



**CITY UNION BANK LTD**

**CITY UNION BANK LTD.,**  
**Administrative Office, Kumbakonam**

**BASEL- III**  
**PILLAR 3 DISCLOSURE AS ON 30.09.2020**



**CITY UNION BANK LTD**

**Table DF – 1**  
**Scope of Application**

City Union Bank Limited is an old premier Private Sector Bank which was incorporated on 31<sup>st</sup> October, 1904 with its Registered Office at Kumbakonam, Tamilnadu, India. The Bank was included in the Second Schedule of Reserve Bank of India Act, 1934, on 22nd March 1945. The Bank does not have any subsidiary/Associate companies under its Management.

**Qualitative Disclosures**

| Type of Capital              | Features                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Common Equity Tier I Capital | <ul style="list-style-type: none"> <li>✓ During the half year ended 30.09.2020, the Bank had allotted 1081858 equity shares of face value of Re.1/- each pursuant to exercise of 1081858 stock options by employees.</li> <li>✓ As on 30.09.2020, the Equity Share Capital of the Bank stood at Rs. 73.84 crore.</li> <li>✓ The share premium collected during this half year was Rs. 7.92 crore on account of issuance of stock options to the employees and the Share Premium account stood at Rs.884.00 crore.</li> </ul> |
| Tier II Capital              | ✓ The Bank has not raised Tier II capital during the half year ended 30.09.2020.                                                                                                                                                                                                                                                                                                                                                                                                                                             |

**Quantitative Disclosures**

| S.no.                                                | Description                                  | Amount (Rs. in crore) |                |
|------------------------------------------------------|----------------------------------------------|-----------------------|----------------|
| 1.                                                   | <b>Common Tier – I Capital</b>               |                       | <b>5226.47</b> |
|                                                      | a) Paid-up Capital                           | 73.84                 |                |
|                                                      | b) Reserves & Surplus                        | 5152.63               |                |
|                                                      | Amount deducted from Tier I Capital (if any) |                       | <b>190.33</b>  |
|                                                      | a) Intangible Asset                          | 190.33                |                |
|                                                      | b) Cross holdings                            | 0.00                  |                |
|                                                      | <b>Total eligible Tier I Capital</b>         |                       | <b>5036.14</b> |
| 2.                                                   | <b>Tier – II Capital</b>                     |                       | <b>537.53</b>  |
|                                                      | a) Revenue Reserves (Investment Reserve)     | 33.18                 |                |
|                                                      | b) Provision for impact of COVID-19          | 340.00                |                |
|                                                      | c) Provision for Country Risk exposure       | 4.00                  |                |
|                                                      | d) Provision for Unhedged exposure           | 2.22                  |                |
|                                                      | e) Provision for Standard Assets             | 158.13                |                |
|                                                      | <b>Less:</b> Cross Holdings                  |                       | 0.00           |
|                                                      | <b>Total Tier II Capital (A)</b>             |                       | <b>537.53</b>  |
| <b>1.25 % of Credit RWA (B) [1.25% 26433.89]</b>     |                                              | <b>330.42</b>         |                |
| <b>Total eligible Tier II Capital (min of {A,B})</b> |                                              | <b>330.42</b>         |                |
| <b>Total Eligible Capital (Tier I and Tier II)</b>   |                                              |                       | <b>5366.56</b> |

**Table DF – 2**  
**CAPITAL ADEQUACY**

**Qualitative Disclosures**

**A. A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.**

In order to strengthen the capital base of banks in India, the Reserve Bank of India in April 1992 introduced capital adequacy measures in banks, based on the capital adequacy framework (Basel I) issued by Basel Committee on Banking Supervision (BCBS). Initially, the framework addressed capital for credit risk, which was subsequently amended to include capital for market risk as well. The Bank has been compliant with regard to maintenance of minimum capital for credit and market risks.

Subsequently, the BCBS released the "International Convergence of Capital Measurement and Capital Standards: A Revised Framework" (popularly known as Basel II document) on 26.06.2004. Reserve Bank of India issued final guidelines on 27.04.2007 for implementation of the New Capital Adequacy (Basel II) Framework.

In line with the RBI guidelines, the Bank successfully migrated to the revised framework (Basel-II) from 31.03.2009. The Bank has continued the Parallel run of Basel II framework continuously tracking the exposures and studied the impact on Bank's Capital to Risk weighted Assets Ratio (CRAR) on a quarterly basis.

Reserve Bank of India issued guidelines based on the Basel III reforms on capital regulation during May 2012, to the extent applicable to banks operating in India. The Basel III capital regulation has been implemented from 01.04.2013 in India in phases and it was decided originally to implement fully from 31.03.2018. RBI issued detailed Guidelines on Composition of Capital Disclosure Requirements on 28.05.2013. Another circular on "Implementation of Basel III Capital Regulations in India – Capital Planning" was issued by RBI on 27.03.2014, in which, the transitional period for full implementation of Basel III Capital Regulations in India was extended upto 31.03.2019, instead of 31.03.2018.

Further, on 10.01.2019, RBI issued a circular, in which, the transitional period for full implementation of Basel III Capital Regulations was extended upto 31.03.2020, instead of 31.03.2019.

Again, on 27.03.2020, RBI had issued a circular extending the transitional period for full implementation of Basel III Capital Regulations from 31.03.2020 to 30.09.2020.

Further, on 29.09.2020, RBI again issued a circular extending the transitional period for full implementation of Basel III Capital Regulations from 30.09.2020 to 01.04.2021 in view of the continuing stress on account of COVID-19. Accordingly, 'Capital Conservation Buffer Framework' as applicable from 31.03.2018 (i.e. CCB at 1.875%) will also apply from 30.09.2020 till the CCB attains the level of 2.5% on 01.04.2021.

RBI has issued circular on "Prudential Guidelines on Capital Adequacy and Liquidity Standards – Amendments" on 31.03.2015. The Basel III Capital Regulations have been consolidated in Master Circular – Basel III Capital Regulations vide circular No. DBOD.No. BP.BC.1 / 21.06.201 / 2015-16 dated July 1, 2015.

Under the Basel II framework, the total regulatory capital comprises Tier I (core capital) and Tier 2 capital (supplementary capital). In order to improve the quality of regulatory capital, the capital will predominantly consist of Common Equity Tier1 (CET1) under Basel III. Non-equity Tier 1 and Tier 2 capital would continue to form part of regulatory capital subject to eligibility criteria as laid down in Basel III. The Basel III capital regulations continue to be based on three-mutually reinforcing Pillars, viz. Minimum Capital Requirements (Pillar 1), Supervisory Review of Capital Adequacy (Pillar 2) and Market Discipline (Pillar 3) of the Basel II Capital Adequacy framework.

The Basel-III norms mainly seek to:

- Raise the quality of capital to ensure that the banks are capable of absorbing losses, both as going concern and as gone concern basis.
- Increase the risk coverage of the capital framework.
- Introduce leverage ratio to serve as a backstop to the risk-based capital measure.
- Raise the standards for the supervisory review process and public disclosures.

The macro prudential aspects of Basel III are largely enshrined in the capital buffers. Both the buffers i.e. the capital conservation buffer and the countercyclical buffer are intended to protect the banking sector from stressed situations and business cycles.

### **Minimum capital requirements under Basel-III:**

Under the Basel III Capital Regulations, banks are required to maintain a minimum Pillar 1 Capital (Tier-I + Tier-II) to Risk-weighted Assets Ratio (CRAR) of 9% on an on-going basis. Besides these minimum capital requirements, Basel III also provides for creation of capital conservation buffer (CCB) and countercyclical capital buffer (CCCB).

