastructure / non-infrastructure project will be classified as NPA during any time before commencement of commercial operations as per record of recovery (90 days overdue), unless it is restructured and becomes eligible for classification as 'standard asset';
- ix) A loan for an infrastructure (/ non-infrastructure) project will be classified as NPA if it fails to commence commercial operations within 2 years (/ 6 months) from original date of commencement of commercial operations, even if it is regular as per record of recovery, unless it is restructured and becomes eligible for classification as 'standard asset'.



- x) The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of RBI guidelines on securitization;
- xi) 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.

#### Non-performing Investments (NPI)

NPI is one where:

- i) Interest / installment (including maturity proceeds) is due and remains unpaid for more than 90 days;
- ii) The fixed dividend is not paid in case of preference shares;
- iii) In case of equity shares, in the event investment in shares of any company is valued at Re.1 per company on account of non-availability of latest balance sheet in accordance with RBI instructions;
- iv) If any credit facility availed by the issuer is NPA in the books of the bank, investment in any of the securities issued by the same issuer would be treated as NPI and vice versa;
- v) The investments in debentures / bonds which are deemed to be in the nature of advance would also be subjected to NPI norms as applicable to investments.

#### Quantitative Disclosures

(a) Total gross credit risk exposures\*, Fund based and Non-fund\*\* based separately:

(₹ In Millions)

| Category                   | 31.12.2018        |
|----------------------------|-------------------|
| <b>Fund Based</b>          | <b>679,585.01</b> |
| Gross Advances             | 502,299.33        |
| Investment in Banking book | 102,337.11        |
| All other Assets           | 74,948.57         |
| <b>Non-Fund Based</b>      | <b>174,022.69</b> |
| <b>Total</b>               | <b>853,607.70</b> |

\* Represents book value including bill re-discounted.

\*\* Guarantees given on behalf of constituents, Acceptances, Endorsements & other Obligations, Liability on account of outstanding forward exchange contracts (credit equivalent amount).

(b) Geographic distribution of exposure\*, Fund based & Non-fund\*\* based separately

(₹ In Millions)

| Category       | 31.12.2018        |                  |                   |
|----------------|-------------------|------------------|-------------------|
|                | Domestic          | Overseas         | Total             |
| Fund Based     | 658,828.01        | 20,757.00        | <b>679,585.01</b> |
| Non-Fund Based | 173,669.72        | 352.97           | <b>174,022.69</b> |
| <b>Total</b>   | <b>832,497.73</b> | <b>21,109.97</b> | <b>853,607.70</b> |

\* Represents book value including bills re-discounted;



\*\* Guarantees given on behalf of constituents, Acceptances, Endorsements & other Obligations, Liability on account of outstanding forward exchange contracts (credit equivalent amount).

(a) Industry type distribution of exposures\*- Funded & Non-funded\*\*

(₹ In Millions)

