

BASEL III – PILLAR 3 DISCLOSURES FOR THE HALF YEAR ENDED 30.09.2018

RBI issued Basel III guidelines, applicable w.e.f. 01.04.2013. These guidelines provide a transition schedule for Basel III implementation till 31.03.2019. Upon full implementation, Basel III guidelines target minimum capital to risk-weighted assets ratio (CRAR) would be 11.50%, minimum Common Equity Tier -1 ratio would be 8.00% and minimum Tier 1 ratio would be 9.50%.

Basel III framework consists of three mutually reinforcing pillars:

- (i) Pillar 1: Minimum Capital Requirement (Credit Risk, Market Risk and Operational Risk)
- (ii) Pillar 2: Supervisory Review and Evaluation Process
- (iii) Pillar 3: Market Discipline

Market Discipline (Pillar 3) consists of set of disclosures on capital adequacy and risk management framework of Bank. These disclosures have been set out as under:

TABLE DF-1: SCOPE OF APPLICATION

Name of head of the banking group to which framework applies: **BANK OF MAHARASHTRA**

(i) Qualitative Disclosures:

Name of entity/Country of incorporation	Whether entity is included under accounting scope of consolidation (yes / no)	Method of consolidation	Whether entity is included under regulatory scope of consolidation (yes / no)	Method of consolidation	Reasons for difference in method of consolidation	Reasons if consolidated under only one of the scopes of consolidation
The Maharashtra Executors & Trustee Co. Pvt Ltd (METCO)/ India	Yes	Line by Line basis as per AS-21 issued by ICAI	No	NA	NA	Entity is not a banking company, hence outside the purview of regulatory consolidation. Capital Investment is deducted from CET1 capital of Bank.
Maharashtra Gramin Bank (MGB)/ India	Yes	Equity method Basis as per AS-23 issued by ICAI	No	NA	NA	Entity is RRB, an associate, hence outside the purview of regulatory

Name of entity/Country of incorporation	Whether entity is included under accounting scope of consolidation (yes / no)	Method of consolidation	Whether entity is included under regulatory scope of consolidation (yes / no)	Method of consolidation	Reasons for difference in method of consolidation	Reasons if consolidated under only one of the scopes of consolidation
						consolidation. Investment risk weighted at 250%.

a. List of group entities considered for consolidation

1. The Maharashtra Executors & Trustee Company Private Limited (METCO)
2. Maharashtra Gramin Bank (MGB)

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

Name of the entity / Country of incorporation	Principle activity of the entity	Total Balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
NIL					

(ii) Quantitative Disclosures

c. List of group entities considered for consolidation (accounting)

(Amount in Rs million)

Name of the entity / Country of incorporation	Principle activity of the entity	Total Balance sheet equity (as stated in the accounting balance sheet of the legal entity)	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
The Maharashtra Executors & Trustee Co. Pvt Ltd (METCO)/ India	Trusteeship	39.23 (BOM share 100%)	186.64
Maharashtra Gramin Bank (MGB)/India	Banking	4395.80 (BOM share 35%)	105635.57

d. The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

There is no capital deficiency in the subsidiary of Bank which is not included in regulatory scope of consolidation as of September 30, 2018.

e. The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk weighted

Name of the insurance entity / Country of incorporation	Principle activity of the entity	Total Balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity / proportion of voting power	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
Bank is not having any subsidiary having insurance business.				

f. Any restrictions or impediments on transfer of funds or regulatory capital within the banking group

There is no restriction or impediments on transfer of funds or regulatory capital within banking group as of September 30, 2018.

TABLE DF – 2: CAPITAL ADEQUACY

Qualitative Disclosures

a. Capital Management

Bank has a process for assessing its overall capital adequacy in relation to Bank's risk profile and a strategy for maintaining its capital levels. Process provides an assurance that Bank has adequate capital to support all risks inherent to its business. Bank actively manages its capital to meet regulatory norms by considering available options of raising capital.

Organisational Set-up:

Capital Management is administered by Financial Management and Accounts Department in co-ordination with Integrated Risk Management Department under the supervision of Board of Directors. Bank has also formed Capital Planning Committee to provide guidance.

Internal Assessment of Capital:

Bank's Capital Management framework includes a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) conducted annually which determines adequate level of capitalisation for Bank to meet regulatory norms and current and future business need, including under stressed scenarios. ICAAP encompasses capital planning for two years time

horizon, after identification and evaluation of significance of all risks that Bank faces, which may have an adverse material impact on its financial position. Bank considers following as risks it is exposed to in the normal course of its business and considers them for capital planning:

- Credit Risk – including residuary risk
- Market Risk
- Operational Risk
- Credit Concentration Risk
- Liquidity Risk
- Country Risk
- Compliance Risk
- Settlement Risk
- Interest Rate Risk on Banking Book
- Reputational Risk
- Strategic Risk
- Pension Obligation Risk
- Legal Risk
- Risk of underestimation of Credit Risk under the Standardized approach

Bank periodically assesses and refines its stress tests in an effort to ensure that stress scenarios capture material risks as well as reflect possible extreme market moves that could arise as a result of business environment conditions. Stress tests are used in conjunction with Bank's business plans for the purpose of capital planning.

Monitoring and Reporting:

The Board of Directors of Bank monitors capital adequacy levels of Bank. On a quarterly basis an analysis of the capital adequacy position and risk weighted assets and an assessment of various aspects of Basel III on capital and risk management are undertaken by Board.

Quantitative Disclosures

b. Capital Requirement

Bank's capital requirements have been computed using Standardized Approach for Credit Risk, Standardized Duration Method for Market Risk and Basic Indicator Approach for Operational Risk. Minimum capital required to be held at 10.875% for credit, market and operational risks is given below:

(Amount in Rs million)

Sr. No.	Particulars	Amount	Amount
(A)	Capital Required for Credit Risk	62925.15	
(i)	Portfolios subject to Standardised Approach		
(ii)	For Securitisation Exposure	0.00	
	Total capital charge for credit risks under standardized approach (i+ii)		62925.15
(B)	Market Risk		
(i)	Interest Rate Risk	4255.96	
(ii)	Foreign Exchange Risk (including Gold)	45.00	
(iii)	Equity Risk	860.39	
	Total capital charge for market risks under standardized duration approach (i+ii+iii)		*5161.35

Sr. No.	Particulars	Amount	Amount
(C)	Capital Charge for Operational Risk		
	Under Basic Indicator Approach		*6978.02
	Under The Standardized Approach (Parallel run)		*6997.50
(D)	Capital Ratios		Standalone (In %)
	Common Equity Tier 1 Capital Ratio (Incl CCB)		7.811%
	Tier 1 Capital Ratio (Incl CCB)		7.848%
	Total Capital Ratio(CRAR) – Including CCB		9.871%

(*For market and operational risks capital charge is converted in RWA @ 12.50 to arrive at CRAR as per RBI guidelines. Details in DF7 and DF 8)

TABLE DF-3: CREDIT RISK - GENERAL DISCLOSURES

Qualitative Disclosures

Credit Risk is defined as possibility of losses associated with diminution in credit quality of borrowers or counterparties. In a bank's portfolio, losses stem from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions.