As per the extant RBI guidelines mentioned above, the transitional period for full implementation of Basel III Capital Regulations in India has been extended upto 31.03.2021 as under:

| <b>Capital Ratios<br/>(% to RWAs)</b>  | <b>31.03.2016</b> | <b>31.03.2017</b> | <b>31.03.2018/<br/>31.03.2019/<br/>31.03.2020/<br/>30.09.2020*</b> | <b>01.04.2021</b> |
|----------------------------------------|-------------------|-------------------|--------------------------------------------------------------------|-------------------|
| Minimum Common Equity Tier I (CET-1)   | 5.500             | 5.500             | 5.500                                                              | 5.500             |
| Capital Conservation Buffer (CCB)      | 0.625             | 1.250             | 1.875                                                              | 2.500             |
| Minimum CET1 + CCB                     | 6.125             | 6.750             | 7.375                                                              | 8.000             |
| Minimum Tier 1 Capital (excluding CCB) | 7.000             | 7.00              | 7.000                                                              | 7.000             |
| Tier-2 Maximum allowed                 | 2.000             | 2.000             | 2.000                                                              | 2.000             |
| Minimum Total Capital                  | 9.000             | 9.000             | 9.000                                                              | 9.000             |
| Minimum Total Capital + CCB            | 9.625             | 10.250            | 10.875                                                             | 11.500            |

*\* as per the RBI guidelines vide their circular dt.10.01.2019, 27.03.2020 & 29.09.2020*

## **B. The Bank's approach in assessment of capital adequacy**

The Bank is following Standardised Approach, Standardised Duration Approach and Basic Indicator Approach for measurement of capital charge in respect of credit risk, market risk and operational risk respectively. Besides computing CRAR under the Pillar I requirement, the Bank also undertakes stress testing periodically in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, profitability and capital adequacy. The bank conducts Internal Capital Adequacy Assessment Process (ICAAP) on an annual basis to assess the sufficiency of its capital funds to cover the risks specified under Pillar-I and Pillar-II of Basel guidelines. The adequacy of Bank's capital funds to meet the future business growth is being assessed in the ICAAP document.

### C. Quantitative Disclosures

(Rs. in crore)

|                                               |                                                                                |       |                |
|-----------------------------------------------|--------------------------------------------------------------------------------|-------|----------------|
| a                                             | <b>Capital requirements for Credit Risk:</b> (@ 9.00% on Risk weighted Assets) |       |                |
|                                               | • Portfolios subject to Standardised Approach (26433.89 * 9.00%)               |       | 2379.05        |
|                                               | • Securitisation exposures                                                     |       | Nil            |
| b                                             | <b>Capital requirements for Market Risk:</b>                                   |       |                |
|                                               | Standardised Duration Approach                                                 |       | 50.83          |
|                                               | • Interest Rate Risk                                                           | 31.04 |                |
|                                               | • Equity risk                                                                  | 17.79 |                |
|                                               | • Foreign exchange risk                                                        | 2.00  |                |
| c                                             | <b>Capital requirements for Operational Risk:</b>                              |       |                |
|                                               | Basic Indicator Approach (3838.90 * 8.00%)                                     |       | 307.11         |
| <b>Minimum capital required ( a + b + c )</b> |                                                                                |       | <b>2736.99</b> |
| d                                             | Capital Conservation Buffer (CCB) at 1.875% (30908.18 * 1.875%)                |       | 579.53         |
|                                               | Minimum Total Capital + CCB                                                    |       | 3316.52        |
|                                               | Total Capital Funds available                                                  |       | 5366.56        |
|                                               | Total Risk Weighted Assets                                                     |       | 30908.18       |
| e                                             | Common Equity Tier I CRAR % (excluding CCB)                                    |       | 14.415%        |
|                                               | Capital Conservation Buffer                                                    |       | 1.875%         |
|                                               | Tier I CRAR                                                                    |       | 16.29%         |
|                                               | Tier II CRAR                                                                   |       | 1.07%          |
|                                               | <b>Total CRAR %</b>                                                            |       | <b>17.36%</b>  |

### Risk Exposure and Assessment

Risk is an integral part of banking business in an ever dynamic environment, which is undergoing radical changes both on the technology front and product offerings. The main risks faced by the bank are credit risk, market risk and operational risk. The bank aims to achieve an optimum balance between risk and return to maximize shareholder value. The relevant information on the various categories of risks faced by the bank is given in the ensuing sections. This information is intended to give market participants a better idea on the risk profile and risk management practices of the bank.

The Bank has a comprehensive risk management system in order to address various risks and has set up an Integrated Risk Management Department (RMD), which is independent of

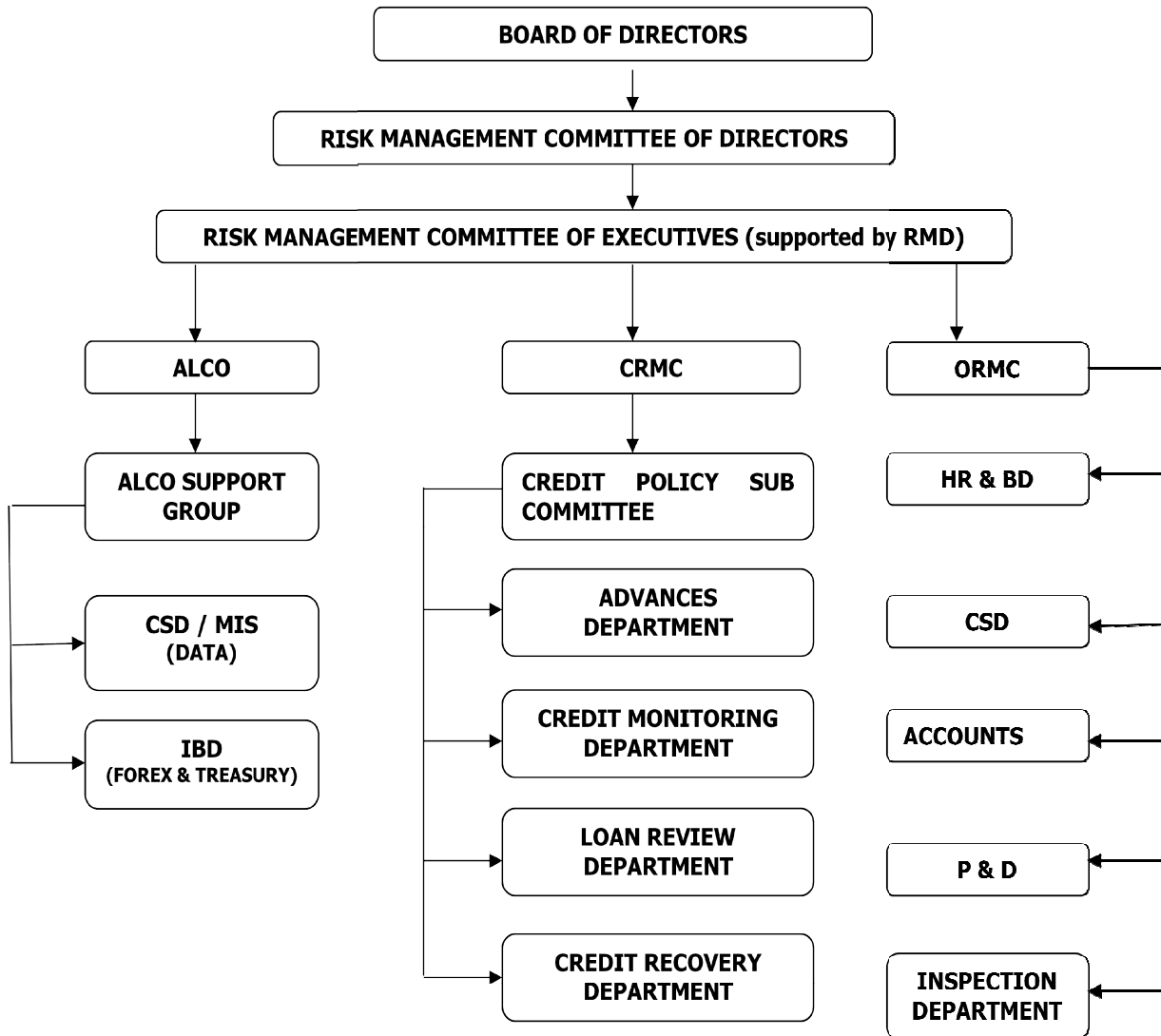
operational departments. Bank has a Risk Management Committee of Board functioning at apex level for formulating, implementing and reviewing bank's risk management measures pertaining to credit, market and operational risks. Apart from the Risk Management Committee of the Board at apex level, the Bank has a strong bank-wide risk management structure comprising of Risk Management Committee of Executives (RMCE) assisted by Asset Liability Management Committee (ALCO), Credit Risk Management Committee (CRMC) and Operational Risk Management Committee (ORMC) at senior management level. Credit Risk Management Committee deals with credit policies and procedures, Asset Liability Management Committee deals with Asset Liability Management (ALM) and Investment Policy of the Bank and Operational Risk Management Committee formulates policies and procedures for managing operational risks.