| Industry Name   | 31.12.2018       |                  |
|---|------------------|------------------|
|   | Fund Based       | Non Fund Based   |
| <b>A. Mining and Quarrying (A.1 + A.2)</b>  | <b>5,409.50</b>  | <b>3,425.40</b>  |
| A.1 Coal  | 2,685.56         | 1,062.51         |
| A.2 Others  | 2,723.94         | 2,362.89         |
| <b>B. Food Processing (Sum of B.1 to B.5)</b>                                       | <b>17,468.44</b> | <b>8,985.80</b>  |
| B.1 Sugar   | 1,618.77         | 3,831.61         |
| B.2 Edible Oils and Vanaspati   | 1,704.21         | 4,590.63         |
| B.3 Tea   | 5,597.79         | 14.69            |
| B.4 Coffee  | 2,886.47         | 50.00            |
| B.5 Others  | 5,661.20         | 498.86           |
| <b>C. Beverages (excluding Tea &amp; Coffee) and Tobacco (Sum of C.1 &amp; C.2)</b> | <b>2,334.80</b>  | <b>12.66</b>     |
| C.1 Tobacco and tobacco products  | -                | -                |
| C.2 Others  | 2,334.80         | 12.66            |
| <b>D. Textiles (Sum of D.1 to D.6)</b>  | <b>7,820.84</b>  | <b>2,476.59</b>  |
| D.1 Cotton  | 2,605.12         | 123.99           |
| D.2 Jute  | -                | -                |
| D.3 Handicraft/ Khadi (Non Priority)  | -                | -                |
| D.4 Silk  | -                | -                |
| D.5 Woolen  | -                | -                |
| D.6 Others  | 5,215.72         | 2,352.59         |
| Out of D (i.e. Total Textiles) to Spinning Mills                                    |                  |                  |
| <b>E. Leather and Leather Products</b>  | <b>788.79</b>    | <b>60.77</b>     |
| <b>F. Wood and Wood products</b>  | <b>-</b>         | <b>-</b>         |
| <b>G. Paper and Paper Products</b>  | <b>2,487.83</b>  | <b>887.08</b>    |
| <b>H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels</b>       | <b>2,313.26</b>  | <b>2,661.31</b>  |
| <b>I. Chemicals and Chemical Products (Dyes, Paints etc.) Sum of I.1 to I.4)</b>    | <b>31,181.28</b> | <b>16,396.38</b> |
| I.1 Fertilizers   | 2,468.12         | 6,130.69         |
| I.2 Drugs and Pharmaceuticals   | 20,923.21        | 4,280.88         |
| I.3 Petro-chemicals (excluding under Infrastructure)                                | 2,104.58         | 753.40           |
| I.4 Others  | 5,685.37         | 5,231.41         |
| <b>J. Rubber, Plastic and their products</b>  | <b>3,981.56</b>  | <b>813.71</b>    |
| <b>K. Glass &amp; Glassware</b>   | <b>1,160.51</b>  | <b>-</b>         |
| <b>L. Cement and Cement Products</b>  | <b>6,411.40</b>  | <b>1,862.89</b>  |
| <b>M. Basic Metal and Metal Products (M.1 &amp; M.2)</b>                            | <b>12,097.92</b> | <b>7,838.51</b>  |
| M.1 Iron and Steel  | 11,130.56        | 5,773.61         |

| Industry Name  | 31.12.2018        |                   |
|--|-------------------|-------------------|
|  | Fund Based        | Non Fund Based    |
| M.2 Other Metal and Metal Products                             | 967.36            | 2,064.90          |
| <b>N. All Engineering (N.1 &amp; N.2)</b>                      | <b>14,266.67</b>  | <b>20,508.79</b>  |
| N.1 Electronics  | 2,244.67          | 4,378.30          |
| N.2 Others   | 12,022.00         | 16,130.49         |
| <b>O. Vehicles, Vehicle Parts and Transport Equipments</b>     | <b>4,586.87</b>   | <b>1,601.79</b>   |
| <b>P. Gems and Jewellery</b>                                   | <b>7,260.45</b>   | <b>439.62</b>     |
| <b>Q. Construction</b>   | <b>15,416.78</b>  | <b>19,462.09</b>  |
| <b>R. Infrastructure (Sum R.1 to R.4)</b>                      | <b>22,926.01</b>  | <b>26,057.52</b>  |
| R.1 Transport( Sum of R.1.1 to R.1.5)                          | 3,028.47          | 4,380.53          |
| R.1.1. Railways  | 48.29             | 208.74            |
| R.1.2 Roadways   | 2,590.18          | 3,870.09          |
| R.1.3 Airport  | -                 | 301.71            |
| R.1.4 Waterways  | -                 | -                 |
| R.1.5 Ports  | 390.00            | -                 |
| R.2 Energy (Sum of R.2.1 to R.2.4)                             | 14,637.37         | 17,913.85         |
| R.2.1 Electricity (generation-transportation and distribution) | 12,621.27         | 10,641.82         |
| R.2.1.1 State Electricity Boards                               | -                 | -                 |
| R.2.1.2 Others   | -                 | -                 |
| R.2.1.3 Power Generation                                       | 5,587.77          | 2,333.80          |
| R.2.1.4 Power transmission / Distribution                      | 2,803.69          | 1,571.72          |
| R.2.1.5 Power -Non-Conventional Energy                         | 4,229.82          | 6,736.30          |
| R.2.2 Gas/LNG/Oil (Storage and pipeline)                       | 2,016.09          | 7,272.03          |
| R.2.3 Others   | -                 | -                 |
| R.3 Telecommunication  | 1,522.76          | 3,602.93          |
| R.4 Others   | 3,737.41          | 160.20            |
| R.4.1 Water sanitation   | 67.17             | 126.36            |
| R.4.2 Social & Commercial Infrastructure                       | 3,670.24          | 33.84             |
| R.4.3 Others   | -                 | -                 |
| <b>S. Other Industries</b>                                     | <b>39,736.51</b>  | <b>15,216.43</b>  |
| <b>T. Other Services</b>                                       | <b>52,079.92</b>  | <b>25,521.39</b>  |
| <b>U. NBFC</b>   | <b>25,107.19</b>  | <b>1,723.37</b>   |
| <b>V. Housing Finance Companies (HFC)</b>                      | <b>7,291.20</b>   | <b>99.65</b>      |
| <b>W. Micro-Finance Institutions (MFI)</b>                     | <b>13,940.29</b>  | <b>25.75</b>      |
| <b>X. Core investment Companies (CIC)</b>                      | -                 | <b>131.98</b>     |
| <b>Y. Asset Finance Companies (AFC/IFC)</b>                    | <b>6,426.83</b>   | <b>929.08</b>     |
| <b>Z. Traders</b>  | <b>30,584.41</b>  | <b>6,858.28</b>   |
| <b>All Industries (Sum of A to Z)</b>                          | <b>333,079.28</b> | <b>163,996.83</b> |
| Residuary Other Advances [a+b]                                 | 196,352.73        | 10,025.86         |
| a. Aviation  | 210.03            | 0.11              |
| b. Other Residuary Advances                                    | 196,142.70        | 10,025.76         |
| <b>Total</b>   | <b>529,432.01</b> | <b>174,022.69</b> |