Organizational Structure for Credit Risk Management

Bank has comprehensive credit risk management architecture. Board of Directors of Bank endorses its Credit Risk strategy and approves credit risk policies. The Board has formed committees to oversee risk management processes, procedures and systems. Risk Management Committee (RMC) is responsible for devising policy and strategy for credit risk management. For this purpose, committee co-ordinates with Credit Risk Management Committee (CRMC) of Bank. CRMC is responsible for overseeing implementation of credit risk management framework across Bank and providing recommendations to RMC.

Policy & Strategy

Bank has been following a conservative risk philosophy. The important aspects of risk philosophy are embodied in various policies, circulars, guidelines etc. The business objectives and strategy of Bank are decided taking into account profit considerations, level of various risks faced, level of capital, market scenario and competition. Bank is conscious of its asset quality and earnings and judiciously matches profit maximization with risk control.

Bank has put in place following policies approved by Board.

- i) Lending & Loan Review Policy

- ii) Credit Risk Management Policy
- iii) Credit Risk Mitigation Techniques & Collateral Management
- iv) Investment Management Policy
- v) Policy for Exposure to Real Estate
- vi) Policy for Issuance of Bank Guarantees
- vii) Policy for Financing of NBFC

Lending & Loan Review Policy, Credit Risk Management Policy documents define organizational structure, role and responsibilities and, processes and tools whereby credit risks carried by Bank can be identified, quantified and managed within framework that Bank considers consistent with its mandate and risk appetite. The policies prescribe various prudential and exposure limits, collateral standards, financial benchmarks for the purpose of credit risk management. The policy on Credit Risk Mitigation Techniques & Collateral Management lays down details of eligible collaterals for credit risk mitigation under Basel III framework. The Investment Management Policy, Policy on Exposure to Real Estate and Policy for issuance of Bank Guarantee forms an integral part of credit risk.

Systems / Process / tools for Credit Risk Management

Credit Appraisal standards: Bank has in place proactive credit risk management practices like consistent standard for credit origination, maintenance and documentation for all credit exposures including off balance sheet items. Systems of periodic reviews, periodic inspections and collateral management systems are in place.

Exposure Limits: Credit risk limits including single / group borrower limits, substantial exposure limits, exposure limits in respect of sectors / industries are in place. The exposure vis-à-vis the limits are monitored.

Credit Approval Committees: Credit Approval committees have been constituted at various levels covering very large branches / Zonal offices / Head Office for considering fresh / existing proposals with or without enhancement. Bank has also setup centralized processing cells for considering credit proposals above specified limit.

Sanctioning Powers: Bank follows a well-defined multi-layered discretionary power structure for sanctioning of loans. Higher sanctioning powers are delegated to sanctioning authorities for sanctioning loans and advances to better rated customers in line with RBI guidelines. In respect of high value loans, committee approach is adopted.

Credit Risk Rating and Appraisal Process: Bank manages its credit risk through continuous measuring and monitoring of risks at each obligor (borrower) and portfolio level. Bank has in place an internal credit risk rating framework and well established standardized credit appraisal / approval processes. Credit risk rating enables Bank to accurately assess risk in a credit proposition and take a decision to accept or reject proposal based on risk appetite of Bank. It also enables risk pricing of credit facilities for risk return trade off.

As a measure of robust credit risk management practices, Bank has in place a framework for approval of credit risk ratings. Rating for every borrower is reviewed at least once in a year. Credit risk rating, as a concept, has been well internalized in Bank.

Loan review Mechanism: Objectives of Loan Review Mechanism are:

- i) To ensure that credit decisions by various authorities are in conformity with Bank's Lending Policy and delegated lending powers.
- ii) To ensure that stipulated terms & conditions of sanction are complied with and various post sanction follow up, monitoring and supervision measures prescribed by Bank are adhered to.
- iii) To ensure that all credit facilities are reviewed / renewed well in time so as to revise risk perception and take necessary corrective action if necessary, immediately.
- iv) To aim at achieving maintenance of standard assets quality and up gradation in non-performing assets (NPAs) so as to have a favourable impact on profitability of Bank through prevention / reduction / up gradation of NPAs.
- v) To assess health of credit portfolio of Bank and to apprise Top Management about the same from time to time.

Checks and balances viz. separation of credit risk management from credit sanctions, system of assigning credit risk rating, validation of ratings, mechanism to price credit facilities depending on risk rating of customer, credit audit etc. are in place. Minimum entry level rating benchmarks are stipulated. A suitable mechanism is in place to monitor aggregate exposure on other banks and country exposures. A diversified credit portfolio is maintained and a system to conduct regular analysis of portfolio so as to ensure ongoing control of credit concentration is in place.

Loans past due and Impaired:

Regulatory guidelines are adhered to in respect of income recognition, asset classification and provisioning. Bank considers following categories of loans and advances as Non-performing Assets, wherein:

- Interest and/or installment of principal remain overdue for a period of more than 90 days in respect of a Term Loan
- Account remains 'out of order' in respect of an Overdraft/Cash Credit (OD/CC) for 90 days or more
- Bill remains overdue for a period of more than 90 days in case of Bills Purchased and Discounted
- In case of agricultural advances, interest and/or installment of principal remains overdue for 2 crop seasons (in respect of short duration crops) & 1 crop season (in respect of long duration crops).
- Any amount receivable that remains overdue for a period of more than 90 days in respect of other accounts.

'Out of Order' status: An account is treated as 'out of order' if the outstanding balance remains continuously in excess of sanctioned limit/drawing power. In cases where outstanding balance in the principal operating account is less than sanctioned limit/drawing

power, but there are no credits continuously for 90 days as on date of Balance Sheet or credits are not enough to cover interest debited during same period, these accounts are also treated as 'out of order'.

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

Advances against term deposits, National Savings Certificates, Indira Vikas Patra, Kisan Vikas Patra and Life insurance policies need not be treated as NPAs, provided adequate margin is available in the accounts.

