

## **Pillar III Basel Disclosures**

### **1.1 General**

The BASEL III disclosures contained herein relate to Citibank N.A., India Branches (herein also referred to as the 'Bank') as of June 30, 2018. These are compiled in accordance with Reserve Bank of India (the 'RBI') regulations on Master Circular – Basel III Capital Regulations vide RBI Circular DBR. No. BP. BC. 1/21.06.201/2015-16 dated July 1, 2015 as amended from time to time.

The Bank being a branch does not have any direct subsidiaries nor does it hold any significant stake in any company. The RBI guidelines on Financial Regulation of Systemically Important NBFCs and Banks' Relationship vide circular ref. DBOD. No. FSD. BC.46 / 24.01.028/ 2006-07 December 12, 2006 read with 'Guidelines for consolidated accounting and other quantitative methods to facilitate consolidated supervision' vide circular ref. DBOD.No.BP.BC.72/ 21.04.018/2001-02 dated February 25, 2003 mandate coverage of the 'Consolidated Bank' (herein also referred to as 'Citi'). This includes, in addition to the Bank as a branch of Citibank N.A., the following wholly/majority owned non-banking finance company, which is a subsidiary of Citigroup Inc. held through intermediary holding companies:

**Citicorp Finance (India) Limited** incorporated in India on 1 May 1997, is registered with the Reserve Bank of India ('RBI') as a Non-Banking Financial Company ('NBFC') vide Certificate No. N-13.02079 dated 10 October 2014. It is a non-deposit taking systemically important Non-Banking Financial Company ('NBFC-ND-SI').

As prescribed in the above guidelines, the Bank is not required to prepare consolidated financial statements. However, certain prudential guidelines apply on a Consolidated Bank basis, including that of capital adequacy computation under BASEL III guidelines. Accordingly, Citicorp Finance (India) Limited has been considered under regulatory scope of consolidation for the quantitative disclosures. The Bank does not have any interests in insurance entities.

In accordance with BASEL requirements, the Bank also has an Internal Capital Adequacy Assessment Process (ICAAP) for Citibank India. The ICAAP depicts the various categories of risks to which the Bank is exposed, details the ongoing assessment of such risks, how risks are to be mitigated, and quantifies the amount of capital required currently and in the future to cope with these risks. The ICAAP process also includes an assessment of capital adequacy in an extreme stress scenario. The ICAAP is subjected to an independent review as required by RBI guidelines.

### **1.2 Capital Structure**

The capital funds of Citi include the following:

#### **Tier 1 Capital:**

1. Paid up Equity Capital/Initial Capital.
2. Interest-free funds from Head Office.
3. Statutory Reserves.
4. Capital Reserves.
5. Other Eligible Reserves.
6. Remittable surplus retained in Indian Books.
7. Revaluation reserves arising from revaluation of the premises owned, after a discount of 55% subject to meeting certain conditions as laid down in RBI circular ref. DBR.No.BP.BC.83/21.06.201/2015-16 dated March 1, 2016

8. Properties Investment Reserve
9. Deductions: Deferred Tax Assets (however, DTA which relate to timing difference, up to 10% of CET1 Capital has been recognized as CET 1 Capital as per RBI notification DBR.No.BP.BC.83/21.06.201/2015-16 dated March 1, 2016), Defined pension benefit asset, Intangibles and Prudential valuation adjustment for illiquid positions.

**Tier 2 Capital:**

1. Provision on Standard Assets (including provision on account of Unhedged Foreign Currency Exposure-UFCE)
2. Floating Provision
3. Country Risk Provision
4. Investment Reserve

**Quantitative disclosures:**

| Particulars  | <i>Amount in Rs. Lakhs</i> |                              |
|--|----------------------------|------------------------------|
|  | Standalone<br>Jun 30, 2018 | Consolidated<br>Jun 30, 2018 |
| <b>Tier 1 Capital</b>  |                            |                              |
| Common Shares (Paid-up equity Capital)   | -                          | 289,330                      |
| Statutory Reserves   | -                          | 59,740                       |
| Other disclosed free reserves  | -                          | 3,674                        |
| Balance in Profit & Loss account   | -                          | 38,672                       |
| Current financial profit, to the extent admissible   | -                          | 4,537                        |
| Interest-free funds from Head Office.  | 374,384                    | 374,384                      |
| Statutory Reserves kept in Indian Books  | 806,440                    | 806,440                      |
| Remittable Surplus retained in Indian books  | 713,370                    | 713,370                      |
| Capital Reserves   | 13,821                     | 13,821                       |
| Interest free funds remitted from abroad for acquisition of property and held in separate account      | 6,194                      | 6,194                        |
| Revaluation Reserves at a discount of 55 per cent (CET -1)   | 12,287                     | 12,287                       |
| Other Eligible Reserves  | 18,732                     | 18,733                       |
| <b>Common Equity Tier I (CET1) (A)</b>   | <b>1,945,229</b>           | <b>2,341,182</b>             |
| <b>Regulatory Adjustments</b>  | -                          | -                            |
| Intangibles  | 23,580                     | 28,993                       |
| Deferred Tax Asset (DTA) associated with Accumulated Losses  | -                          | -                            |
| Defined Benefit Pension Fund Asset   | -                          | -                            |
| Deferred Tax Asset associated with Timing Differences (other than those related to accumulated losses) | 28,967                     | 44,036                       |
| Other eligible deduction from CET1 (Prudential valuation adjustment)                                   | 3,829                      | 3,829                        |
| <b>Total Regulatory Adjustments (B)</b>  | <b>56,376</b>              | <b>76,858</b>                |
| <b>CET 1 Capital after above adjustments (A-B)</b>   | <b>1,888,853</b>           | <b>2,264,324</b>             |
| <b>Recognition of DTA associated with Timing Differences in CET 1</b>                                  | <b>28,967</b>              | <b>44,036</b>                |
| <b>Final Common Equity Tier I Capital (C)</b>  | <b>1,917,820</b>           | <b>2,308,360</b>             |
| <b>Additional Tier I Capital (D)</b>   | -                          | -                            |