The Bank's exposure to the industries stated below was more than 5% of the total gross credit exposure:

| Sr. No. | Industry classification         | Percentage of the total gross credit exposure as on 31.12.2018 |
|---------|---------------------------------|--|
| 1       | Infrastructure                  | 6.96%  |
| 2       | Chemicals and Chemical Products | 6.76%  |
| 3       | Traders                         | 5.32%  |

\* Represents book value of gross advances and investments through credit substitutes;

\*\* Guarantees given on behalf of constituents, Acceptances, Endorsements & other Obligations and Liability on account of outstanding forward exchange contracts (credit equivalent amount).

(b) Residual contractual maturity breakdown of assets as on 31.12.2018

(₹ In Millions)

| Maturity bucket     | Cash, balances with RBI and other Banks | Investments       | Advances          | Other assets including fixed assets |
|---------------------|---|-------------------|-------------------|-------------------------------------|
| 1 day               | 21,373.55                               | 13,258.94         | 5,536.08          | 1,260.47                            |
| 2 to 7 days         | 1,429.66                                | 8,467.52          | 7,402.71          | 883.18                              |
| 8 to 14 days        | 1,123.16                                | 3,904.12          | 7,053.97          | 985.35                              |
| 15 to 30 days       | 1,734.66                                | 9,332.56          | 28,877.88         | 1,237.55                            |
| 31 days to 2 months | 1,956.63                                | 10,983.95         | 22,578.98         | 621.37                              |
| 2 to 3 months       | 2,253.55                                | 13,316.19         | 27,045.98         | 852.59                              |
| 3 to 6 months       | 3,190.62                                | 18,561.17         | 42,694.11         | 767.42                              |
| 6 to 12 months      | 4,180.24                                | 26,768.43         | 105,777.36        | 11,474.46                           |
| 1 to 3 years        | 11,945.26                               | 30,192.87         | 171,799.66        | 1,589.63                            |
| 3 to 5 years        | 421.27                                  | 3,705.23          | 37,530.22         | 1,025.35                            |
| 5 to 7 years        | 117.20                                  | 3,862.28          | 14,641.67         | 310.47                              |
| 7 to 10 years       | 78.98                                   | 5,380.02          | 12,346.78         | 43.08                               |
| 10 to 15 years      | 6.86                                    | 33.50             | 14,916.07         | -                                   |
| Over 15 years       | 55.57                                   | 378.24            | 724.92            | 4,030.44                            |
| <b>Total</b>        | <b>49,867.21</b>                        | <b>148,145.02</b> | <b>498,926.39</b> | <b>25,081.36</b>                    |

(Note: Classification of assets and liabilities under the different maturity buckets in the above table is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.)