Quantitative Disclosures

1. Total Gross Credit exposure:

(Amount in Rs million)

Category	30.09.2018
Fund Based	1069424.50
Non-Fund Based	143555.50

2. Geographic Distribution of credit exposure :

(Amount in Rs million)

Category	30.09.2018	
	Overseas	Domestic
Fund Based	NIL	1069424.50
Non-Fund Based	NIL	143555.50

3. Industry-wise Distribution:

(Amount in Rs million)

Sr. No.	Industry	Funded Exposure		Non-Fund Exposure	
3.1	Mining and Quarrying (incl. Coal)		7188.10		886.00
3.2	Food Processing		3321.80		57.80
3.2.1	Sugar	2258.60		31.90	
3.2.2	Edible Oil and Vanaspati	81.80		0.10	
3.2.3	Tea	0.70		0.00	
3.2.4	Others	980.70		25.80	
3.3	Beverage and Tobacco		16.30		3.00
3.4	Textiles		22102.80		3394.60
3.4.1	Cotton Textiles	6675.60		1325.00	
3.4.2	Jute Textiles	37.70		0.00	
3.4.3	Man-Made Textiles	18.60		0.80	
3.4.4	Other Textiles	15370.90		2068.80	
3.5	Leather and Leather Products		575.70		43.60
3.6	Wood and Wood Products		1467.20		137.00
3.7	Paper and Paper		4426.10		366.50



Sr. No.	Industry	Funded Exposure		Non-Fund Exposure	
	Products				
3.8	Petroleum, Coal Products and Nuclear Fuels of which:		6482.00		75.80
3.8.1	Petroleum	3863.60		11.80	
3.9	Chemicals and Chemical Products		25733.10		2118.30
3.9.1	Fertiliser	9523.90		47.50	
3.9.2	Drugs & Pharmaceuticals	10754.10		1416.40	
3.9.3	Petro Chemicals	4086.30		543.30	
3.9.4	Others	1368.80		111.10	
3.10	Rubber, Plastic & their Products		5283.50		543.80
3.11	Glass & Glassware		1209.80		274.50
3.12	Cement & Cement Products		8578.80		398.80
3.13	Basic Metal & Metal Product		48062.10		4055.30
3.13.1	Iron & Steel	28530.60		1179.40	
3.13.2	Other Metal & Metal Product	19531.50		2875.90	
3.14	All Engineering		35053.30		22310.30
3.14.1	Electronics	8375.30		778.10	
3.14.2	Others	26678.00		21532.20	
3.15	Vehicles, Vehicle Parts & Transport Equipment		20107.80		803.40
3.16	Gems & Jewellery		3539.20		460.30
3.17	Construction (other than Infrastructure)		47.50		1.00
3.18	Infrastructure		89933.60		35419.90
3.18.1	Power	41765.80		5596.30	
3.18.2	Telecommunication	4983.50		5772.70	
3.18.3	Roads	28833.50		15304.00	
3.18.4	Airports	0.00		0.00	
3.18.5	Ports	3376.00		0.90	
3.18.6	Railways (other than Indian Railways)	36.00		217.30	
3.18.7	Other Infrastructure	10938.80		8528.70	
3.19	Other Industries		6500.40		712.10
3.20	Residuary Other Advances		779795.40		71493.50
	Total		1069424.50		143555.50

Industry having more than 5% of gross credit exposure

Industry	% of Exposure
Infrastructure	10.33%

4. Residual Maturity break down of Assets:

(Amount in Rs million)

Maturity Pattern	Investments	Advances	Foreign Currency Assets
1 day	3050.00	6300.50	228.68
2 to 7 days	2042.75	14055.05	22590.93
8 to 14 days	998.68	30703.89	16242.56
15 to 30 days	9460.56	22706.51	3135.32
31 days to 2 months	1897.37	9722.83	7447.92
Over 2 months to 3 months	23201.57	22619.83	2944.06
Over 3 months and up to 6 months	71630.13	89165.21	5036.28
Over 6 months and up to 1 year	28955.59	52372.33	11310.02
Over 1 year and upto 3 years	19498.89	364043.51	18.96
Over 3 years and upto 5 years	16316.14	112846.99	0.00
Over 5 years	339565.00	180885.32	0.00
Total	516616.69	905421.97	68954.73

5. Disclosures for NPAs & NPIs :

Domestic:

(Amount in Rs million)

		30.09.2018
(A)	Gross NPA	
	Sub-standard	40465.72
	Doubtful 1	30683.26
	Doubtful 2	80854.92
	Doubtful 3	6644.18
	Loss	10080.29
	Total	168728.37
(B)	Net NPA	87428.60
(C)	NPA Ratios	
	% of Gross NPAs to Gross Advances	18.64%
	% of Net NPAs to Net Advances	10.61%
(D)	Movement of Gross NPA	
I	Opening Balance	184332.35
II	Add:- Addition during the period	30214.69
III	Less:- Reduction during the period	45818.67
	Closing balance as at the end of period (i +ii-iii)	168728.37



(E)	Movement of provision	
E1	Specific Provision	
i.	Opening Balance	85033.52
ii.	Provisions made during the period	25476.23
iii.	Write-off made during the period	31595.80
iv.	Write-back of excess provisions	0.00
v.	Any other adjustments including transfer between provisions	0.00
vi.	Closing Balance (i+ii-iii-iv(+/-v))	78913.92
E2	General Provisions	
i.	Opening Balance	1589.88
ii.	Provisions made during the period	0.00
iii.	Write-off made during the period	0.00
iv.	Write-back of excess provisions	0.00
v.	Any other adjustments including transfer between provisions	0.00
vi.	Closing Balance (i+ii-iii-iv(+/-v))	1589.88
(F)	Write off during the half year	31595.80
(G)	Recovery in the written off accounts during the half year	1532.71
(H)	Non Performing Investments (NPI)	2905.73
(I)	Provisions for NPI	1420.44
(J)	Movement of provision for depreciation on investments (including provision of Non Performing Investments, MTM depreciation and Restructured Investments)	
I	Opening balance	5400.60
II	Provisions made during the half year	2400.67
III	Write-off made during the half year	646.26
IV	Write back of excess provision made during half year	5.30
V	Provisions used during shifting	1786.71
	Closing balance (i+ii-iii-iv-v)	6655.52

(K)	Industries	
	Amount of NPAs	92618.20
	Specific Provisions	48253.50
	General Provisions	0.00
	Specific Provisions made during the half year	0.00
	Write offs during the half year	0.00

Overseas - NIL

The Industry-wise Provision of five major industries is as below

(Amount in Rs million)