The Bank has formulated the following policies for mitigating the risk in various areas and monitoring the same:

- ✓ Integrated Risk Management Policy
- ✓ Loan Policy
- ✓ Credit Risk Management Policy
- ✓ Operational Risk Management Policy
- ✓ ALM Policy
- ✓ Integrated Treasury Policy
- ✓ Inspection and Audit policies
- ✓ KYC policy
- ✓ Risk Based Internal Audit Policy
- ✓ Stress Testing Policy
- ✓ Disclosure Policy
- ✓ ICAAP policy
- ✓ Credit Risk Mitigation & Collateral Management Policy
- ✓ Risk Rating Policy
- ✓ Pricing policy
- ✓ New Product Assessment Policy
- ✓ Risk & Control Self-Assessment standards (RCSA)
- ✓ Policy on Unhedged Foreign Currency exposures of corporates including SMEs
- ✓ Market Risk Management Policy
- ✓ Business Continuity Plan Policy



The structure and organization of Risk Management functions of the bank is as follows:



**TABLE DF – 3**  
**CREDIT RISK: GENERAL DISCLOSURES**

Credit Risk is a possibility of losses associated with diminution in the credit quality of borrowers or counterparties. In a bank's portfolio, Credit Risk arises mostly from lending activities of the bank, when a borrower is unable to meet its financial obligations emanating from potential changes in the credit quality / worthiness of the borrowers or counterparties.

Credit Risk Management encompasses a host of management techniques, which help the banks in mitigating the adverse impacts of credit risk. The objective of the Credit Risk Management is to identify measure, monitor and control credit risk by adopting suitable methodology.

The Bank has formulated Loan Policy which stipulates various prudential norms, benchmarks, guidelines for sanctioning of credits and recovery of the same. The Bank has also formulated a separate Credit Risk Management Policy, besides a Policy on Credit Risk Mitigation and Collateral Management.

Credit Risk is assessed by a robust internal credit risk rating system. Credit Risk Rating is the process wherein the merits and demerits of a borrower are captured and scorings assigned, which enables the Bank to take a view on the acceptability or otherwise of any credit proposal.

**Credit Risk Management Policy**

The Bank has put in place a well-structured Credit Risk Management Policy duly approved by the Board. The Policy document defines organization structure, roles & responsibilities and the processes whereby the Credit Risk can be identified, quantified and managed. Credit Risk is monitored on a bank wide basis and the compliance with regard to the risk limits approved by the Credit Risk Management Committee (CRMC)/ Board is ensured.

The Bank adopts the definition of 'past due' and 'impaired credits' (for reporting purposes) as defined by Reserve Bank of India under Income Recognition, Asset Classification and provisioning (IRAC) norms (vide RBI Master Circular dated July 01, 2015).

**Quantitative Disclosures**

Total Gross Credit Risk Exposures including Geographic Distribution of Exposure: (Rs. in crore)

| <b>Exposure as on 30.09.2020</b> | <b>Domestic</b> | <b>Overseas</b> | <b>Total</b>    |
|----------------------------------|-----------------|-----------------|-----------------|
| <b>Fund based</b>                | 38925.90        | --              | 38925.90        |
| <b>Non-fund based</b>            | 2110.82         | --              | 2110.82         |
| <b>Investment (Non SLR)</b>      | 312.15          | --              | 312.15          |
| <b>Total</b>                     | <b>41348.87</b> | --              | <b>41348.87</b> |

**Industry type distribution of exposures – 30.09.2020**

(Rs. in crore)

| INDUSTRY /ACTIVITY                                            | FUNDED EXPOSURE | NON-FUNDED EXPOSURE | INVESTMENT EXPOSURE (NON SLR) | TOTAL EXPOSURE  |
|---------------------------------------------------------------|-----------------|---------------------|-------------------------------|-----------------|
| Mining and Quarrying                                          | 95.45           | 4.79                | 0.00                          | 100.24          |
| Iron and Steel                                                | 1279.85         | 158.15              | 0.33                          | 1438.33         |
| Other Metal and Metal Products                                | 679.26          | 97.07               | 0.00                          | 776.33          |
| Engineering of which Electronics                              | 153.01          | 56.54               | 0.00                          | 209.55          |
| Others (incl Electrical & Home Appliances)                    | 557.15          | 146.28              | 0.00                          | 703.43          |
| Cotton Textiles                                               | 1945.51         | 81.76               | 0.00                          | 2027.27         |
| Other textiles                                                | 2278.52         | 44.37               | 0.00                          | 2322.89         |
| Food Processing                                               | 221.56          | 76.23               | 0.00                          | 297.79          |
| Beverages and Tobacco                                         | 39.32           | 17.56               | 0.00                          | 56.88           |
| Leather and Leather products                                  | 36.56           | 0.27                | 0.00                          | 36.83           |
| Wood and Wood Products                                        | 113.76          | 22.90               | 0.00                          | 136.66          |
| Paper and Paper Products                                      | 787.86          | 25.28               | 0.00                          | 813.14          |
| Petroleum, Coal Products and Nuclear Fuels                    | 94.92           | 0.61                | 0.00                          | 95.53           |
| Drugs and Pharmaceuticals                                     | 105.76          | 19.03               | 0.00                          | 124.79          |
| Other Chemicals and Chemical Products                         | 330.62          | 137.05              | 0.00                          | 467.67          |
| Rubber, Plastic and their Products                            | 495.06          | 18.53               | 0.00                          | 513.59          |
| Glass & Glassware                                             | 22.16           | 0.00                | 0.00                          | 22.16           |
| Cement and Cement Products                                    | 24.01           | 2.62                | 0.00                          | 26.63           |
| Vehicles, Vehicle Parts and Transport Equipments & auto parts | 222.43          | 33.62               | 0.00                          | 256.05          |
| Gems and Jewellery                                            | 135.89          | 14.31               | 0.00                          | 150.20          |
| Construction                                                  | 2202.63         | 25.00               | 0.00                          | 2227.63         |
| Infrastructure                                                | 368.93          | 23.52               | 0.06                          | 392.51          |
| Other Industries                                              | 167.87          | 16.89               | 0.00                          | 184.76          |
| <b>All Industries Total</b>                                   | <b>12358.09</b> | <b>1022.38</b>      | <b>0.39</b>                   | <b>13380.86</b> |
| Residuary (other exposures)                                   | 26567.81        | 1088.44             | 311.76                        | 27968.01        |
| <b>Total Gross Exposure</b>                                   | <b>38925.90</b> | <b>2110.82</b>      | <b>312.15</b>                 | <b>41348.87</b> |

**Note:** The exposure to Other Textiles and Construction accounted for 5.62% and 5.39% of Total Gross Exposure respectively as of 30.09.2020. The coverage of advances to the above industry occupies the top position among the industrial sectors.

**Residual contractual maturity breakdown of assets 30.09.2020**

(Computed as per the guidelines of RBI on Asset Liability Management)

(Rs. in crore)

| PERIOD                        | Cash, RBI Balance & Balance with all Banks | Advances (Net)  | Investments (Net) | Fixed & Other Assets | Total           |
|-------------------------------|--------------------------------------------|-----------------|-------------------|----------------------|-----------------|
| 1 day                         | 770.29                                     | 82.09           | 4420.38           | 37.08                | 5309.84         |
| 2 to 7 days                   | 0.00                                       | 1280.87         | 448.08            | 54.30                | 1783.25         |
| 8 to 14 days                  | 0.00                                       | 2333.35         | 445.50            | 80.84                | 2859.69         |
| 15 to 30 days                 | 156.79                                     | 393.01          | 940.72            | 34.12                | 1524.64         |
| 31 days to 60 days            | 284.97                                     | 487.69          | 794.55            | 11.52                | 1578.73         |
| 61 days to 90 days            | 88.20                                      | 603.30          | 529.20            | 11.56                | 1232.26         |
| Over 3 months & upto 6 months | 902.33                                     | 1507.44         | 987.80            | 174.31               | 3571.88         |
| Over 6 months & upto 1 Year   | 366.34                                     | 5247.12         | 16.61             | 241.98               | 5872.05         |
| Over 1 year & upto 3 years    | 331.75                                     | 16199.10        | 1735.70           | 246.56               | 18513.11        |
| Over 3 years & upto 5 years   | 4.71                                       | 3831.81         | 48.26             | 141.56               | 4026.34         |
| Over 5 years                  | 31.19                                      | 2859.00         | 335.73            | 1085.47              | 4311.39         |
| <b>Total</b>                  | <b>2936.57</b>                             | <b>34824.78</b> | <b>10702.53</b>   | <b>2119.30</b>       | <b>50583.18</b> |

| Gross NPA (Rs. in crore) |                |
|--------------------------|----------------|
| Sub-standard             | 580.26         |
| Doubtful 1               | 326.57         |
| Doubtful 2               | 183.07         |
| Doubtful 3               | 122.58         |
| Loss                     | 8.10           |
| <b>Gross NPA Total</b>   | <b>1220.58</b> |

| Geographical-wise NPA (Rs. in crore) |                |
|--------------------------------------|----------------|
| Gross NPA – Domestic                 | 1220.58        |
| Gross NPA – overseas                 | Nil            |
| <b>Gross NPA – Total</b>             | <b>1220.58</b> |

| Particulars                 | (%)   |
|-----------------------------|-------|
| Gross NPA to Gross Advances | 3.44% |
| Net NPA to Net Advances     | 1.81% |