(c) Asset Quality

▪ NPA Ratios

| Particulars                  | 31.12.2018 |
|------------------------------|------------|
| Gross NPAs to gross advances | 1.38%      |
| Net NPAs to net advances     | 0.72%      |

• Net NPAs

(₹ In Millions)

| Particulars      | 31.12.2018 |
|------------------|------------|
| Gross NPAs       | 6,955.39   |
| Less: Provisions | 3,372.95   |
| Net NPAs         | 3,582.44   |

• Classification of gross NPAs

(₹ In Millions)

| Particulars             | 31.12.2018      |
|-------------------------|-----------------|
| Sub-standard            | <b>4,233.50</b> |
| Doubtful*               | <b>2,539.58</b> |
| ▪ Doubtful 1            | 1,161.30        |
| ▪ Doubtful 2            | 1,377.00        |
| ▪ Doubtful 3            | 1.28            |
| Loss                    | <b>182.31</b>   |
| <b>Total Gross NPAs</b> | <b>6,955.39</b> |

\* Doubtful 1, 2 and 3 categories correspond to the period for which asset has been doubtful viz., up to one year ('Doubtful 1'), one to three years ('Doubtful 2') and more than three years ('Doubtful 3')

Note: NPAs include all assets that are classified as non-performing.

▪ **Movement of Gross NPAs**

(₹ In Millions)

| <b>Particulars</b>        | <b>01.04.2018 to<br/>31.12.2018</b> |
|---------------------------|-------------------------------------|
| Opening balance           | 5,667.32                            |
| Additions during the year | 5,008.71                            |
| Reductions                | 3,720.64                            |
| <b>Closing balance</b>    | <b>6,955.39</b>                     |

• **Movement of Provisions for NPAs**

(₹ In Millions)

| <b>Particulars</b>  | <b>01.04.2018 to<br/>31.12.2018</b> |
|---|-------------------------------------|
| Opening balance   | 2,541.71                            |
| Provisions made during the year                             | 2,503.48                            |
| Write-off   | (2,052.28)                          |
| Any other adjustment, including transfer between provisions | -                                   |
| Write-back of excess provisions                             | (380.04)                            |
| <b>Closing balance</b>                                      | <b>3,372.95</b>                     |

- Recoveries from written off accounts aggregating of ₹ 143.90 Millions and write-offs aggregating ₹ 2,295.48 Millions have been recognized in the statement of profit and loss.

**(d) Non-performing Investment**

(₹ In Millions)

| <b>Particulars</b>               | <b>31.12.2018</b> |
|----------------------------------|-------------------|
| Gross non-performing investments | 47.98             |
| Less: Provisions                 | 12.00             |
| Net non-performing investments   | 35.98             |

▪ **Provision for depreciation on Investment**

(₹ In Millions)

| Particulars   | 01.04.2018 to<br>31.12.2018 |
|---|-----------------------------|
| Opening balance   | 729.27                      |
| Provisions made during the year                             | 211.39                      |
| Write-off   | -                           |
| Any other adjustment, including transfer between provisions | -                           |
| Write-back of excess provisions                             | -                           |
| <b>Closing balance</b>                                      | <b>940.66</b>               |

*Movement in provisions held towards depreciation on investments have been reckoned on a yearly basis*

▪ **Provision for Standard Asset**

(₹ In Millions)

| Particulars  | 31.12.2018      |
|--|-----------------|
| Opening balance  | 1,768.02        |
| Provisions made/reversed during the year                     | 407.66          |
| Any other adjustment, including transfer between provisions* | -               |
| <b>Closing balance</b>                                       | <b>2,175.68</b> |

*Refers to foreign currency translation adjustment relating to provision for standard assets in the Bank's overseas branches.*