| <b>Particulars</b>  | <b>Standalone</b>   | <b>Consolidated</b> |
|---|---------------------|---------------------|
|   | <b>Jun 30, 2018</b> | <b>Jun 30, 2018</b> |
| <b>Tier II Capital</b>  |                     |                     |
| Provision on Standard Asset (including UFCE)  | 58,731              | 62,127              |
| Floating Rate Provision   | 9,100               | 9,100               |
| Country Risk Provision  | 403                 | 403                 |
| Investment Reserve  | 12,238              | 12,238              |
| <b>Regulatory Adjustments</b>   |                     |                     |
| Regulatory adjustment applied in respect of amount related to pre-Basel III treatment | -                   | -                   |
| Total Regulatory Adjustments  | -                   | -                   |
| <b>Total Tier II Capital (E)</b>  | <b>80,472</b>       | <b>83,868</b>       |
| <b>Total of Tier I + Tier II (C) + (D) + (E) = (F)</b>                                | <b>1,998,292</b>    | <b>2,392,228</b>    |

### 1.3 Capital Adequacy

As per Basel III guidelines issued by RBI, the Bank is required to maintain a minimum Capital to Risk-weighted Assets Ratio (CRAR) of 13.13% on an on-going basis which includes capital required to be maintained on account of Capital Conservation Buffer (CCB) of 1.875% and Global Systematically Important Bank (G-SIB) buffer as prescribed by the Home Regulator of Citibank N.A. Currently, there is no requirement to maintain Counter-cyclical Capital Buffer (CCCB) as per RBI guidelines.

The Bank is engaged in providing wholesale, retail and private banking services. The Bank has processes in place to assess and maintain on an ongoing basis the amounts, types and distribution of internal capital that they consider adequate to cover the nature and level of the risks to which they are or might be exposed. The Bank's Asset Liability Management Committee (ALCO) monitors capital levels to ensure adherence to capital standards and manages the capital planning and repatriation exercise.

The Bank has an Internal Capital Adequacy Assessment Process (ICAAP), which establishes a framework for the Bank to perform a comprehensive assessment of the risks they face and to relate capital adequacy to these risks. Further, the capital analysis performed by the Bank is expected to encompass all significant risks, not only those risks captured by the Pillar 1 minimum regulatory capital calculation. The ICAAP exercise also includes a 3-year forecast of capital levels vis-à-vis requirements, which is reviewed by the management team.

As allowed under the BASEL III guidelines issued by the Reserve Bank of India, the Bank has adopted Standardized Approach (SA) for credit risk, Standardized Duration approach (SDA) for computing capital requirement for market risks and Basic Indicator Approach (BIA) for operational risk.

**Capital requirements for credit risk:***Amount in Rs. lakhs*

| Category                 | Nature  | Standalone           |                  | Consolidated         |                  |
|--------------------------|---|----------------------|------------------|----------------------|------------------|
|                          |   | As at Jun 30, 2018   |                  | As at Jun 30, 2018   |                  |
|                          |   | Risk weighted assets | Capital required | Risk weighted assets | Capital required |
| Wholesale exposures      | Generally includes exposures to Banks, Financial Institutions and Corporates                    | 5,710,992            | 749,853          | 6,372,595            | 836,722          |
| Retail exposures         | Generally includes exposures to individuals and households, small businesses of a retail nature | 3,265,771            | 428,796          | 3,617,909            | 475,031          |
| Securitization exposures | Includes credit enhancement   | 10,718               | 1,407            | 10,718               | 1,407            |
| <b>Total</b>             |   | <b>8,987,481</b>     | <b>1,180,056</b> | <b>10,001,223</b>    | <b>1,313,161</b> |