		NPA	Provision
A	Basic Metal & Metal Product (Incl Iron and Steel)	22713.90	11901.70
B	All Engineering	18067.90	10825.60
C	Infrastructure	21342.30	8460.50
	Roads	9193.60	4683.60
	Power	3374.80	1146.90
D	Vehicles, Vehicle Parts & Transport Equipment	11952.00	5942.20
E	Textiles	6294.40	5025.70

6. Disclosures of Unhedged Foreign Currency Exposure (UFCE) :

(Amount in Rs million)

Sr. No.	Particulars	30.09.2018
1.	Additional provisioning made on account of UFCE	48.60
2.	Incremental Capital held on account of UFCE	76.76

TABLE DF-4 - CREDIT RISK DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDIZED APPROACH

a. Qualitative Disclosures:

For portfolios under Standardised Approach:

Bank uses standardized approach to measure capital requirements for credit risk. As per Standardised Approach, Bank accepts rating of following RBI approved ECAI (External Credit Assessment Institution) for credit risk rating and has used these ratings for calculating risk weighted assets wherever such ratings are available.

1. Credit Rating Information Services of India Limited (CRISIL),
2. Credit Analysis and Research limited (CARE),
3. India Ratings,
4. ICRA Limited,
5. Brickwork,
6. SME Rating Agency of India Ltd. (SMERA)
7. INFOMERICS Valuation and Rating Private Limited

Types of exposures for which each agency is used:

Bank has used solicited ratings assigned by the above approved credit rating agencies for all eligible exposures. Bank has neither made any discrimination among ratings assigned by these agencies nor has restricted their usage to any particular type of exposure.

Key aspects of Bank's External Ratings application framework are as follows:

- Bank uses ratings assigned by any of these credit rating agencies as solicited and accepted by borrowers in line with RBI guidelines.

- Wherever available, Bank uses facility rating or bank loan rating for risk weighting borrower's exposures above Rs 5 crore. Where issuer rating is available Bank uses such ratings unless bank loan is specifically rated.
- When a borrower is assigned a rating that maps to a risk weight of 150%, then this rating is applied on all the unrated facilities of the borrower and risk weighted at 150%.
- RBI guidelines outline specific conditions for facilities that have multiple ratings. In this context, lower rating, where there are two ratings and second-lowest rating where there are two or more ratings are used for a given facility.
- While mapping/applying the ratings assigned by credit rating agencies, Bank is guided by Regulatory guidelines.

Treatment of undrawn exposures:

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

b. Quantitative Disclosures:

Exposure amounts as of 30.09.2018 after risk mitigation subject to Standardized Approach, amount of a Bank's outstandings (rated and unrated) disclosed under following major risk buckets:-

(Amount in Rs million)

Sr. No.	Particulars	Exposure Outstanding
i	Below 100 % risk weight	1239714.46
ii	100 % risk weight	224217.91
iii	More than 100 % risk weight	119385.32
	sub total	1583317.69
iv	Deducted CRM Value	68064.23
	Total Exposure	1642019.82

TABLE DF-5 – CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

Qualitative Disclosures

• Policies for Credit Risk Mitigation:

Bank has a Board approved policy framework for collateral management and credit risk mitigation techniques, which include among other aspects guidelines on acceptable types of collateral, ongoing monitoring of collateral including frequency and basis of valuation and application of credit risk mitigation techniques.

• Collateral Management

Bank defines collateral as it is an additional security given, over and above primary security or in substitution thereof. It serves as an additional comfort to Bank for recovery of loans in default situations. At times, these securities are not connected to main business of the borrower or may not be owned by the borrower. Bank ensures that

underlying documentation for collateral provides Bank appropriate rights over collateral or other forms of credit enhancement including right to liquidate/retain or take legal possession of it in a timely manner in the event of default by counterparty.

- **Collateral Valuation**

As stipulated by RBI guidelines, Bank uses comprehensive approach for collateral valuation. Under this approach, Bank reduces its exposure to counterparty when calculating its capital requirements to the extent of risk mitigation provided by eligible financial collateral as specified in Basel III guidelines. Bank also applies appropriate haircuts. Bank has also put in place Lending Policy duly approved by Board, which lay down the types of securities normally accepted by Bank for lending, and administration / monitoring of such securities in order to safeguard/protect the interest of Bank so as to minimize risk associated with it. Both fixed and current assets obtained to secure loans granted by Bank as per policy prescription are subjected to valuation by outside valuers empanelled by Bank. In respect of high value of collateral, valuation from two or more valuers is obtained.

- **Description of main types of collateral taken by Bank**

For computation of capital requirement for Credit Risk, Bank recognizes only those collaterals that are considered as eligible for risk mitigation in RBI guidelines, which are as under:

- Cash Deposit with bank
- Gold, including bullion and Jewellery
- Securities issued by Central and State Governments
- Kisan Vikas Patra and National Savings Certificate
- Life Insurance Policies with a declared surrender value of an insurance company which is regulated by the insurance sector regulator
- Debt securities including Certificate of Deposit rated at least AA,A1
- Units of Mutual Funds, where the investment is in instruments mentioned above

- **Main types of guarantor counterparty and their creditworthiness**

Wherever required Bank obtains personal or corporate guarantee as an additional comfort for mitigation of credit risk which can be translated into a direct claim on the guarantor which is unconditional and irrevocable. Bank also accepts guarantee given by State / Central Government/ECGC/CGTMSE/NCGTC as a security comfort.

- **Concentrations within Credit Risk Mitigation**

RBI guidelines, among its conditions for eligible credit risk mitigants, require that there should not be a material positive correlation between the credit quality of the counterparty and the value of the collateral being considered. The CRM (Credit Risk Mitigation)/ Guaranteed exposure are not subject to any market fluctuation and these

exposures are well diverse. Currently, Bank does not have any concentration risk within credit risk mitigation.

Quantitative Disclosures:

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

(Amount in Rs million)

	30.09.2018
Total exposure (after, where applicable, on or off balance sheet netting) that is covered by eligible financial collateral after application of haircuts	68064.23

(b) For each separately disclosed portfolio total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI)

(Amount in Rs million)

	30.09.2018
Total exposure that is covered by Guarantees	26103.03

TABLE DF-6 SECURITIZATION EXPOSURE

Qualitative Disclosures:

The Bank does not have any case of securitization of its assets as on 30th September 2018.

Quantitative Disclosures:

Quantitative Disclosure for Standardized Approaches is **Not Applicable**.