▪ **Geographic Distribution**

(₹ In Millions)

| Particulars                   | 31.12.2018 |          |          |
|-------------------------------|------------|----------|----------|
|                               | Domestic   | Overseas | Total    |
| Gross NPA                     | 6,955.39   | -        | 6,955.39 |
| Provisions for NPA            | 3,372.95   | -        | 3,372.95 |
| Provision for standard assets | 2,118.05   | 57.63    | 2,175.68 |

**(e) Industry-Wise Distribution**

(₹ In Millions)

| Industry Name   | As on 31.12.2018 |                   |                               | For 9 months ended 31.12.2018 |                      |
|---|------------------|-------------------|-------------------------------|-------------------------------|----------------------|
|   | Gross NPA        | Provision For NPA | Provision for standard assets | Write offs                    | Additional Provision |
| <b>A. Mining and Quarrying (A.1 + A.2)</b>  | -                | -                 | <b>21.64</b>                  | -                             | -                    |
| A.1 Coal  | -                | -                 | 10.74                         | -                             | -                    |
| A.2 Others  | -                | -                 | 10.90                         | -                             | -                    |
| <b>B. Food Processing (Sum of B.1 to B.5)</b>                                       | <b>523.37</b>    | <b>311.37</b>     | <b>83.97</b>                  | <b>1.01</b>                   | <b>252.88</b>        |
| B.1 Sugar   | 63.26            | 63.26             | 21.17                         | -                             | 63.26                |
| B.2 Edible Oils and Vanaspati   | -                | -                 | 6.82                          | -                             | -                    |
| B.3 Tea   | -                | -                 | 22.39                         | -                             | -                    |
| B.4 Coffee  | -                | -                 | 8.55                          | -                             | -                    |
| B.5 Others  | 460.11           | 248.10            | 25.04                         | 1.01                          | 189.61               |
| <b>C. Beverages (excluding Tea &amp; Coffee) and Tobacco (Sum of C.1 &amp; C.2)</b> | -                | -                 | <b>9.29</b>                   | -                             | -                    |
| C.1 Tobacco and tobacco products  | -                | -                 | -                             | -                             | -                    |
| C.2 Others  | -                | -                 | 9.29                          | -                             | -                    |
| <b>D. Textiles (Sum of D.1 to D.6)</b>  | <b>173.48</b>    | <b>74.21</b>      | <b>31.85</b>                  | <b>1.64</b>                   | <b>4.17</b>          |
| D.1 Cotton  | -                | -                 | 10.35                         | 1.64                          | 0.41                 |
| D.2 Jute  | -                | -                 | -                             | -                             | -                    |
| D.3 Handicraft/ Khadi (Non Priority)  | -                | -                 | -                             | -                             | -                    |
| D.4 Silk  | -                | -                 | -                             | -                             | -                    |
| D.5 Woolen  | -                | -                 | -                             | -                             | -                    |
| D.6 Others  | 173.48           | 74.21             | 21.50                         | -                             | 3.76                 |
| Out of D (i.e. Total Textiles) to Spinning Mills                                    | -                | -                 | -                             | -                             | -                    |
| <b>E. Leather and Leather Products</b>  | -                | -                 | <b>2.64</b>                   | -                             | -                    |
| <b>F. Wood and Wood products</b>  | -                | -                 | -                             | -                             | -                    |
| <b>G. Paper and Paper Products</b>  | <b>90.42</b>     | <b>22.60</b>      | <b>9.59</b>                   | -                             | <b>23.16</b>         |
| <b>H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels</b>       | <b>75.69</b>     | <b>46.75</b>      | <b>8.95</b>                   | -                             | <b>33.21</b>         |
| <b>I. Chemicals and Chemical Products (Dyes, Paints etc.) Sum of I.1 to I.4)</b>    | <b>47.50</b>     | <b>7.12</b>       | <b>136.43</b>                 | -                             | <b>7.63</b>          |
| I.1 Fertilizers   | -                | -                 | 10.86                         | -                             | -                    |
| I.2 Drugs and Pharmaceuticals   | -                | -                 | 93.55                         | -                             | -                    |
| I.3 Petro-chemicals (excluding under Infrastructure)                                | -                | -                 | 8.00                          | -                             | -                    |
| I.4 Others  | 47.50            | 7.12              | 24.02                         | -                             | 7.63                 |
| <b>J. Rubber, Plastic and their products</b>  | <b>160.38</b>    | <b>140.35</b>     | <b>15.12</b>                  | -                             | <b>8.37</b>          |
| <b>K. Glass &amp; Glassware</b>   | -                | -                 | <b>4.61</b>                   | -                             | -                    |