**Capital requirements for market risk:***Amount in Rs. lakhs*

| Category              | Nature  | Standalone           |                  | Consolidated         |                  |
|-----------------------|---|----------------------|------------------|----------------------|------------------|
|                       |   | As at Jun 30, 2018   |                  | As at Jun 30, 2018   |                  |
|                       |   | Risk weighted assets | Capital required | Risk weighted assets | Capital required |
| Interest rate risk    | Includes specific and general risk on interest rate instruments in the trading book | 1,245,379            | 163,518          | 1,247,283            | 163,768          |
| Foreign exchange risk | Includes specific and general risk on currencies (including gold)                   | 292,471              | 38,401           | 292,471              | 38,401           |
| Equity risk           | Includes specific and general risk on equity instruments                            | 17,179               | 2,256            | 115,318              | 15,141           |
| <b>Total</b>          |   | <b>1,555,029</b>     | <b>204,175</b>   | <b>1,655,072</b>     | <b>217,311</b>   |

**Capital requirements for operational risk:**

Per the Basic Indicator approach for Operational Risk, the Bank is required to maintain capital at the rate of 15% of average gross income of previous three financial years. The notional risk weighted assets for operational risk is calculated by multiplying the operational risk capital charge by 12.5. The Capital required for operational risk is Rs. 253,801 Lakhs for standalone and Rs. 264,182 lakhs for consolidated

**Capital Adequacy Ratio**

| Entity                       | As at June 30, 2018 |                      |                       |
|------------------------------|---------------------|----------------------|-----------------------|
|                              | Total Capital ratio | Tier I Capital ratio | Tier II Capital ratio |
| Citibank N.A. (Standalone)   | 16.02%              | 15.37%               | 0.64%                 |
| Citibank N.A. (Consolidated) | 17.50%              | 16.89%               | 0.61%                 |

## **1.4 Credit Risk: General Disclosures**

The three principal businesses of the Bank organized by client segmentation viz. Corporate Banking, Commercial Banking and Consumer Banking approve and implement policies and procedures appropriate to their respective risk, business and portfolio. These policies address risk measurement, reporting, monitoring, mitigation and remediation.

For Corporate Bank, the ICG Risk Management Manual along with the Local Corporate Credit Policy lays down the parameters/norms for credit exposure. Based on the industry studies and detailed company analysis and after considering the Target Market Norms & Risk Acceptance Criteria, credit is approved. For proposals above a certain material threshold, bank follows Credit committee approach where Senior Credit officers from Independent Risk & Business sanctions credit in a committee which convenes every week or such other frequency as required to discuss the proposals. Wherever required, Industry specialist and product specialists review and approve sizeable credits in addition to committee approval. The Bank has a policy of internal rating on a global scale and assigns Obligor Risk Ratings (ORRs) and Facility Risk Ratings (FRR). ORRs define one-year probability of default and are continuously monitored. The Bank also assigns an Obligor Limit Rating (OLR), which provides a medium to long-term view of credit quality. Approval authority is defined as per Credit Facilities Approval Grid, which requires higher level of authority to approve higher exposures and depending on the OLR scale ranging from high to low.

The Commercial Banking Business Credit Policies define the guidelines and policies under which portfolio is managed supplemented by Credit Programs. The Business team prospects customers within approved industry segments. The due diligence is performed by Business Unit (Coverage Bankers and Credit Lending Management unit) which assesses the borrowing requirements and recommends facilities within the parameters set out by the credit programs / framework. The due diligence process includes, but is not restricted to, management evaluation, business and financial statements analysis. All proposals are approved by at least two credit approvers (one at least from Credit Lending Unit or Independent Risk) at least one of whom has credit initials to cover the facilities proposed. In addition, proposals over a specific threshold are reviewed and approved by a Credit Committee. Independent Risk provides oversight to implementation of the Credit Policies and Programs and Procedures.

Consumer banking has an independent Policy Unit, which recommends lending policy, reviews portfolio and takes credit actions. This is supported by a credit operations unit, which reviews proposals for adherence to laid down policies as well as does all verifications prior to disbursement of credit. Underwriting authority is delegated to Credit Officers only who are independent from business and report into the Credit Initiation Unit. Credit appraisal is independent of the business stream to ensure unbiased credit judgment.

The Global Consumer Credit and Fraud Risk Policy (GCCFRP) establishes the credit policies and procedures that govern all types of consumer lending in Global Consumer. These represent defined criteria for all forms of credit extension with which consumer business must comply. Any exception or deviation from these policies or established criteria requires prior approval from Global Consumer Risk Management. Any changes must be approved by the Global Consumer Chief Risk Officer (CRO).

### **Norms for Determining When to Classify Various Types of Assets as Non-Performing**

The Bank follows the RBI guidelines for asset classification, which are briefly described herein below.