(Rs. in crore)

| Major Industry | O/s bal | Gross NPA | Provision held |
|----------------|---------|-----------|----------------|
| Construction   | 2090.36 | 27.42     | 8.52           |
| Other Textiles | 1928.69 | 27.31     | 17.12          |

**The movement of NPA is as under:** (Rs. in crore)

|   |                                                                        |         |
|---|------------------------------------------------------------------------|---------|
| 1 | Opening balance at the beginning of the half-year (01.04.2020)         | 1413.40 |
| 2 | Additions made during the half-year                                    | 3.40    |
| 3 | Reductions during the half-year                                        | 196.22  |
| 4 | Closing balance at the end of the half-year (30.09.2020) ( 1 + 2 - 3 ) | 1220.58 |

**The movements of provisions for NPAs are as under:** (Rs. in crore)

| S.no | Nature                                                                 | Floating provision | Specific Provision | Total Provision |
|------|------------------------------------------------------------------------|--------------------|--------------------|-----------------|
| 1    | Opening balance at the beginning of the half-year (01.04.2020)         | 18.65              | 612.22             | 630.87          |
| 2    | Provisions made during the half-year                                   |                    | 82.00              | 82.00           |
| 3    | Write-off/Write-back of excess provisions during the half-year         |                    | 123.73             | 123.73          |
| 4    | Closing Balance at the end of the half-year (30.09.2020) ( 1 + 2 - 3 ) | 18.65              | 570.49             | 589.14          |

(Rs. in crore)

|                                                                                                 |       |
|-------------------------------------------------------------------------------------------------|-------|
| Recovery made during this half-year ended 30.09.2020, which is directly taken to Income Account | 36.17 |
| Non-performing investment                                                                       | 0.33  |
| Provision held for non-performing investment                                                    | 0.33  |

**The movement of provisions for depreciation on investments** (Rs. in crore)

|   |                                                                            |        |
|---|----------------------------------------------------------------------------|--------|
| 1 | Opening balance at the beginning of the half-year (01.04.2020)             | 119.13 |
| 2 | Provisions made during the half-year                                       | 20.00  |
| 3 | Write-off during the half-year                                             | 0.00   |
| 4 | Write-back of excess provisions during the half-year                       | 0.00   |
| 5 | Closing Balance at the end of the half-year (30.09.2020) ( 1 + 2 – 3 – 4 ) | 139.13 |

**TABLE: DF - 4**

**CREDIT RISK**

**DISCLOSURES FOR PORTFOLIO SUBJECT TO THE STANDARDISED APPROACH**

**Qualitative Disclosures**

The Bank is accepting the ratings of the External Credit Rating Agencies approved by Reserve Bank of India, namely a) CRISIL, b) ICRA, c) CARE, d) FITCH India, e) Brickwork, f) SMERA ratings and g) Infomerics Valuation and Rating Pvt. Ltd. to facilitate the corporate borrowers who enjoy credit facilities above Rs.5.00 crore to get themselves rated. The corporates which are yet to get the approved ratings from these rating agencies are treated as 'unrated'.

The Bank computes risk weight on the basis of external rating assigned, both long-term and short-term, for the facilities availed by the borrowers. The external ratings assigned are

generally facility specific. The Bank follows the below mentioned procedures as laid down in the Basel III guidelines for usage of external ratings:

- Rating assigned by one rating agency is 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.

### **Quantitative Disclosures**

The exposures after risk mitigation as per Standardised Approach, (rated and unrated) in the following three major risk buckets, as well as, those that are deducted as per risk mitigation are given below.

(Rs. in crore)

| <b>Risk Weight</b>                 | <b>Rated</b> | <b>Unrated</b> | <b>Total</b> |
|------------------------------------|--------------|----------------|--------------|
| Below 100 %                        | 427.83       | 27168.64       | 27596.48     |
| At 100 %                           | 97.44        | 14407.71       | 14505.15     |
| More than 100 %                    | 1286.31      | 505.17         | 1791.47      |
| Total outstanding after mitigation | 1811.58      | 42081.52       | 43893.10     |
| Deducted (as per Risk Mitigation)  | 14.72        | 6581.23        | 6595.95      |

**TABLE DF – 5**

### **CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES**

#### **Qualitative Disclosures**

The Bank has put in place Credit Risk Mitigation and Collateral Management Policy with the primary objective of

- Mitigation of Credit Risks and enhancing awareness on identification of appropriate collateral taking into account the spirit of Basel III / RBI guidelines
- Optimizing the benefit of Credit Risk Mitigation in computation of capital charge as per the approaches laid down in Basel III / RBI guidelines.

Valuation and methodologies are detailed in Credit Risk Management Policy, Valuation Policy and Loan Policy of the Bank.

The Bank recognises the following Financial Collateral (FC) for Credit Risk Mitigation.

- a) Cash or Cash equivalent (Bank Deposits/Certificate of Deposits issued by the Bank, etc.)
- b) Gold Jewels
- c) Indira Vikas Patras

- d) Kisan Vikas Patras
- e) National Savings Certificates
- f) Life Insurance Policies with a declared surrender value
- g) Securities issued by the Central and State Governments
- h) Debt securities rated by a recognized Credit Rating Agency where these are either:
  - at least BBB(-) when issued by public sector entities; or
  - at least A when issued by other entities (including banks and Primary Dealers); or
  - at least PR3/P3/F3/A3 for short term debt instruments
- i) Debt securities not rated by Credit Rating Agency but
  - issued by a bank and
  - listed on a recognized stock exchange; and
  - Classified as senior debt.

The Bank accepts guarantees from individuals with considerable net worth and the Corporates, besides guarantee issued by Government, other Commercial banks, ECGC and CGTSI.

Concentration Risk in Credit Risk Mitigation: All types of securities eligible for mitigation are easily realizable financial securities. As such, presently no limit/ceiling has been prescribed to address the concentration risk in credit risk mitigants recognized by the Bank. The portion of advances subjected to CRM including non-funded advances amounted to 15.99% of outstanding total of funded and non-funded credit. The Bank has ensured legal certainty in the matter of credit risk mitigation as per RBI guidelines.

### Quantitative Disclosures

(Rs. in crore)

a. For each separately disclosed credit risk portfolio, the total exposure (after, where applicable, on-or off balance sheet netting) that is covered by eligible financial collateral (FCs) after the application of haircuts is given below:

| Portfolio category | Financial collateral | Quantum of exposure covered |
|--------------------|----------------------|-----------------------------|
| Funded - Credit    | Bank's own deposits  | 956.77                      |
|                    | Gold jewels          | 4537.04                     |
|                    | LIC/KVP/NSC          | 3.84                        |
| Non Funded         | Bank's own deposits  | 453.96                      |

(Rs. in crore)

b. For each separately disclosed portfolio, the total exposure (after, on balance sheet netting) that is covered by Guarantees:

| Portfolio category | Guaranteed by | Quantum of exposure covered |
|--------------------|---------------|-----------------------------|
| Funded - Credit    | Food Credit   | 222.50                      |
|                    | ECGC          | 150.00                      |
|                    | CGTSI         | 24.31                       |
|                    | ECLGS         | 1520.14                     |

**TABLE DF - 6**  
**Securitization: Disclosure for Standardised Approach**

**Qualitative Disclosures:** The Bank has not undertaken any securitization activity.

**Quantitative Disclosures:** NIL

**TABLE DF – 7**  
**Market Risk in Trading Book**

**Qualitative Disclosures**

Market Risk in trading book is assessed as per the Standardised duration method. The capital charge for both investments and foreign exchange exposure is computed as per Reserve Bank of India prudential guidelines.