| Industry Name  | As on 31.12.2018 |                   |                               | For 9 months ended 31.12.2018 |                      |
|--|------------------|-------------------|-------------------------------|-------------------------------|----------------------|
|  | Gross NPA        | Provision For NPA | Provision for standard assets | Write offs                    | Additional Provision |
| <b>L. Cement and Cement Products</b>                           | -                | -                 | <b>25.65</b>                  | -                             | -                    |
| <b>M. Basic Metal and Metal Products (M.1 &amp; M.2)</b>       | -                | -                 | <b>43.96</b>                  | <b>11.67</b>                  | -                    |
| M.1 Iron and Steel   | -                | -                 | 40.14                         | 11.67                         | -                    |
| M.2 Other Metal and Metal Products                             | -                | -                 | 3.82                          | -                             | -                    |
| <b>N. All Engineering (N.1 &amp; N.2)</b>                      | <b>162.56</b>    | <b>162.56</b>     | <b>67.19</b>                  | -                             | -                    |
| N.1 Electronics  | -                | -                 | 12.34                         | -                             | -                    |
| N.2 Others   | 162.56           | 162.56            | 54.85                         | -                             | -                    |
| <b>O. Vehicles, Vehicle Parts and Transport Equipments</b>     | <b>160.98</b>    | <b>24.15</b>      | <b>17.80</b>                  | -                             | <b>31.06</b>         |
| <b>P. Gems and Jewellery</b>                                   | -                | -                 | <b>30.05</b>                  | -                             | -                    |
| <b>Q. Construction</b>   | 616.06           | 614.68            | <b>144.18</b>                 | 75.39                         | -                    |
| <b>R. Infrastructure (Sum R.1 to R.4)</b>                      | -                | -                 | <b>100.13</b>                 | -                             | -                    |
| R.1 Transport( Sum of R.1.1 to R.1.5)                          | -                | -                 | 12.89                         | -                             | -                    |
| R.1.1. Railways  | -                | -                 | 0.19                          | -                             | -                    |
| R.1.2 Roadways   | -                | -                 | 10.36                         | -                             | -                    |
| R.1.3 Airport  | -                | -                 | -                             | -                             | -                    |
| R.1.4 Waterways  | -                | -                 | -                             | -                             | -                    |
| R.1.5 Ports  | -                | -                 | 2.34                          | -                             | -                    |
| R.2 Energy (Sum of R.2.1 to R.2.4)                             | -                | -                 | 66.64                         | -                             | -                    |
| R.2.1 Electricity (generation-transportation and distribution) | -                | -                 | 58.58                         | -                             | -                    |
| R.2.1.1 State Electricity Boards                               | -                | -                 | -                             | -                             | -                    |
| R.2.1.2 Others   | -                | -                 | -                             | -                             | -                    |
| R.2.1.3 Power Generation                                       | -                | -                 | 29.78                         | -                             | -                    |
| R.2.1.4 Power transmission / Distribution                      | -                | -                 | 11.22                         | -                             | -                    |
| R.2.1.5 Power -Non-Conventional Energy                         | -                | -                 | 17.58                         | -                             | -                    |
| R.2.2 Gas/LNG/Oil (Storage and pipeline)                       | -                | -                 | 8.06                          | -                             | -                    |
| R.2.3 Others   | -                | -                 | -                             | -                             | -                    |
| R.3 Telecommunication  | -                | -                 | 2.41                          | -                             | -                    |
| R.4 Others   | -                | -                 | 18.18                         | -                             | -                    |
| R.4.1 Water sanitation   | -                | -                 | 0.17                          | -                             | -                    |
| R.4.2 Social & Commercial Infrastructure                       | -                | -                 | 18.01                         | -                             | -                    |
| R.4.3 Others   | -                | -                 | -                             | -                             | -                    |
| <b>S. Other Industries</b>                                     | <b>705.26</b>    | <b>141.66</b>     | <b>251.10</b>                 | <b>17.05</b>                  | <b>102.65</b>        |
| <b>T. Other Services</b>                                       | <b>24.01</b>     | <b>24.01</b>      | <b>182.61</b>                 | <b>8.18</b>                   | -                    |