Term Loans and Consumer loans are treated as a non-performing if the interest and/ or installments of principal remain overdue for a period of more than 90 days. Cash credits & Overdrafts are treated as non-performing if it remains 'out of order' for a period of more than 90 days.

An account will be treated "out of order" if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In case where the outstanding balance is less than the sanctioned limit/drawing power, but there are no credits continuously for three months as on balance-sheet date or credits are not enough to cover the interest debited during the same period, these accounts will be treated as out of order.

Bills purchased /discounted are treated as non-performing if the bill remains overdue and unpaid for a period of more than 90 days during the financial year.

Any other facility (including dues on forward exchange and derivative contracts) will be treated as non-performing if any amount to be received remains overdue for a period of more than 90 days.

For retail loans, including credit cards, the system buckets the overdue installments. There are delinquency managed portfolios and bucketing logic is pre-defined in the banks product processors. All accounts greater than 90 dpd (Bucket 4+) are identified as NPA and classified into Substandard/doubtful/loss assets in line with RBI guidelines. The classification requirements are performed borrower wise and not facility wise. There is a system for identification and classification of all facilities of a borrower as NPA if any one of such facilities is non performing. Further, the NPA system also identifies cross linkages and flags such facilities and reports them as Cross NPA. The provision held is in line with the RBI provisioning norms as defined in the RBI circular. Additionally, all restructured accounts are identified / classified and provided for in line with RBI guidelines. Consumer Bank is guided by GCCFRP on Loss Mitigation and Loss Recognition / Non-Accrual. This policy on technical write-off norms is more conservative than the Local RBI policy of Prudential Norms. Following is the write-off policy grid across all consumer/retail asset portfolios.

| Product                              | Charge Offs  |
|--------------------------------------|--|
| Personal/Unsecured Installment Loans | 120 days past due  |
| Unsecured revolving loans            | 180 days past due  |
| Credit Cards                         | 180 days past due  |
| Mortgage                             | Foreclosure in progress charge-off at the end of 5 years |

Provision held is compared with the Provision required as per RBI norms and financials entries are taken for incremental provision only if the provision required is higher as per Local GAAP than the provision held. The NPA classification activities are performed by the system at the end of each month. All borrowers with balances in Bucket 4 and above are considered as non-performing assets. For Cards, an account has to be classified as NPA if no payments are received from customer within 90 days from last payment due date (PDD) and for ready Credit – (Retail loans) accounts in Bucket 7 are written off and other unsecured retail loans are written off in Bucket 5.

#### 1.4.1. Credit Risk Quantitative disclosure

| Particulars                                       | <i>Amount in Rs. lakhs</i> |            |                    |            |
|---|----------------------------|------------|--------------------|------------|
|   | Standalone                 |            | Consolidated       |            |
|   | As at Jun 30, 2018         |            | As at Jun 30, 2018 |            |
|   | Funded                     | Non Funded | Funded             | Non Funded |
| A. Agriculture and Allied Activities              | 440,304                    | 303        | 446,804            | 303        |
| B. Mining and Quarrying                           | 9,216                      | 4,271      | 13,216             | 4,271      |
| C. Food Processing                                | 142,237                    | 31,623     | 142,237            | 31,623     |
| D. Beverages (excluding Tea & Coffee) and Tobacco | 50,158                     | 32,389     | 58,083             | 32,389     |

|  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
| E. Textiles  | 108,858          | 17,209           | 108,858          | 17,209           |
| F. Leather and Leather products  | 16,916           | 548              | 16,916           | 548              |
| G. Wood and Wood Products  | 6,087            | 3,775            | 6,087            | 3,775            |
| H. Paper and Paper Products  | 44,065           | 8,869            | 53,065           | 8,869            |
| I. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels | 59,943           | 28,782           | 59,943           | 28,782           |
| J. Chemicals and Chemical Products (Dyes, Paints, etc. )               | 545,547          | 423,264          | 588,122          | 423,264          |
| K. Rubber, Plastic and their Products                                  | 94,865           | 25,661           | 94,865           | 25,661           |
| L. Glass & Glassware   | 7,871            | 1,776            | 34,845           | 1,776            |
| M. Cement and Cement Products  | 19,461           | 2,380            | 19,494           | 2,380            |
| N. Basic Metal and Metal Products                                      | 170,838          | 118,537          | 181,838          | 118,537          |
| O. All Engineering   | 324,582          | 330,655          | 324,582          | 330,655          |
| P. Vehicles, Vehicle Parts and Transport Equipment                     | 214,119          | 146,644          | 215,869          | 146,644          |
| Q. Gems and Jewellery  | 9,171            | -                | 9,171            | -                |
| R. Construction  | 3,342            | 704              | 57,372           | 1,007            |
| S. Infrastructure  | 175,722          | 49,042           | 175,722          | 49,042           |
| T. Other Industries  | 64,783           | 186,494          | 302,721          | 191,075          |
| U. Transport Operators   | 75,335           | 2,238            | 82,898           | 2,276            |
| V. Computer Software   | 86,870           | 513,323          | 93,370           | 513,323          |
| W. Tourism, Hotel and Restaurants                                      | 11,341           | 1,717            | 11,341           | 1,717            |
| X. Shipping  | 38,396           | 20,215           | 38,396           | 20,215           |
| Y. Professional Services   | 2,211,922        | 1,580,265        | 2,388,671        | 1,578,248        |
| Z. Trade   | 341,492          | 125,518          | 342,351          | 125,518          |
| AA. Aviation   | 6                | 15,056           | 25,006           | 15,056           |
| AB. Retail Exposure  | 2,194,850        | 219,351          | 2,435,317        | 219,352          |
| AC. Services   | 21,147           | 207              | 25,447           | 207              |
| <b>Total</b>   | <b>7,489,444</b> | <b>3,890,817</b> | <b>8,352,607</b> | <b>3,893,722</b> |