- a. Definition of market risk:** Market risk refers to the potential losses arising from volatility in interest rates, foreign exchange rates, equity prices and commodity prices. Market risk arises with respect to all market risk sensitive financial instruments, including securities, foreign exchange contracts, equity and derivative instruments as well as from balance sheet or structural positions.
- b. Portfolios covered under standardised approach:** - The bank's portfolio comprises of Government securities, equity shares and forex portfolio.
- c. Strategies and processes**
  1. The Bank has put in place a comprehensive Market risk management Framework to address the Market risks (bank wide) including that of the Trading Book.
  2. Within the above framework, various policies of the Bank prescribes Limits like Value at Risk (VaR), Duration, Minimum holding level for liquid assets, Exposure limits, Forex open position limits (day light/overnight), Stop-loss limits etc .
  3. Risk profiles are analyzed and the effectiveness of risk mitigants is regularly monitored through Mid Office.
  4. Adherence to limits are being monitored by dedicated mid office, reporting exceptions to the head of Risk Management Department, independent of Treasury /IBD operational units.
- d. Risk Measurement**
  1. Value at Risk (VaR) numbers is arrived for Trading book Central Government securities and Foreign Exchange Position.
  2. The positions are marked to market at stipulated intervals. The Duration/Modified Duration for trading book is computed and its adherence to the prescribed duration limits is ensured.
  3. The Bank is computing capital charge for both investments and foreign exchange



exposure categories using Standardised Duration Approach as required under RBI guidelines.

4. Stress testing analysis is done by applying rate shocks on investment portfolio and also on foreign exchange open position.

### Quantitative Disclosures

| <b>Capital charge for Market risk – 30.09.2020 (Rs. in crore)</b> |              |
|-------------------------------------------------------------------|--------------|
| Interest Rate Risk                                                | 31.04        |
| Equity Position Risk                                              | 17.79        |
| Foreign Exchange Risk                                             | 2.00         |
| <b>Total</b>                                                      | <b>50.83</b> |

**TABLE DF – 8**  
**OPERATIONAL RISK**

### Qualitative Disclosures

Operational Risk is the risk of loss resulting from inadequate or failed processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputation risks.

The Bank has put in place Operational Risk Management Policy duly approved by the Board. This policy outlines the Organisation Structure and covers the process of identification, assessment/measurement and control of various operational risks.

The other policies adopted by the Bank which deal with the management of operational risks are Inspection Policy, Information Security Audit Policy and Policy on Modified code of conduct for Know-Your Customer & Anti-Money Laundering Standards.

Operational Risks in the Bank are managed through comprehensive and well-articulated internal control framework. Operational risk is mitigated by effecting suitable insurance coverage wherever necessary. The Bank has also put in place a compliance cell to supervise KYC & AML guidelines and off site monitoring of high value transactions. For accounting operations in the computerized environment, suitable internal control system is maintained and a separate policy on I.T. Security is in place specifying the internal guidelines on access, control, communications, operations, personal security, business continuity management etc.

## **Quantitative Disclosures**

Capital charge for Operational Risk is computed as per the Basic Indicator Approach based on the average of the gross income for the previous three years i.e. 2017-18, 2018-19 & 2019-20 as defined in the Master Circular – Basel III Capital Regulations & New Capital Adequacy Framework guidelines. The required capital is Rs.307.11 crore.

### **TABLE DF – 9** **INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)**

#### **Qualitative Disclosures**

Interest rate risk is the risk where changes in the market interest rates might affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as also the net-worth of the Bank (economic value perspective). The risk from earnings perspective can be measured as impact in the Net Interest Income (NII) or Net Interest Margin (NIM). Similarly, the risk from economic value perspective can be measured as drop in the Economic value of Equity (EVE).

The impact on income (earning perspective) is measured through use of Gap Analysis by applying notional rate shock up to 200 bps as prescribed.

For the calculation of impact on earnings, the Traditional Gap is taken from the Rate Sensitivity statement and based on the remaining period from the mid-point of a particular bucket, the impact for change in interest rates up to 200 bps is arrived at for one year time horizon.

The Bank has adopted Duration Gap Analysis for assessing the impact (as a percentage) on the Economic Value of Equity (Economic Value Perspective) by applying a notional interest rate shock of 200 bps. RBI has issued draft guidelines vide DBOD.No. BP. 7/21.04.098/ 2005-06 dated April 17, 2006 on improvements to banks' Asset Liability Management framework, covering interest rate risk and liquidity risk measurement / reporting frameworks and prudential limits. Subsequently, on November 04, 2010, RBI issued a circular on Interest Rate Risk using Duration Gap Analysis and these guidelines have been taken into account while calculating IRRBB. The Bank calculates Modified Duration Gap on Assets & Liabilities and arrive at the impact on Economic Value of Equity. The Bank is calculating IRRBB on a monthly basis.

#### **Quantitative Disclosures**

- a. The impact of change in Interest Rate i.e. Earnings at Risk for 200 bps interest rate shock as on 30.09.2020 is Rs.103.63 crore.
- b. The impact of change in market value of Equity for an interest rate shock of 200 bps as on 30.09.2020 is 10.64%.

**TABLE DF – 10**

**General disclosures for exposures related to counterparty credit risk**

Counterparty Credit Risk (CCR) is the risk that a counter party to a transaction could default before the final settlement of the transaction cash flows. Unlike a firm’s 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 to either party.

Counterparty credit risk in case of derivative contracts arises from the forward contracts. The subsequent credit risk exposures depend on the value of underlying market factors (e.g., interest rates and foreign exchange rates), which can be volatile and uncertain in nature. The Bank does not enter into derivative transactions other than forward contracts.

**Credit exposures on forward contracts**

The Bank enters into the forward contracts in the normal course of business for proprietary trading and arbitrage purposes, as well as for our own risk management needs, including mitigation of interest rate and foreign currency risk. Derivative exposures are calculated according to the current exposures method.

**Counterparty Credit exposure as on 30.09.2020 (Rs. in crore)**

| <b>Nature</b>     | <b>Notional Amount</b> | <b>Potential Exposure @ 2% / 10%</b> | <b>Current exposure</b> | <b>Total credit exposure</b> |
|-------------------|------------------------|--------------------------------------|-------------------------|------------------------------|
| Forward contracts | 2735.97                | 104.96                               | 26.73                   | 131.69                       |

The capital requirement for Bank’s exposure to Qualified Central Counter Party (QCCP) has been computed for the exposure to Clearing Corporation of India (CCIL) as on 30.09.2020 amounting to Rs.41.93 crore with risk weighted assets of Rs. 8.39 crore, which is forming part of credit risk total. In terms of RBI circular dated 28.03.2013, the Credit Valuation Adjustment (CVA) risk capital charge has been computed, which amounted to Rs. 0.95 crore (the corresponding risk weighted value of Rs.11.84 crore has also been added to credit risk weighted assets).

**TABLE DF – 11**  
**Composition of Capital**

| <b>Basel III common disclosure – 30.09.2020</b>               |                                                                                                                                                                                                                                                                     | <b>(Rs. in millions)</b> | <b>Ref no.</b> |
|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------|
| <b>Common Equity Tier 1 capital: instruments and reserves</b> |                                                                                                                                                                                                                                                                     |                          |                |
| 1                                                             | Directly issued qualifying common share capital plus related stock surplus (share premium)                                                                                                                                                                          | 9578.37                  | -              |
| 2                                                             | Retained earnings                                                                                                                                                                                                                                                   | 42686.35                 | -              |
| 3                                                             | Accumulated other comprehensive income (and other reserves)                                                                                                                                                                                                         | -                        | -              |
| 4                                                             | Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)                                                                                                                                                               | -                        | -              |
|                                                               | Public sector capital injections grandfathered until January 1, 2018                                                                                                                                                                                                | -                        | -              |
| 5                                                             | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)                                                                                                                                                                | -                        | -              |
| 6                                                             | <b>Common Equity Tier 1 capital before regulatory adjustments</b>                                                                                                                                                                                                   | <b>52264.72</b>          | -              |
| <b>Common Equity Tier 1 capital : regulatory adjustments</b>  |                                                                                                                                                                                                                                                                     |                          |                |
| 7                                                             | Prudential valuation adjustments                                                                                                                                                                                                                                    | -                        | -              |
| 8                                                             | Goodwill (net of related tax liability)                                                                                                                                                                                                                             | -                        | -              |
| 9                                                             | Intangibles other than mortgage-servicing rights (net of related tax liability)                                                                                                                                                                                     | 482.27                   | -              |
| 10                                                            | Deferred tax assets (net)                                                                                                                                                                                                                                           | 1421.08                  | -              |
| 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-up capital on reported balance sheet)                                                                                                                                                                     | -                        | -              |
| 17                                                            | Reciprocal cross-holdings in common equity                                                                                                                                                                                                                          | 0.00                     | -              |
| 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)                                                       | -                        | -              |
| 20                                                            | Mortgage servicing rights (amount above 10% threshold)                                                                                                                                                                                                              | -                        | -              |
| 21                                                            | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)                                                                                                                                                   | -                        | -              |
| 22                                                            | Amount exceeding the 15% threshold                                                                                                                                                                                                                                  | -                        | -              |