TABLE DF-7 MARKET RISK IN TRADING BOOK

Qualitative Disclosures:

Market Risk:

Market Risk is defined as the possibility of loss to a bank caused by adverse movements in market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. Bank's exposure to market risk arises from domestic investments (interest related instruments and equities) in trading book (both AFS and HFT categories), Foreign exchange positions. Bank is not trading in commodities. The objective of the market risk management is to minimize impact of losses on earnings and equity arising from market risk.

Policies, strategies and processes for management of Market Risk

Bank has put in place Board approved Investment Management Policy, Market Risk Management Policy and Asset Liability Management (ALM) Policy for effective management

of market risk. The above policies lay down well-defined organization structure for market risk management functions and processes whereby market risks carried by Bank are identified, measured, monitored and controlled within policy framework consistent with Bank's risk tolerance. Policies deal with reporting framework for effective monitoring of market risk and also set various risk limits such as Overnight Limit, Intra-day limit, Aggregate Gap limit, Stop Loss limit, VaR limit etc. Exposure limits are set for counterparty banks and exposures are monitored on daily basis.

ALM Policy deals with liquidity risk and interest rate risk management framework. Bank has put in place mechanism of short term dynamic liquidity management and contingency plan for liquidity management. Prudential (Tolerance) limits are set for different residual maturity time buckets for efficient asset liability management. Bank's contingency plan for liquidity management comprises various contingent measures to deal with any kind of stress on liquidity position. Bank has put in place Board approved Stress Testing Policy and conducts periodic stress tests on liquidity risk, interest rate risk and foreign exchange risk.

Interest rate risk is monitored through use of Gap Analysis of rate sensitive assets and liabilities. Bank has also put in place Duration Gap Analysis framework for management of interest rate risk. Bank estimates Earnings at Risk (EaR) and Modified Duration Gap (DGAP) periodically against adverse movement in interest rate for assessing impact on Net Interest Income (NII) and Economic Value of Equity (EVE).

Asset Liability Management Committee (ALCO) / Board monitors adherence of prudential limits fixed by Bank and determines strategy in light of market conditions. Dealing room activities are centralized and system is in place to monitor dealing room activities. Mid-Office at Treasury & International Banking Department (TIBD) also monitors adherence of prudential limits on a continuous basis.

Market Risk Management Policy - To ensure that Bank's operations are in line with Management expectations of return vis-à-vis market risk, it is crucial that Bank has a defined set of principles and processes in place for articulating how it plans to manage market risks it faces, in Trading or Banking Book.

Bank's Market Risk Management Policy aims to set out broad outlines of processes by which market risks carried by Bank shall be managed i.e. identified, measured, controlled and monitored in such a way that risk taken is within the approved risk tolerance limits. The scope of this policy covers market risks arising from Bank's "Trading book" and investment portion of "Banking book".

Quantitative Disclosure:

Capital requirement for Market Risk is as under:

		(Amount in Rs million)	
Risk Category		30.09.2018	
		Capital Charge	Risk Weighted Assets
i	Interest Rate Risk	4255.96	53199.53
ii	Equity Position Risk	860.39	10754.89

iii	Foreign Exchange Risk (including gold)	45.00	562.50
	Total capital charge for market risks under standardized duration approach (i+ii+iii)	5161.35	64516.92

(*For market risks capital charge is converted in RWA @ 12.50 to arrive at CRAR as per RBI guidelines.)

TABLE DF-8 OPERATIONAL RISK

Qualitative disclosures:

Operational risk:

Operational Risk is risk of loss resulting out of inadequate or failed internal processes, people and systems or from external events. Operational risk includes Legal risk but excludes Strategic and Reputation Risk.

Policies on management of Operational Risk:

Bank has framed Operational Risk Management Policy in line with RBI Guidelines for Advanced Approaches for Operational Risk (TSA & AMA). Other policies which deal with management of operational risk are (a) Information System Security Policy, (b) Business Continuity Planning Policy, (c) Compliance Policy, (d) Outsourcing Policy and (e) Fraud Risk Management Policy.

Strategies and processes: Operational Risk Management process of Bank is driven by a strong organizational culture and sound operating procedures, involving corporate values, internal control culture, effective internal reporting. Policies are put in place for effective management of Operational Risk in Bank.

Bank has been constantly reviewing legal documents to ensure that legal documents are comprehensive and enforceable. As a measure of risk transfer, Bank has obtained insurance cover for all assets owned by Bank. It is also ensured that assets financed by Bank are also adequately insured, as a risk mitigation measure. The operational risk management policy outlines organization structure and detail processes for management of operational risk. Basic objective of policy is to closely integrate operational risk management system into day-to-day risk management processes of Bank by clearly assigning roles for effectively identifying, assessing, monitoring and controlling / mitigating operational risks and by timely reporting of operational risk exposures including material operational losses.

There has been an increasing threat perception from Information Technology related risks and risks from external events and hence Bank has put in place 'Information System Security Policy'. Business Continuity Plan duly approved by the Board is also put in place. Training on Key Risk Indicators (KRI) & Risk Control & Self Assessment (RCSA) is given to the officers of the concerned functional departments on an ongoing basis.

Operational risks in Bank are managed through comprehensive and well-articulated internal control framework.

Approach adopted for capital charge computation for operational risk:

Bank is following Basic Indicator Approach (BIA) for calculating capital charge for Operational Risk. Bank has received approval for migration to 'The Standardised Approach' (TSA) for calculating Operational Risk Capital Charge as a parallel run. However, Bank has been allowed to maintain capital charge as per Basic Indicator Approach (BIA) for regulatory purpose.

Quantitative Disclosure:

Capital charge for Operational Risk under Basic Indicator approach is **Rs 6978.02 Million**.

TABLE DF-9 INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

Qualitative Disclosures:

Interest Rate Risk in the Banking Book:

Interest Rate Risk in Banking Book (IRRBB) refers to potential adverse financial impact on Bank's Banking Book from changes in interest rates. The assumptions regarding loan prepayments and behaviour of non-maturity deposits are also taken care of. Interest rate risk is measured and monitored through two approaches.

(i) Earnings at Risk: Impact on income (Earning Perspective) is measured through use of Traditional Gap Analysis by applying notional rate shock (parallel shift in interest rates across assets and liabilities) upto 100 basis point (bps) for a period of one year.

(ii) Economic Value of Equity (Duration Gap Analysis): Bank has adopted Duration Gap Analysis for assessing impact (as a percentage) on economic value of equity (Economic Value Perspective) in line with the method suggested by RBI.

Impact on Economic Value of Equity is analysed for a 200 bps rate shock as indicated by RBI. The Economic Value of Equity is measured and monitored on a quarterly basis.