| Industry Name                                | As on 31.12.2018 |                   |                               | For 9 months ended 31.12.2018 |                      |
|--|------------------|-------------------|-------------------------------|-------------------------------|----------------------|
|  | Gross NPA        | Provision For NPA | Provision for standard assets | Write offs                    | Additional Provision |
| <b>U. NBFC</b>                               | -                | -                 | <b>84.96</b>                  | -                             | -                    |
| <b>V. Housing Finance Companies (HFC)</b>    | -                | -                 | <b>23.51</b>                  | -                             | -                    |
| <b>W. Micro-Finance Institutions (MFI)</b>   | <b>6.44</b>      | <b>6.44</b>       | <b>26.68</b>                  | -                             | -                    |
| <b>X. Core Investment Companies (CIC)</b>    | -                | -                 | <b>12.51</b>                  | -                             | -                    |
| <b>Y. Assets Finance Companies (AFC/IFC)</b> | -                | -                 | -                             | -                             | -                    |
| <b>Z. Traders</b>                            | <b>739.84</b>    | <b>366.90</b>     | <b>128.09</b>                 | -                             | <b>50.79</b>         |
| <b>All Industries (Sum of A to Y)</b>        | <b>3,485.98</b>  | <b>1,942.81</b>   | <b>1,462.51</b>               | <b>114.94</b>                 | <b>513.91</b>        |
| Residuary Other Advances [a+b]               | 3,469.41         | 1,430.14          | 713.17                        | 1,937.34                      | 1,989.57             |
| a. Aviation                                  | -                | -                 | 0.81                          | -                             | -                    |
| b. Other Residuary Advances                  | 3,469.41         | 1,430.14          | 712.36                        | 1,937.34                      | 1,989.57             |
| <b>Total</b>                                 | <b>6,955.39</b>  | <b>3,372.95</b>   | <b>2,175.68</b>               | <b>2,052.28</b>               | <b>2,503.48</b>      |

### III. Credit Risk: Disclosures for Portfolios Subject to the Standardized Approach

Ratings used under Standardized Approach:

As stipulated by RBI, the Bank makes use of ratings assigned to domestic counterparties by following Eligible Credit Assessment Institutions (ECAI's) namely:

- CRISIL Limited;
- CARE Limited
- India Ratings & Research Private Limited (earlier known as Fitch India);
- ICRA Limited;
- Brickwork Ratings India Pvt. Ltd (Brickwork);
- SMERA.

The Bank is using the ratings assigned by the following international credit rating agencies, approved by the RBI, for risk weighting claims on overseas entities:

- Fitch Ratings
- Moody's
- Standard & Poor's

The Bank reckons external ratings for risk weighting purposes, if the external rating assessment complies with the guidelines stipulated by RBI.

Types of exposures for which each agency is used:

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, as prescribed in the RBI guidelines.

Process used for application of issue ratings to comparable assets in banking book:

Key aspects of the Bank's external ratings application framework are as follows:

1. The Bank uses only those ratings that have been solicited by the counterparty;
2. Where the facility provided by the Bank possesses rating assigned by approved ECAI, the risk weight of the claim is based on this rating;
3. The Bank also reckons external rating at the borrower (issuer) level as follows:
  - a. In case the Bank does not have exposure in a rated issue, the Bank would use the long term issue rating (inferred rating) for its comparable unrated exposures to the same borrower, provided that the Bank's exposures is pari-passu or senior and of similar or shorter maturity as compared to the rated issue, then this rating is applied on all unrated facilities of the borrower;
  - b. Where a short term rating is used as an inferred rating for a short term un-rated claim, the risk weight applied shall be one notch higher than corresponding to the risk weight of the inferred rating.