**Note:**

1. As a branch of a foreign bank, the operations of the Bank do not extend outside of India. Hence, the Bank is considered to operate only in the domestic segment.
2. Exposure is comprised of Loans & Advances, Balance with Banks, Money at call and short notice, On-balance sheet securitisation exposures, Revaluation gains on foreign exchange and derivative contracts, Deposits with NABARD, SIDBI & NHB under the priority/weaker section lending schemes, credit equivalent of guarantees, acceptances, letters of credit, other Non-Market Related off balance sheet obligations and credit equivalent of foreign exchange and derivative exposures.

**ii) Residual contractual maturity breakdown of assets**

*Amount in Rs. lakhs*

|                            | Standalone         |                  | Consolidated       |                  |
|----------------------------|--------------------|------------------|--------------------|------------------|
|                            | As at Jun 30, 2018 |                  | As at Jun 30, 2018 |                  |
|                            | Loans and Advances | Investments      | Loans and Advances | Investments      |
| Day 1                      | 11,297             | 3,806,523        | 11,609             | 3,806,523        |
| 2 to 7 days                | (29,034)           | -                | (2,998)            | -                |
| 8 to 14 days               | 170,263            | -                | 291,752            | -                |
| 15 to 30 days              | 310,249            | 633,445          | 399,042            | 633,445          |
| 31 days to 2 months        | 385,707            | 236,259          | 475,192            | 249,396          |
| 2 months to 3 months       | 355,750            | 190,626          | 421,449            | 190,626          |
| Over 3 months to 6 months  | 249,928            | 144,157          | 312,409            | 153,678          |
| Over 6 months to 12 months | 579,568            | 145,912          | 820,725            | 145,912          |
| Over 1 year to 3 years     | 2,483,479          | 1,319,839        | 2,614,519          | 1,319,839        |
| Over 3 years to 5 years    | 707,458            | 14,878           | 730,179            | 14,878           |
| Over 5 years               | 446,579            | 274,667          | 446,821            | 285,038          |
| <b>Total</b>               | <b>5,671,244</b>   | <b>6,766,306</b> | <b>6,520,699</b>   | <b>6,799,335</b> |

Loans and Advances include cash outflows on account of settlement of Inter-Bank Participation Certificate (IBPC) issued and Bills Rediscounted under Bills Rediscounting scheme by the Bank.

**iii) Amount of NPAs (Gross)**

*Amount in Rs. lakhs*

| Particulars  | As at Jun 30, 2018 |               |
|--------------|--------------------|---------------|
|              | Standalone         | Consolidated  |
| Substandard  | 35,956             | 36,446        |
| Doubtful 1   | 6,691              | 6,696         |
| Doubtful 2   | 12,861             | 12,861        |
| Doubtful 3   | 7,482              | 7,482         |
| Loss         | 23,780             | 23,780        |
| <b>Total</b> | <b>86,770</b>      | <b>87,265</b> |

**iv) Net NPAs:** Standalone Rs. 31,326 lakhs and Consolidated Rs. 31,645 lakhs

**v) NPA ratios:**

| Particulars                  | As at Jun 30, 2018 |              |
|------------------------------|--------------------|--------------|
|                              | Standalone         | Consolidated |
| Gross NPAs to Gross Advances | 1.52%              | 1.33%        |
| Net NPAs to Net Advances     | 0.55%              | 0.49%        |

**vi) Movement of Gross NPAs**

*Amount in Rs. lakhs*

| Particulars                           | As at Jun 30, 2018 |               |
|---------------------------------------|--------------------|---------------|
|                                       | Standalone         | Consolidated  |
| Opening Balance                       | 86,582             | 86,988        |
| Additions during the year             | 24,127             | 24,875        |
| Recoveries/write offs during the year | (23,939)           | (24,597)      |
| <b>Closing Balance</b>                | <b>86,770</b>      | <b>87,266</b> |