Quantitative Disclosure: Earning at Risk:

(Amount in Rs. Million)

Change in Interest rate	Parallel shift of 100 bps for 1 Year period	
	30.09.2018	
	(+) 100 basis point	(-) 100 basis point
Impact on Net Interest Income	1998.88	- 1998.88

Economic Value of Equity:

	30.09.2018	
	(+) 200 basis point	(-) 200 basis point
	2178.01	-2178.01

**TABLE DF-10: GENERAL DISCLOSURE FOR EXPOSURES RELATED TO
COUNTERPARTY CREDIT RISK**

Qualitative Disclosures:

Bank is participating in derivative market as a user to hedge risk of underlying exposure of its own and that of its customers. Keeping in view business composition of Bank, nature and mix of clients, capital requirement as also risk appetite, Bank is dealing in following derivative products:

- Currency futures
- Foreign Exchange Forward contracts and currency swaps.
- Interest Rate Swaps – OIS & IRS.

Bank at present is not undertaking transactions under Credit Default Swaps and Currency options.

Measurement and management of various risks is ensured by setting up various limits such as counter party limits, stop loss limits, Day light Limits, Overnight limit, Stop Loss Limits and exposure limits etc. at various levels. Utilization of such limits would be subject to guidelines of Investment Management Policy and RBI/SEBI/Exchanges.

From exchange side, limits stipulated are (1) initial margin (2) mark to market margins (3) open interest. Bank is complying with these limits.

In respect of currency futures transactions, Bank is maintaining account with exchange approved Bank for purpose of clearing and settlement of transactions and also maintains margin in the form of cash/bank deposits/bank guarantees/ G-Sec or any other approved securities.

Purpose of booking forward contracts is to hedge an exposure to exchange risk in respect of transaction for which sale and/or purchase of foreign exchange is permitted under FEMA 1999. Bank offers to its customers, forward contract as a product for hedging their foreign currency exchange risk.

Bank is doing IRS/FRA deals only with those counterparty banks which have executed ISDA Master agreement/CSAs and for whom Bank has set up counterparty exposure limits.

Bank has made requisite provision on credit exposure of derivative contracts computed as per current exposure method & as per RBI guidelines and Investment Management Policy.

- Bank will describe methodology and will assign economic capital for counter party credit exposure, as and when Bank migrates to Advanced Approach of measurement of Risk and related Capital requirement.

(a) Quantitative Disclosures

(Amount in Rs. million)

Sr. No.	Particulars	30.09.2018
1	Replacement Cost	916.50
2	Potential Future Exposure	1162.15
3	Gross Credit Equivalent	2078.65
	Comprising:	
3.1	Interest Rate Contract	0.00
3.2	Credit Derivatives Contract	0.00
3.3	Equity Contracts	0.00
3.4	Foreign Exchange Contracts and Gold	2078.65
3.5	Commodities Contracts	
4	Gross Credit Equivalent Amount	2078.65
5	Less: Effect of Netting Arrangements	0.00
6	Credit Equivalent Amount after netting (4-5)	2078.65
7	Less: Collateral Amount	
7.1	Eligible Financial Collateral	0.00
7.2	Other Eligible Collateral	0.00
8	Net Credit Equivalent Amount	2078.65

Counterparty credit exposure is mitigated by exposure netting through ISDA agreements and recognition of eligible collateral, effect of which have been included in regulatory capital calculations where appropriate.

(b) Credit Derivatives Transactions-

(Amount in Rs Million)

Particulars	Notional of Protection Bought	Credit Derivatives Protection Sold
Own Credit Portfolio	NIL	NIL
Client Intermediation Activities	NIL	NIL
Total	NIL	NIL
Credit default swaps	NIL	NIL
Total return swaps	NIL	NIL
Total	NIL	NIL



TABLE DF-11- COMPOSITION OF CAPITAL

(Rs. in Million)

Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from March 31, 2017)		As on 30.09.18	Ref. No.
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	78921.70	A1+B1
2	Retained earnings	-36626.60	B8(a)
3	Accumulated other comprehensive income (other reserves, revaluation reserves and DTA)	39593.05	B2+B3+B4+B5 +B6(a)
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	0.00	
	Public sector capital injections grandfathered until 1 January 2018	0.00	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0.00	
6	Common Equity Tier 1 capital before regulatory adjustments	81888.16	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	0.00	
8	Goodwill (net of related tax liability)	0.00	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	382.70	K1(b)
10	Deferred tax assets	27508.81	
11	Cash-flow hedge reserve	0.00	
12	Shortfall of provisions to expected losses	0.00	
13	Securitisation gain on sale	0.00	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0.00	
15	Defined-benefit pension fund net assets	0.00	
16	Investments in own shares (if not already netted off paid-up capital in reported balance sheet)	0.00	
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)	0.00	



Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from March 31, 2017)		As on 30.09.18	Ref. No.
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)	0.00	
20	Mortgage servicing rights (amount above 10% threshold)	0.00	
21	Deferred tax assets arising from timing differences (amount above 10% threshold, net of related tax liability)	0.00	
22	Amount exceeding the 15% threshold	0.00	
23	of which: significant investments in the common stock of financials entities	0.00	
24	of which: mortgage servicing rights	0.00	
25	of which: deferred tax assets arising from temporary differences	0.00	
26	National specific regulatory adjustments (26a+26b+26c+26d)	1.50	
26a	Of which: Investments in the equity capital of unconsolidated insurance subsidiaries	0.00	
26b	Of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	1.50	
26c	Of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	0.00	
26d	Of which: Unamortised pension funds expenditures	0.00	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	0.00	
28	Total regulatory adjustments to Common Equity Tier 1	27893.01	
	DTA associated with timing differences (max up to 10% of CET) added back	5399.52	
29	Common Equity Tier 1 capital (CET1)	59394.67	
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	700.00	
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	0.00	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	700.00	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	420.00	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held	0.00	



Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from March 31, 2017)		As on 30.09.18	Ref. No.
	by third parties (amount allowed in group AT1)		
35	of which: instruments issued by subsidiaries subject to phase out	0.00	
36	Additional Tier 1 capital before regulatory adjustments	280.00	
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	0.00	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	0.00	
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)	0.00	
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)	0.00	
41	National specific regulatory adjustments (41a+ 41b)	0.00	
41a	Of which: Investments in the Additional Tier 1 Capital of unconsolidated insurance subsidiaries	0.00	
41b	Of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	0.00	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	0.00	
43	Total regulatory adjustments to Additional Tier 1 capital	00.00	
44	Additional Tier 1 capital (AT1)	280.00	
45	Tier 1 capital (T1 = CET1 + AT1) (row 29 + row 44)	59674.67	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	5000.00	
47	Directly issued capital instruments subject to phase out from Tier 2	5600.00	
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)	0.00	
49	of which: instruments issued by subsidiaries subject to phase out	0.00	
50	Provisions & Other Reserves	4890.96	
51	Tier 2 capital before regulatory adjustments	15490.96	



Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from March 31, 2017)		As on 30.09.18	Ref. No.
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	0.00	
53	Reciprocal cross-holdings in Tier 2 instruments	0.00	
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)	101.10	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0.00	
56	National specific regulatory adjustments (56a+56b)	0.00	
56a	Of which: Investments in the Tier 2 capital of unconsolidated subsidiaries	0.00	
56b	Of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	0.00	
	REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	0.00	
57	Total regulatory adjustments to Tier 2 capital	101.10	
58	Tier 2 capital (T2)	15389.86	
59	Total capital (TC = T1 + T2) (45+ 58)	75064.53	
60	Total risk weighted assets (60a + 60b + 60c)	760419.13	
60a	of which: total credit risk weighted assets	608676.99	
60b	of which: total market risk weighted assets	64516.91	
60c	of which: total operational risk weighted assets	87225.23	
	Capital ratios and Buffers		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	7.811%	
62	Tier 1 (as a percentage of risk weighted assets)	7.848%	
63	Total capital (as a percentage of risk weighted assets)	9.871%	
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%	



Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from March 31, 2017)		As on 30.09.18	Ref. No.
65	of which: capital conservation buffer requirement	1.875%	
66	of which: bank specific countercyclical buffer requirement	0.00	
67	of which: G-SIB buffer requirement	0.00	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	0.848%	
	National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	7.375%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	8.875%	
71	National total capital minimum ratio (if different from Basel III minimum)	10.875%	
	Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	0.00	
73	Significant investments in the common stock of financial entities	0.00	
74	Mortgage servicing rights (net of related tax liability)	0.00	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	0.00	
	Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	4890.96	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	7608.46	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	N.A	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	N.A	
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)	N.A	
80	Current cap on CET1 instruments subject to phase out arrangements	N.A	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N.A	
82	Current cap on AT1 instruments subject to phase out arrangements	N.A	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N.A	



Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from March 31, 2017)		As on 30.09.18	Ref. No.
84	Current cap on T2 instruments subject to phase out arrangements	N.A	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	N.A	

Notes to Template

Row No. of Template	Particulars	Rs. In Million
10	Deferred tax assets associated with accumulated losses	11641.57
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	15867.24
	Total as indicated in row 10	27508.81
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	0.00
	of which: Increase in Common Equity Tier 1 capital	0.00
	of which: Increase in Additional Tier 1 capital	0.00
	of which: Increase in Tier 2 capital	0.00
26b	If Investments in the Equity Capital of unconsolidated financial/non-financial subsidiaries/Associates are not deducted and hence, risk weighted then,	
	i) Increase in Common Equity Tier 1 Capital	732.71
	ii) Increase in Risk Weighted Assets	1831.78
44a	Excess Additional Tier 1 Capital not reckoned for capital adequacy (difference between AT1 as reported in row 44 and admissible AT1 as reported in 44a	0.00
	of which: Excess AT1 which is considered as Tier 2 capital under row 58b	0.00
50	Eligible Provisions included in Tier 2 capital	4890.96
	Eligible Revaluation Reserves included in Tier 2 capital	0.00
	Total of Row 50	4890.96

TABLE DF-12: COMPOSITION OF CAPITAL – RECONCILIATION REQUIREMENT
Step 1

(Rs. In Million)

		Balance sheet as in published financial statements	Balance Sheet Under regulatory scope of consolidation
		As on 30.09.2018	As on 30.09.2018
A	Capital & Liabilities		
	Paid-up Capital	25984.54	
	Reserves & Surplus	62209.52	
	Minority Interest	0.00	
	Total Capital	88194.06	
	Deposits of which:	1355266.65	
ii	Deposits from banks	11147.85	
	Customer deposits (SB)	530917.02	



		Balance sheet as in published financial statements	Balance Sheet Under regulatory scope of consolidation
		As on 30.09.2018	As on 30.09.2018
	Other deposits	813201.78	
	Borrowings of which:	53461.47	
	From RBI	11883.47	
	From Banks	0.00	
iii	From other institutions & agencies	10487.12	
	Borrowings in the form of bonds & debentures capital instruments	31000.00	
	Borrowings from outside India	90.88	
iv	Other Liabilities and Provision	30097.80	
	Total Capital & Liabilities	1527019.98	
B	Assets		
i	Cash and Bank Balance with Reserve Bank of India	74125.19	
	Balance with banks and money at call and short notice	659.40	
ii	Investments of which:	510607.43	
	of which: Government securities	411532.41	
	of which: Other approved securities	0.00	
	of which: Shares	2962.13	
	of which: Debentures & Bonds	21641.45	
	of which: Subsidiaries / Joint Ventures / Associates	734.21	
	of which: Others (Commercial Papers, Mutual Funds etc.)	73737.23	
iii	Loans and Advances of which:	823702.75	
	Loans and Advances to banks	4.19	
	Loan and Advances to Customers	823698.56	
iv	Fixed Assets	15118.78	
v	Other Assets of which:	102806.42	
vi	Goodwill on Consolidation	0.00	
vii	Debit Balance in Profit and Loss Account	0.00	
	Total Assets	1527019.98	



Step 2

		Ref. No.	Balance sheet as in published financial statements	Under regulatory scope of consolidation
			As on 30.09.2018	As on 30.09.2018
A			Capital & Liabilities	
I	Paid-up Capital of which	A	25984.54	
	Amount eligible for CET 1	A1	25984.54	
	Amount eligible for AT1	A2	0.00	
	Reserves & Surplus of which:	B	62209.52	
	Equity Share Premium	B1	52937.16	
	Statutory Reserve	B2	12524.93	
	Capital Reserve	B3	3306.40	
	Revenue Reserve and Other Reserves	B4	13843.26	
	Special Reserve	B5	4980.00	
	Revaluation Reserve of which:	B6	10974.35	
	Eligible for CET 1	B6(a)	4938.46	
	Investment Reserve	B7	0.00	
	Balance in Profit and Loss Account of which	B8	-36356.59	
	Eligible for CET 1	B8(a)	-36626.60	
	Minority Interest	B9	0.00	
	Total Capital	A+B	88194.06	
ii	Deposits	C	1355266.65	
	Of which:			
	Deposits from banks	C1	11147.85	
	Customer deposits (SB)	C2	530917.02	
	Other deposits	C3	813201.78	
iii	Borrowings	D	53461.47	
	Of which:			
	From RBI	D1	11883.47	
	From banks	D2	0.00	
	From other institutions & agencies	D3	10487.12	
	Borrowings in the form of bonds & debentures capital instruments of which:	D4	21000.00	
	Eligible for AT1 before regulatory adjustments	D4(a)	700.00	
	Eligible for Tier 2 before regulatory adjustments	D4(b)	20300.00	
	Other Liabilities and Provision of which	E	30097.80	
	DTLs related to Goodwill	E1	0.00	
	DTLs related to Intangible Assets	E2	0.00	
	Total		1527019.98	