### Quantitative Disclosures

For exposure amounts after risk mitigation subject to the standardized approach, amount of Bank's exposure (rated and unrated) in the following three major risk buckets as well as those that are deducted:

(₹ In Millions)

| Particulars                  | 31.12.2018 |
|------------------------------|------------|
| - Below 100% risk weight     | 551,924.28 |
| - 100% risk weight           | 208,127.21 |
| - More than 100% risk weight | 92,603.85  |
| - Deducted                   | 952.36     |

### Treatment of undrawn exposures

As required by regulatory norms, the Bank holds capital even for the undrawn portion of credit facilities which are not unconditionally cancellable without prior notice by the Bank, by converting such exposures into a credit exposure equivalent based on the applicable Credit Conversion Factor ("CCF"). For credit facilities which are unconditionally cancellable without prior notice, the Bank applies a CCF of zero percent on the undrawn exposure.

## Leverage Ratio Disclosure

The leverage ratio act as a credible supplementary measure to the risk based capital requirement. The Bank is required to maintain a minimum leverage ratio of 4.5%. The Bank's leverage ratio calculated in accordance with RBI guidelines under consolidated framework is as follows:

### 1. Leverage ratio common disclosure as of December 31, 2018

(₹ In Millions)

| No.   | Leverage ratio framework   | Amount            |
|---|--|-------------------|
| <b>On-balance sheet exposures</b>                 |  |                   |
| 1   | On-balance sheet items (excluding derivatives and SFTs, but including collateral)  | 699,499.96        |
| 2   | (Asset amounts deducted in determining Basel III Tier 1 capital)   | 1,251.83          |
| 3   | <b>Total on-balance sheet exposures</b> (excluding derivatives and SFTs) (sum of lines 1 and 2)  | <b>698,248.13</b> |
| <b>Derivative exposures</b>                       |  |                   |
| 4   | Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)                               | 5,220.91          |
| 5   | Add-on amounts for PFE associated with all derivatives transactions  | 13,119.09         |
| 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  | <b>Total derivative exposures (sum of lines 4 to 10)</b>   | <b>18,340.01</b>  |
| <b>Securities financing transaction exposures</b> |  |                   |
| 12  | Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions                                      | 17,299.10         |
| 13  | (Netted amounts of cash payables and cash receivables of gross SFT assets)   | -                 |
| 14  | CCR exposure for SFT assets  | -                 |
| 15  | Agent transaction exposures  | -                 |
| 16  | <b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>  | <b>17,299.10</b>  |

| Other off-balance sheet exposures |   |                   |
|-----------------------------------|---|-------------------|
| 17                                | Off-balance sheet exposure at gross notional amount       | 280,272.19        |
| 18                                | (Adjustments for conversion to credit equivalent amounts) | (153,546.21)      |
| 19                                | <b>Off-balance sheet items (sum of lines 17 and 18)</b>   | <b>126,725.98</b> |
| Capital and total exposures       |   |                   |
| 20                                | Tier 1 capital  | 65,299.85         |
| 21                                | <b>Total exposures (sum of lines 3, 11, 16 and 19)</b>    | <b>860,613.22</b> |
| Leverage ratio                    |   |                   |
| 22                                | <b>Basel III leverage ratio</b>                           | <b>7.59%</b>      |

## 2. Comparison of accounting assets and leverage ratio exposure

(₹ In Millions)

| S. No. | Particulars  | Amount            |
|--------|--|-------------------|
| 1      | Total consolidated assets as per published financial statements  | 722,019.98        |
| 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      | Adjustments for derivative financial instruments   | 13,119.09         |
| 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)  | 126,725.98        |
| 7      | Other adjustments  | (1,251.83)        |
| 8      | <b>Leverage ratio exposure</b>   | <b>860,613.22</b> |

### 3. Reconciliation of total published balance sheet size and on balance sheet exposure under common disclosure

(₹ In Millions)

| S. No. | Particulars   | Amount            |
|--------|---|-------------------|
| 1      | Total consolidated assets as per published financial statements   | 722,019.98        |
| 2      | Replacement cost associated with all derivatives transactions, i.e. net of eligible cash variation margin | (5,220.91)        |
| 3      | Adjustment for securities financing transactions (i.e. repos and similar secured lending)                 | (17,299.10)       |
| 4      | Adjustment for entitles outside the scope of regulatory consolidation                                     | -                 |
| 5      | <b>On-balance sheet exposure under leverage ratio</b> (excluding derivatives & SFTs)                      | <b>699,499.96</b> |