**vii) Movement of Specific Provision***Amount in Rs. lakhs*

| Particulars   | As at Jun 30, 2018 |               |
|---|--------------------|---------------|
|   | Standalone         | Consolidated  |
| Opening Balance   | 56,075             | 56,226        |
| Provisions made during the year                             | 8,808              | 9,016         |
| Write-Off   | (3,705)            | (3,846)       |
| Write back off excess Provisions                            | (5,734)            | (5,774)       |
| Any other adjustment, including transfer between provisions | 0                  | 0             |
| <b>Closing Balance</b>                                      | <b>55,444</b>      | <b>55,622</b> |

**viii) Movement of Provision on Standard Assets\****Amount in Rs. lakhs*

| Particulars   | As at Jun 30, 2018 |               |
|---|--------------------|---------------|
|   | Standalone         | Consolidated  |
| Opening Balance   | 58,520             | 61,948        |
| Provisions made during the year                             | 211                | 211           |
| Write-Off   | 0                  | 0             |
| Write back off excess Provisions                            | 0                  | (32)          |
| Any other adjustment, including transfer between provisions | 0                  | 0             |
| <b>Closing Balance</b>                                      | <b>58,731</b>      | <b>62,127</b> |

\* The above includes provision on account of Unhedged Foreign Currency Exposure (UFCE)

**ix) Non-performing Investments (NPIs):** Standalone – NIL and Consolidated - Rs. 3,000 lakhs

**x) Provision for NPIs:** Standalone – NIL and Consolidated - Rs. 3,000 lakhs

**xi) Movement of provision held towards depreciation on investments***Amount in Rs. Lakhs*

| Particulars                           | As at Jun 30, 2018 |                |
|---------------------------------------|--------------------|----------------|
|                                       | Standalone         | Consolidated   |
| Opening Balance                       | 64,463             | 65,885         |
| Additions during the year             | 47,706             | 47,706         |
| Recoveries/write offs during the year | 0                  | 0              |
| <b>Closing Balance</b>                | <b>112,169</b>     | <b>113,591</b> |

**Note:** The above does not include provision on Non-Performing Investments, which has been reported under point x.

**xii) Industry wise classification of NPA, specific and General Provision****Standalone***Amount in Rs. Lakhs*

| Industry  | As at Jun 30, 2018 |                    |                               | For the quarter ended |                   |
|---|--------------------|--------------------|-------------------------------|-----------------------|-------------------|
|   | Gross NPA          | Provisions for NPA | Provision for Standard Assets | Write off             | Provision for NPA |
| A. Agriculture and Allied Activities              | 7,824              | 4,405              | 2,153                         | 100                   | 220               |
| B. Mining and Quarrying                           | -                  | -                  | 69                            | -                     | -                 |
| C. Food Processing                                | -                  | -                  | 992                           | -                     | -                 |
| D. Beverages (excluding Tea & Coffee) and Tobacco | -                  | -                  | 180                           | -                     | -                 |

|  |               |               |               |               |              |
|--|---------------|---------------|---------------|---------------|--------------|
| E. Textiles  | 1,027         | 1,027         | 877           | -             | -            |
| F. Leather and Leather products  | -             | -             | 163           | -             | -            |
| G. Wood and Wood Products  | -             | -             | 29            | -             | -            |
| H. Paper and Paper Products  | -             | -             | 241           | -             | -            |
| I. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels | -             | -             | 349           | -             | -            |
| J. Chemicals and Chemical Products (Dyes, Paints, etc.)                | 3,779         | 3,781         | 3,774         | -             | -            |
| K. Rubber, Plastic and their Products                                  | 1,010         | 1,010         | 624           | -             | (50)         |
| L. Glass & Glassware   | -             | -             | 54            | -             | -            |
| M. Cement and Cement Products  | -             | -             | 77            | -             | -            |
| N. Basic Metal and Metal Products                                      | 1,109         | 1,209         | 1,297         | -             | -            |
| O. All Engineering   | 5,434         | 5,519         | 1,966         | -             | -            |
| P. Vehicles, Vehicle Parts and Transport Equipment                     | 6,004         | 6,004         | 1,403         | -             | (40)         |
| Q. Gems and Jewellery  | -             | -             | 33            | -             | -            |
| R. Construction  | -             | -             | 23            | -             | -            |
| S. Infrastructure  | 308           | 307           | 766           | -             | (124)        |
| T. Other Industries  | 32            | 28            | 481           | -             | (6)          |
| U. Transport Operators   | 5,165         | 5,049         | 225           | 17            | (62)         |
| V. Computer Software   | -             | -             | 437           | -             | -            |
| W. Tourism, Hotel and Restaurants                                      | 51            | -             | 92            | -             | -            |
| X. Shipping  | -             | -             | 87            | -             | -            |
| Y. Professional Services   | 81            | -             | 5,204         | -             | (1)          |
| Z. Trade   | 811           | 781           | 2,064         | -             | (6)          |
| AA. Aviation   | -             | -             | -             | -             | -            |
| AB. Retail Exposure  | 51,996        | 24,326        | 35,039        | 14,032        | (459)        |
| AC. Services   | 2,139         | 1,998         | 32            | -             | (101)        |
| <b>Total</b>   | <b>86,770</b> | <b>55,444</b> | <b>58,731</b> | <b>14,149</b> | <b>(628)</b> |