| <b>Basel III common disclosure – 30.09.2020</b>          |                                                                                                                                                                                                                                                                                          | <b>(Rs. in millions)</b> | <b>Ref no.</b> |
|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------|
| 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 adjustments(26a+26b+26c+26d)                                                                                                                                                                                                                                | -                        | -              |
| 26a                                                      | of which :Investments in the equity capital of unconsolidated insurance subsidiaries                                                                                                                                                                                                     | -                        | -              |
| 26b                                                      | of which : Investments in the equity capital of unconsolidated non-financial subsidiaries                                                                                                                                                                                                | -                        | -              |
| 26c                                                      | of which : Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank                                                                                                                                                           | -                        | -              |
| 26d                                                      | of which : Unamortised pension funds expenditures                                                                                                                                                                                                                                        | -                        | -              |
| 27                                                       | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions                                                                                                                                                              | -                        | -              |
| 28                                                       | <b>Total regulatory adjustments to Common equity Tier 1</b>                                                                                                                                                                                                                              | <b>1903.35</b>           | -              |
| 29                                                       | <b>Common Equity Tier 1 capital (CET1)</b>                                                                                                                                                                                                                                               | <b>50361.37</b>          | -              |
| <b>Additional Tier 1 capital : instruments</b>           |                                                                                                                                                                                                                                                                                          |                          |                |
| 30                                                       | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)                                                                                                                                                                              | -                        | -              |
| 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)                                                                                                                                                                                  | -                        | -              |
| 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                                                       | <b>Additional Tier 1 capital before regulatory adjustments</b>                                                                                                                                                                                                                           | -                        | -              |
| <b>Additional Tier 1 capital: regulatory adjustments</b> |                                                                                                                                                                                                                                                                                          |                          |                |
| 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)                                                                                                             | -                        | -              |
| 41                                                       | National specific regulatory adjustments (41a+41b)                                                                                                                                                                                                                                       | -                        | -              |
| 41a                                                      | Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries                                                                                                                                                                                                    | -                        | -              |
| 41b                                                      | Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank                                                                                                                                                           | -                        | -              |

| <b>Basel III common disclosure – 30.09.2020</b>    |                                                                                                                                                                                                                                                                                              | <b>(Rs. in millions)</b> | <b>Ref no.</b> |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------|
| 42                                                 | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions                                                                                                                                                                                           | -                        | -              |
| 43                                                 | <b>Total regulatory adjustments to Additional Tier 1 capital</b>                                                                                                                                                                                                                             | -                        | -              |
| 44                                                 | <b>Additional Tier 1 capital (AT1)</b>                                                                                                                                                                                                                                                       | -                        | -              |
| 44a                                                | <b>Additional Tier 1 capital reckoned for capital adequacy</b>                                                                                                                                                                                                                               | -                        | -              |
| 45                                                 | <b>Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44a)</b>                                                                                                                                                                                                                                | <b>50361.37</b>          | -              |
| <b>Tier 2 capital : instruments and provisions</b> |                                                                                                                                                                                                                                                                                              |                          |                |
| 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                                                                                                                                                                                                                                                                                   | 5375.34                  | -              |
| 51                                                 | <b>Tier 2 capital before regulatory adjustments</b>                                                                                                                                                                                                                                          | <b>5375.34</b>           | -              |
| <b>Tier 2 capital: regulatory adjustments</b>      |                                                                                                                                                                                                                                                                                              |                          |                |
| 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 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 insurance subsidiaries                                                                                                                                                                                                        | -                        | -              |
| 56b                                                | of which : Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank                                                                                                                                                               | -                        | -              |
| 57                                                 | <b>Total regulatory adjustments to Tier 2 capital</b>                                                                                                                                                                                                                                        | <b>0.00</b>              | -              |
| 58                                                 | <b>Tier 2 capital (T2)</b>                                                                                                                                                                                                                                                                   | <b>5375.34</b>           | -              |
| 58a                                                | <b>Tier 2 capital reckoned for capital adequacy</b>                                                                                                                                                                                                                                          | <b>3304.24</b>           | -              |
| 58b                                                | <b>Excess Additional Tier 1 capital reckoned as Tier 2 capital</b>                                                                                                                                                                                                                           | -                        | -              |
| 58c                                                | <b>Total Tier 2 capital admissible for capital adequacy (58a + 58b)</b>                                                                                                                                                                                                                      | <b>3304.24</b>           | -              |
| 59                                                 | <b>Total capital (TC = T1 + Admissible T2) (45 + 58c)</b>                                                                                                                                                                                                                                    | <b>53665.61</b>          | -              |
| 60                                                 | <b>Total risk weighted assets (60a + 60b + 60c)</b>                                                                                                                                                                                                                                          | <b>309081.78</b>         | -              |
| 60a                                                | of which : total credit risk weighted assets                                                                                                                                                                                                                                                 | 264338.86                | -              |
| 60b                                                | of which : total market risk weighted assets                                                                                                                                                                                                                                                 | 6353.95                  | -              |
| 60c                                                | of which : total operational risk weighted assets                                                                                                                                                                                                                                            | 38388.97                 | -              |

| <b>Capital ratios</b>                                                                                                        |                                                                                                                                                                                         |         |   |
|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---|
| 61                                                                                                                           | Common Equity Tier 1 (as a percentage of risk weighted assets)                                                                                                                          | 16.29%  | - |
| 62                                                                                                                           | Tier 1 (as a percentage of risk weighted assets)                                                                                                                                        | 16.29%  | - |
| 63                                                                                                                           | Total capital (as a percentage of risk weighted assets)                                                                                                                                 | 17.36%  | - |
| 64                                                                                                                           | Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, 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 RWA)                                                                                                                 | 16.29%  | - |
| <b>National minima (if different from Basel III)</b>                                                                         |                                                                                                                                                                                         |         |   |
| 69                                                                                                                           | National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)                                                                                                       | 5.50%   | - |
| 70                                                                                                                           | National Tier 1 minimum ratio (if different from Basel III minimum)                                                                                                                     | 7.00%   | - |
| 71                                                                                                                           | National total capital minimum ratio (if different from Basel III minimum) (including CCB upto 30.09.2020)                                                                              | 10.875% | - |
| <b>Amounts below the thresholds for deduction (before risk weighting)</b>                                                    |                                                                                                                                                                                         |         |   |
| 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)                                                                                                   | -       | - |
| <b>Applicable caps on the inclusion of provisions in Tier 2</b>                                                              |                                                                                                                                                                                         |         |   |
| 76                                                                                                                           | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to Standardised Approach (prior to application of cap)                                                      | 5375.34 | - |
| 77                                                                                                                           | Cap on inclusion of provisions in Tier 2 under Standardised Approach                                                                                                                    | 3304.24 | - |
| 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                                                                                                         | -       | - |
| <b>Capital instruments subject to phase-out arrangements<br/>(only applicable between March 31, 2018 and March 31, 2022)</b> |                                                                                                                                                                                         |         |   |
| 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 millions) |
| 10                      | Deferred tax assets associated with accumulated losses                                                                                                                                              | -                 |
|                         | Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability                                                                                              | 1421.08           |
|                         | Total as indicated in row 10                                                                                                                                                                        | 1421.08           |
| 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                                                                                                                                                               | -                 |
| 44a                     | Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a) | -                 |
|                         | of which : Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b                                                                                                     | -                 |
| 50                      | Eligible Provisions included in Tier 2 capital                                                                                                                                                      | 5375.34           |
|                         | Eligible Revaluation Reserves included in Tier 2 capital                                                                                                                                            | --                |
|                         | Total of row 50                                                                                                                                                                                     | 5375.34           |
| 58a                     | Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)                                                         | 2071.10           |