#### Industry wise classification of NPA, specific and General Provision

| Consolidated<br>Industry                          | As at Jun 30, 2018 |                    |                               | For the quarter ended |                   |
|---|--------------------|--------------------|-------------------------------|-----------------------|-------------------|
|   | Gross NPA          | Provisions for NPA | Provision for Standard Assets | Write off             | Provision for NPA |
| A. Agriculture and Allied Activities              | 7,824              | 4,405              | 2,179                         | 100                   | 220               |
| B. Mining and Quarrying                           | -                  | -                  | 85                            | -                     | -                 |
| C. Food Processing                                | -                  | -                  | 992                           | -                     | -                 |
| D. Beverages (excluding Tea & Coffee) and Tobacco | -                  | -                  | 212                           | -                     | -                 |
| E. Textiles                                       | 1,027              | 1,027              | 877                           | -                     | -                 |
| F. Leather and Leather products                   | -                  | -                  | 163                           | -                     | -                 |
| G. Wood and Wood Products                         | -                  | -                  | 29                            | -                     | -                 |
| H. Paper and Paper Products                       | -                  | -                  | 277                           | -                     | -                 |

|  |               |               |               |               |              |
|--|---------------|---------------|---------------|---------------|--------------|
| I. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels | -             | -             | 349           | -             | -            |
| J. Chemicals and Chemical Products (Dyes, Paints, etc.)                | 3,779         | 3,781         | 3,944         | -             | -            |
| K. Rubber, Plastic and their Products                                  | 1,010         | 1,010         | 624           | -             | (50)         |
| L. Glass & Glassware   | -             | -             | 162           | -             | -            |
| M. Cement and Cement Products  | -             | -             | 77            | -             | -            |
| N. Basic Metal and Metal Products                                      | 1,109         | 1,209         | 1,341         | -             | -            |
| O. All Engineering   | 5,434         | 5,519         | 1,966         | -             | -            |
| P. Vehicles, Vehicle Parts and Transport Equipment                     | 6,004         | 6,004         | 1,403         | -             | (40)         |
| Q. Gems and Jewellery  | -             | -             | 33            | -             | -            |
| R. Construction  | 107           | 69            | 239           | (62)          | 34           |
| S. Infrastructure  | 308           | 307           | 766           | -             | (124)        |
| T. Other Industries  | 32            | 28            | 1,378         | -             | (6)          |
| U. Transport Operators   | 5,181         | 5,064         | 262           | (26)          | (64)         |
| V. Computer Software   | -             | -             | 463           | -             | -            |
| W. Tourism, Hotel and Restaurants                                      | 51            | -             | 92            | -             | -            |
| X. Shipping  | -             | -             | 87            | -             | -            |
| Y. Professional Services   | 81            | -             | 5,911         | -             | (1)          |
| Z. Trade   | 811           | 781           | 2,067         | -             | (6)          |
| AA. Aviation   | -             | -             | 100           | -             | -            |
| AB. Retail Exposure  | 52,369        | 24,420        | 36,000        | 14,596        | (449)        |
| AC. Services   | 2,139         | 1,997         | 49            | -             | (101)        |
| <b>Total</b>   | <b>87,266</b> | <b>55,621</b> | <b>62,127</b> | <b>14,607</b> | <b>(586)</b> |

#### 1.4.2 Credit Risk: disclosures for portfolios subject to the standardized approach

The Bank has approved use of ratings issued by renowned external rating agencies- CRISIL Limited, Fitch India, ICRA Limited, Brickwork, SMERA and CARE for local exposures as permitted by Reserve Bank of India. For the foreign exposures the ratings assigned by Standard & Poor's, Fitch and Moody's are used by the Bank, these being the parents of the local entities in question.

Where the obligors have obtained rating of the facility from any of the above credit rating agencies, the Bank has applied the risk weights relevant to the ratings so assigned. Where the obligors have not yet obtained such a rating, the exposure has been considered as unrated and appropriate risk weights applied.

The breakdown of the exposure (after mitigation):

*Amount in Rs. Lakhs*

| Particulars                | As at Jun 30, 2018 |              |
|----------------------------|--------------------|--------------|
|                            | Standalone         | Consolidated |
| Below 100% risk weight     | 6,195,508          | 6,204,275    |
| 100% risk weight           | 1,462,179          | 1,920,684    |
| More than 100% risk weight | 3,722,573          | 4,121,369    |

**Note:** Exposure is comprised of Loans & Advances, Balance with Banks, Money at call and short notice, On-balance sheet securitisation exposures, Revaluation gains on foreign exchange and derivative contracts, Deposits with NABARD, SIDBI & NHB under the priority/weaker section lending schemes, credit equivalent of guarantees, acceptances, letters of credit, other Non-Market Related off balance sheet obligations and credit equivalent of foreign exchange and derivative exposures.