**Table DF-12**

**Composition of Capital- Reconciliation Requirements**

**Step 1**

(Rs. in millions)

| Particulars as on 30.09.2020        |                                                              | Balance sheet as in financial statements | Balance sheet under regulatory scope of consolidation |
|-------------------------------------|--------------------------------------------------------------|------------------------------------------|-------------------------------------------------------|
| <b>A. Capital &amp; Liabilities</b> |                                                              |                                          |                                                       |
| <b>Total Capital</b>                |                                                              | <b>55713.55</b>                          | <b>Not Applicable</b>                                 |
| i                                   | Paid-up Capital                                              | 738.40                                   |                                                       |
|                                     | Reserves & Surplus                                           | 54975.15                                 |                                                       |
|                                     | Minority Interest                                            | ---                                      |                                                       |
| <b>Deposits</b>                     |                                                              | <b>414206.36</b>                         |                                                       |
| ii                                  | of which : Deposits from banks                               | 136.76                                   |                                                       |
|                                     | of which : Customer deposits                                 | 414069.60                                |                                                       |
|                                     | of which : Other deposits (pl. specify)                      | ---                                      |                                                       |
| <b>Borrowings</b>                   |                                                              | <b>16760.19</b>                          |                                                       |
| iii                                 | of which : From RBI (REPO)                                   | 0.00                                     |                                                       |
|                                     | of which : From banks                                        | 0                                        |                                                       |
|                                     | of which : From other institutions & agencies                | 16760.19                                 |                                                       |
|                                     | of which : Others (pl. specify) Outside India                | 0                                        |                                                       |
|                                     | of which : Capital instruments                               | 0                                        |                                                       |
| iv                                  | <b>Other liabilities &amp; provisions</b>                    | <b>19151.72</b>                          |                                                       |
| <b>Total</b>                        |                                                              | <b>505831.82</b>                         |                                                       |
| <b>B. Assets</b>                    |                                                              |                                          |                                                       |
| i.                                  | <b>Cash and balances with Reserve Bank of India</b>          | <b>19885.18</b>                          | <b>Not Applicable</b>                                 |
|                                     | <b>Balance with banks and money at call and short notice</b> | <b>9480.49</b>                           |                                                       |
| ii.                                 | <b>Investments</b>                                           | <b>107025.31</b>                         |                                                       |
|                                     | of which : Government securities                             | 105289.69                                |                                                       |
|                                     | of which : Other approved securities                         | ---                                      |                                                       |
|                                     | of which : Shares                                            | 73.95                                    |                                                       |
|                                     | of which : Debentures & Bonds                                | 617.36                                   |                                                       |
|                                     | of which : Subsidiaries / Joint Ventures / Associates        | ---                                      |                                                       |
|                                     | of which : Others (Commercial Papers, Mutual Funds etc.)     | 1044.31                                  |                                                       |
| iii.                                | <b>Loans and advances</b>                                    | <b>348247.78</b>                         |                                                       |
|                                     | of which : Loans and advances to banks                       | ---                                      |                                                       |
|                                     | of which : Loans and advances to customers                   | 348247.78                                |                                                       |
| iv.                                 | <b>Fixed assets</b>                                          | <b>2378.19</b>                           |                                                       |
| v.                                  | <b>Other assets</b>                                          | <b>18814.87</b>                          |                                                       |
|                                     | of which : Goodwill and intangible assets                    | ---                                      |                                                       |
|                                     | of which : Deferred tax assets                               | 2543.66                                  |                                                       |
| vi.                                 | Goodwill on consolidation                                    | ---                                      |                                                       |
| vii.                                | Debit balance in Profit & Loss account                       | ---                                      |                                                       |
| <b>Total</b>                        |                                                              | <b>505831.82</b>                         |                                                       |

## Step 2

- As the Bank is not having any subsidiary, no disclosure relating any legal entity for regulatory consolidation is made.
- Break up for DF-11 items is given below as shown in the Bank's financial statements:

| <b>Common Equity Tier 1 capital: Instruments and Reserves</b> |                          |                   |                                          |                                         |
|---------------------------------------------------------------|--------------------------|-------------------|------------------------------------------|-----------------------------------------|
| Ref. no.                                                      | As per Balance Sheet     | (Rs. in millions) | As shown in DF-11 Composition of Capital | As shown in DF-12 (Step1) Balance Sheet |
| a.                                                            | Paid-up Capital          | 738.40            | S.No.1                                   | Paid-up Capital                         |
| b.                                                            | Share Premium            | 8839.97           |                                          | Reserves & Surplus                      |
| c.                                                            | Statutory reserves       | 14260.00          | S.No.2                                   | Reserves & Surplus                      |
| d.                                                            | Capital Reserves         | 2066.43           |                                          | Reserves & Surplus                      |
| e.                                                            | General reserves         | 22115.00          |                                          | Reserves & Surplus                      |
| f.                                                            | Special Reserve under IT | 4110.00           |                                          | Reserves & Surplus                      |
| g.                                                            | Balance in P&L           | 134.92            |                                          | Reserves & Surplus                      |
| <b>Total</b>                                                  |                          | <b>52264.72</b>   |                                          |                                         |

| <b>Common Equity Tier 1 capital : Regulatory adjustments (deductions)</b> |                                          |                   |                                          |                                         |
|---------------------------------------------------------------------------|------------------------------------------|-------------------|------------------------------------------|-----------------------------------------|
| Ref.no.                                                                   | As per Balance Sheet                     | (Rs. in millions) | As shown in DF-11 Composition of Capital | As shown in DF-12 (Step1) Balance Sheet |
| h.                                                                        | Intangible assets (Application software) | 482.27            | S.No.9                                   | Included in Fixed Assets                |
| i.                                                                        | Deferred Tax assets (net)                | 1421.08           | S.No.10                                  | Other Assets / Liabilities              |
| <b>Total</b>                                                              |                                          | <b>1903.35</b>    |                                          |                                         |

| <b>Tier 2 capital : Instruments and Provisions (Additions)</b> |                                                         |                   |                                          |                                         |
|----------------------------------------------------------------|---------------------------------------------------------|-------------------|------------------------------------------|-----------------------------------------|
| Ref.no.                                                        | As per Balance Sheet                                    | (Rs. in millions) | As shown in DF-11 Composition of Capital | As shown in DF-12 (Step1) Balance Sheet |
| j.                                                             | Investment reserve                                      | 331.80            | S.No.50                                  | Reserves & Surplus                      |
| k.                                                             | Provision for Standard Assets                           | 1581.30           |                                          | Other liabilities & provisions          |
| l.                                                             | Provision for Country Risk Exposure                     | 40.00             |                                          |                                         |
| m.                                                             | Provision for Unhedged Foreign Currency Exposure (UFCE) | 22.24             |                                          |                                         |
| n.                                                             | Provision for impact of COVID19                         | 3400.00           |                                          |                                         |
| <b>Total</b>                                                   |                                                         | <b>5375.34</b>    |                                          |                                         |

### Step 3

| <b>Extract of Basel III common disclosure template (with added column) - Table DF-11<br/>(Part I / Part II whichever, applicable)</b> |                                                                                                                           |                                                  |                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| <b>Common Equity Tier 1 capital: instruments and reserves</b>                                                                         |                                                                                                                           |                                                  |                                                                                                                          |
|                                                                                                                                       |                                                                                                                           | Component of regulatory capital reported by bank | Source based on reference numbers / 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 | 9578.37                                          | 2 (a) & 2 (b)                                                                                                            |
| 2                                                                                                                                     | Retained earnings                                                                                                         | 42686.35                                         | 2(c) to 2(g)                                                                                                             |
| 3                                                                                                                                     | Accumulated other comprehensive income (and other reserves)                                                               | —                                                |                                                                                                                          |
| 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 1 capital before regulatory adjustments                                                                | 52264.72                                         | (sum of 1 & 2 above)                                                                                                     |
| 7                                                                                                                                     | Prudential valuation adjustments                                                                                          | —                                                | —                                                                                                                        |
| 8                                                                                                                                     | Goodwill (net of related tax liability)                                                                                   | —                                                |                                                                                                                          |

**Table DF-13**  
**Main Features of Regulatory Capital Instruments**

| <b>Main Features of Regulatory Capital Instruments ( Equity Shares &amp; Bond Series I, II )</b> |                                                                                            |                                                        |                       |
|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------|
| <b>S.no.</b>                                                                                     | <b>Description</b>                                                                         | <b>Equity Shares</b>                                   | <b>Bond Series II</b> |
| 1                                                                                                | Issuer                                                                                     | City Union Bank Ltd                                    | NIL                   |
| 2                                                                                                | Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)         | INE491A01021                                           |                       |
| 3                                                                                                | Governing law(s) of the instrument                                                         | Applicable Indian statutes and regulatory requirements |                       |
|                                                                                                  | Regulatory treatment                                                                       |                                                        |                       |
| 4                                                                                                | Transitional Basel III rules                                                               | Common Equity Tier I                                   |                       |
| 5                                                                                                | Post-transitional Basel III rules                                                          | Common Equity Tier I                                   |                       |
| 6                                                                                                | Eligible at solo / group / group & solo                                                    | Solo                                                   |                       |
| 7                                                                                                | Instrument type                                                                            | Common Equity Shares                                   |                       |
| 8                                                                                                | Amount recognized in regulatory capital (Rs. in million, as of most recent reporting date) | 738.40 million                                         |                       |
| 9                                                                                                | Par value of instrument                                                                    | Re.1 per equity share                                  |                       |
| 10                                                                                               | Accounting classification                                                                  | Shareholders' Equity                                   |                       |
| 11                                                                                               | Original date of issuance                                                                  | Various dates                                          |                       |
| 12                                                                                               | Perpetual or dated                                                                         | Perpetual                                              |                       |
| 13                                                                                               | Original maturity date                                                                     | No Maturity                                            |                       |
| 14                                                                                               | Issuer call subject to prior supervisory approval                                          | Not Applicable                                         |                       |
| 15                                                                                               | Optional call date, contingent call dates and redemption amount                            | Not Applicable                                         |                       |
| 16                                                                                               | Subsequent call dates, if applicable                                                       | Not Applicable                                         |                       |
|                                                                                                  | Coupons / dividends                                                                        | Dividend                                               |                       |
| 17                                                                                               | Fixed or floating dividend / coupon                                                        | Not Applicable                                         |                       |

| <b>Main Features of Regulatory Capital Instruments ( Equity Shares &amp; Bond Series I, II )</b> |                                                                                                               |                                               |                       |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------|
| <b>S.no.</b>                                                                                     | <b>Description</b>                                                                                            | <b>Equity Shares</b>                          | <b>Bond Series II</b> |
| 18                                                                                               | Coupon rate and any related index                                                                             | Not Applicable                                | NIL                   |
| 19                                                                                               | Existence of a dividend stopper                                                                               | Not Applicable                                |                       |
| 20                                                                                               | Fully discretionary, partially discretionary or mandatory                                                     | Fully Discretionary                           |                       |
| 21                                                                                               | Existence of step up or other incentive to redeem                                                             | No                                            |                       |
| 22                                                                                               | Noncumulative or cumulative                                                                                   | Non-cumulative                                |                       |
| 23                                                                                               | Convertible or non-convertible                                                                                | Not Applicable                                |                       |
| 24                                                                                               | If convertible, conversion trigger(s)                                                                         | Not Applicable                                |                       |
| 25                                                                                               | If convertible, fully or partially                                                                            | Not Applicable                                |                       |
| 26                                                                                               | If convertible, conversion rate                                                                               | Not Applicable                                |                       |
| 27                                                                                               | If convertible, mandatory or optional conversion                                                              | Not Applicable                                |                       |
| 28                                                                                               | If convertible, specify instrument type convertible into                                                      | Not Applicable                                |                       |
| 29                                                                                               | If convertible, specify issuer of instrument it converts into                                                 | Not Applicable                                |                       |
| 30                                                                                               | Write-down feature                                                                                            | No                                            |                       |
| 31                                                                                               | If write-down, write-down trigger(s)                                                                          | Not Applicable                                |                       |
| 32                                                                                               | If write-down, full or partial                                                                                | Not Applicable                                |                       |
| 33                                                                                               | If write-down, permanent or temporary                                                                         | Not Applicable                                |                       |
| 34                                                                                               | If temporary write-down, description of write-up mechanism                                                    | Not Applicable                                |                       |
| 35                                                                                               | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Subordinated Claim at the time of liquidation |                       |
| 36                                                                                               | Non-compliant transitioned features                                                                           | No                                            |                       |
| 37                                                                                               | If yes, specify non-compliant features                                                                        | No                                            |                       |

Note : Tier – II bond is nil.

**Table DF-14**  
**Full Terms and Conditions of Regulatory Capital Instruments**

The details of the Tier II capital [Bonds] raised by the Bank – **NIL**.

**Table DF-16**  
**Equities – Disclosure for Banking Book Positions**

There are no equity investments as on 30.09.2020 under Banking Book (HTM).

**Table DF-17**  
**Leverage Ratio**

Leverage ratio is a non-risk based measure of all exposures for the Tier-I 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. Previously, the indicative benchmark Leverage Ratio prescribed was 4.50% (minimum), which has been reduced to 3.50% (minimum) as per the RBI circular on "Basel III Capital Regulations - Implementation of Leverage Ratio", vide DBR.BP.BC.No.49/21.06.201/2018-19 dated 28.06.2019.

**Leverage Ratio = Capital Measure (Tier I Capital) / Exposure Measure**

| <b>Summary comparison of Accounting Assets vs. Leverage Ratio Exposure measure - 30.09.2020</b> |                                                                                                                                                                                    |                                         |
|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| <b>S.no.</b>                                                                                    | <b>Item</b>                                                                                                                                                                        | <b>Amount<br/>(Rs. in<br/>millions)</b> |
| 1                                                                                               | Total consolidated assets as per published financial statements                                                                                                                    | 505831.82                               |
| 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 recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure               | -----                                   |
| 4                                                                                               | Adjustments for derivative financial instruments                                                                                                                                   | 1333.90                                 |
| 5                                                                                               | Adjustment for securities financing transactions (i.e. repos and similar secured lending)                                                                                          | -----                                   |
| 6                                                                                               | Adjustment for off-balance sheet items<br>(i.e. conversion to credit equivalent amounts of off- balance sheet exposures)                                                           | 20358.58                                |
| 7                                                                                               | Other adjustments (intangible)                                                                                                                                                     | (1903.35)                               |
|                                                                                                 | <b>Leverage Ratio exposure</b>                                                                                                                                                     | <b>525620.95</b>                        |

**Table DF – 18**  
**Leverage Ratio common disclosure template – 30.09.2020**

(Rs. in millions)

| S.no.                                             | Item                                                                                                                                        | Amount           |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <b>On – balance sheet exposures</b>               |                                                                                                                                             |                  |
| 1                                                 | On-balance sheet items (excluding derivatives and SFTs, but including collateral)                                                           | 505831.82        |
| 2                                                 | (Asset amounts deducted in determining Basel III Tier 1 capital)                                                                            | (1903.35)        |
| 3                                                 | <b>Total on-balance sheet exposures</b><br>(excluding derivatives and SFTs) (sum of lines 1 and 2)                                          | <b>503928.47</b> |
| <b>Derivative Exposures</b>                       |                                                                                                                                             |                  |
| 4                                                 | Replacement cost associated with all derivative transactions<br>(i.e. net of eligible cash variation margin)                                | 1333.90          |
| 5                                                 | Add-on amounts for PFE associated with all derivative transactions                                                                          | ----             |
| 6                                                 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets<br>pursuant to the operative accounting framework | ----             |
| 7                                                 | (Deductions of receivables assets for cash variation margin provided in derivative<br>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>1333.90</b>   |
| <b>Securities financing transaction exposures</b> |                                                                                                                                             |                  |
| 12                                                | Gross SFT assets<br>(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                                                | <b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>                                                             | <b>----</b>      |
| <b>Other off-balance sheet exposures</b>          |                                                                                                                                             |                  |
| 17                                                | Off-balance sheet exposure at gross notional amount                                                                                         | 59959.57         |
| 18                                                | (Adjustments for conversion to credit equivalent amounts)                                                                                   | (39600.99)       |
| 19                                                | <b>Off-balance sheet items (sum of lines 17 and 18)</b>                                                                                     | <b>20358.58</b>  |
| <b>Capital and total exposures</b>                |                                                                                                                                             |                  |
| 20                                                | Tier 1 capital                                                                                                                              | <b>50361.38</b>  |
| 21                                                | Total exposures (sum of lines 3, 11, 16 and 19)                                                                                             | <b>525620.95</b> |
| <b>Leverage ratio</b>                             |                                                                                                                                             |                  |
| 22                                                | <b>Basel III leverage ratio ( 20 / 21 )</b>                                                                                                 | <b>9.58%</b>     |