## 1.5 Leverage Ratio

As per RBI guidelines, disclosures required for leverage ratio for the Bank at the consolidated level at Jun 30, 2018 is as follows:

| <b>Summary comparison of accounting assets vs. leverage ratio exposure measure</b> |  |                           |                     |
|--|--|---------------------------|---------------------|
| <b>Sl. No</b>  | <b>Item</b>  | <b>As at Jun 30, 2018</b> |                     |
|  |  | <b>Standalone</b>         | <b>Consolidated</b> |
| 1  | Total consolidated assets as per published financial statements  | 14,758,051                | 15,781,198          |
| 2  | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | -                         | -                   |
| 3  | Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure               | -                         | -                   |
| 4  | Adjustments for derivative financial instruments   | 1,580,465                 | 1,580,465           |
| 5  | Adjustment for securities financing transactions (i.e. repos and similar secured lending)  | 403,055                   | 403,055             |
| 6  | Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)  | 3,255,916                 | 3,260,838           |
| 7  | Other adjustments  | (23,580)                  | (28,993)            |
| <b>8</b>   | <b>Leverage ratio exposure</b>   | <b>19,973,907</b>         | <b>20,996,563</b>   |

| <b>Leverage ratio common disclosure template</b> |  |                           |                     |
|--|--|---------------------------|---------------------|
| <b>Sl. No</b>                                    | <b>Item</b>  | <b>As at Jun 30, 2018</b> |                     |
|  |  | <b>Standalone</b>         | <b>Consolidated</b> |
| <b>On-balance sheet exposures</b>                |  |                           |                     |
| 1  | On-balance sheet items (excluding derivatives and SFTs, but including collateral)  | 14,023,916                | 15,047,063          |
| 2  | (Asset amounts deducted in determining Basel III Tier 1 capital)   | (23,580)                  | (28,993)            |
| 3  | Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)   | <b>14,000,336</b>         | <b>15,018,070</b>   |
| <b>Derivative exposures</b>                      |  |                           |                     |
| 4  | Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)                               | 734,135                   | 734,135             |
| 5  | Add-on amounts for PFE associated with all derivatives transactions  | 1,580,465                 | 1,580,465           |
| 6  | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | -                         | -                   |
| 7  | (Deductions of receivables assets for cash variation margin provided in derivatives transactions)  | -                         | -                   |
| 8  | (Exempted CCP leg of client-cleared trade exposures)   | -                         | -                   |
| 9  | Adjusted effective notional amount of written credit   | -                         | -                   |

|   |   |                  |                  |
|---|---|------------------|------------------|
|   | derivatives   |                  |                  |
| 10  | (Adjusted effective notional offsets and add-on deductions for written credit derivatives)          | -                | -                |
| 11  | Total derivative exposures (sum of lines 4 to 10)   | <b>2,314,600</b> | <b>2,314,600</b> |
| <b>Securities financing transaction exposures</b> |   |                  |                  |
| 12  | Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions | 403,055          | 403,055          |
| 13  | (Netted amounts of cash payables and cash receivables of gross SFT assets)                          | -                | -                |
| 14  | CCR exposure for SFT assets   | -                | -                |
| 15  | Agent transaction exposures   | -                | -                |
| 16  | Total securities financing transaction exposures (sum of lines 12 to 15)                            | <b>403,055</b>   | <b>403,055</b>   |
| <b>Capital and total exposures</b>                |   |                  |                  |
| 17  | Off-balance sheet exposure at gross notional amount   | 7,942,269        | 7,947,531        |
| 18  | (Adjustments for conversion to credit equivalent amounts)   | (4,686,353)      | (4,686,694)      |
| 19  | Off-balance sheet items (sum of lines 17 and 18)  | 3,255,916        | 3,260,838        |
| <b>Leverage ratio</b>                             |   |                  |                  |
| 22  | Basel III leverage ratio  | <b>9.60%</b>     | <b>10.99%</b>    |

### Quantitative Disclosures

As per RBI guidelines, disclosures required for leverage ratio for the Bank at a standalone basis for the last 4 quarters:

|                    | <b>30-Jun-2018</b> | <b>31-Mar-2018</b> | <b>31-Dec-2017</b> | <b>30-Sep-2017</b> |
|--------------------|--------------------|--------------------|--------------------|--------------------|
| Tier 1 Capital     | 1,917,820          | 1,918,491          | 1,821,417          | 1,819,339          |
| Exposure Measure   | 19,973,907         | 20,847,015         | 18,853,465         | 19,723,875         |
| Leverage Ratio (%) | 9.60%              | 9.20%              | 9.66%              | 9.22%              |