		Ref. No.	Balance sheet as in published financial statements	Under regulatory scope of consolidation
			As on 30.09.2018	As on 30.09.2018
B	Assets			
i	Cash and Bank Balance with Reserve Bank of India	F	74125.19	
	Balance with banks and money at call and short notice	G	659.40	
ii	Investments of which:	H	510607.43	
	Government Securities	H1	411532.41	
	Other Approved Securities	H2	0.00	
	Shares	H3	2962.13	
	Debentures and Bonds	H4	21641.45	
	Subsidiaries/Joint Ventures	H5	734.21	
	Others(Mutual Funds, CoDs, RIDF, PTCs)	H6	73737.23	
iii	Loans and Advances of which:	I	823702.75	
	Loans and Advances to banks	I1	4.19	
	Loan and Advances to Customers	I2	823698.56	
iv	Fixed Assets	J	15118.78	
v	Other Assets of which:	K	102806.42	
	Goodwill and Intangible Assets out of which	K1	382.70	
	Goodwill	K1(a)	0.00	
	Other Intangibles (Excluding MSRs)	K1(b)	382.70	
	Deferred Tax Assets	K1 (c)	27508.81	
	Unamortised Pension	K 1 (d)	0.00	
vi	Goodwill on Consolidation	L	0.00	
vii	Debit Balance in Profit and Loss Account	M	0.00	
	Total Assets		1527019.98	

Step 3

Extract of Basel III common disclosure template (with added column) – DF 11			
Common Equity Tier 1 capital: instruments and reserves			
		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	78921.70	A1+B1
2	Retained earnings	-36626.60	B8(a)



3	Accumulated other comprehensive income (and other reserves)	39593.05	B2+B3+B4+B5+B6(a)
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	0.00	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0.00	
6	Common Equity Tier 1 capital before regulatory adjustments (Excl DTA Recognized for inclusion in CET)	81888.16	
	DTA associated with timing differences (max up to 10% of CET) included in CET 1	5399.52	
7	Prudential valuation adjustments	0.00	
8	Goodwill (net of related tax liability)	0.00	



DF-13: Main Features of the Regulatory Capital Instruments

		AT1	Tier II Bonds			
1	Issuer	Bank of Maharashtra	Bank of Maharashtra	Bank of Maharashtra	Bank of Maharashtra	Bank of Maharashtra
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE457A09165	INE457A09157	INE457A09173	INE457A09199	INE457A08035
3	Governing law(s) of the instrument	Indian Laws	Indian Laws	Indian Laws	Indian Laws	Indian Laws
	Regulatory treatment					
4	Transitional Basel III rules	Additional Tier I	Tier II Bonds	Tier II Bonds	Tier II Bonds	Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible	Ineligible	Eligible
6	Eligible at solo/group/ group& solo	Solo	Solo	Solo	Solo	Solo
7	Instrument type	Perpetual Debt Instruments	Upper Tier II-Debt Instruments	Upper Tier II-Debt Instruments	Subordinated Tier II-Debt Instruments	Subordinated Tier II-Debt Instruments
8	Amount recognised in regulatory capital (Rs. in million, as of most recent reporting date)	280	400	1200	4000	5000
9	Par value of instrument(Rs in million)	1	1	1	1	1
10	Accounting classification	Liability-borrowing	Liability-borrowing	Liability-borrowing	Liability-borrowing	Liability-borrowing
11	Original date of issuance	30.09.2009	30.09.2009	01.02.2010	31.12.2012	27.06.2016
12	Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated
13	Original maturity date	No Maturity	30.09.2024	01.02.2025	31.12.2022	27.09.2026
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	No	No
15	Optional call date, contingent call dates and redemption amount	30.09.2019	30.09.2019	01.02.2020	NA	NA
16	Subsequent call dates, if applicable	On each anniversary after 30.09.2019 subject to RBI Approval	No	No	NA	NA
	Coupons / dividends					
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	9.25% pa	8.95%pa	8.65%pa	9.00%pa	9.20%pa
19	Existence of a dividend stopper	Yes	Yes	Yes	No	Yes
20	Fully discretionary, partially discretionary or mandatory	Partially Discretionary	Partially Discretionary	Partially Discretionary	Mandatory	Full Discretionary
21	Existence of step up or other incentive to redeem	Yes	Yes	No	No	No



DF-13: Main Features of the Regulatory Capital Instruments

		AT1	Tier II Bonds			
22	Noncumulative or cumulative	Non Cumulative	Non Cumulative	Non Cumulative	Non Cumulative	Non Cumulative
23	Convertible or non-convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible
24	If convertible, conversion trigger (s)	NA	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA	NA
30	Write-down feature	No	No	No	No	Yes
31	If write-down, write-down trigger(s)	NA	NA	NA	NA	Point of Non-viability trigger
32	If write-down, full or partial	NA	NA	NA	NA	Full
33	If write-down, permanent or temporary	NA	NA	NA	NA	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All other Depositors, Creditors and Tier II Bond holders of the Bank	All other Depositors and Creditors of the Bank	All other Depositors and Creditors of the Bank	All other Depositors and Creditors of the Bank	All other Depositors and Creditors of the Bank
36	Non-compliant transitioned features	Yes	Yes	Yes	Yes	No
37	If yes, specify non-compliant features	Loss-absorption feature	Loss-absorption feature	Loss-absorption feature	Loss-absorption feature	NA

TABLE DF 14 – FULL TERMS AND CONDITIONS OF REGULATORY CAPITAL INSTRUMENTS

DF 14 is available on the Bank's website www.bankofmaharashtra.in under the line "Basel III Disclosures"

TABLE DF – 15: DISCLOSURE REQUIREMENT FOR REMUNERATION

Quantitative and Qualitative Disclosures: Not Applicable

TABLE DF – 16: EQUITIES: DISCLOSURE FOR BANKING BOOK POSITIONS

Qualitative Disclosure:

General qualitative disclosure requirement with respect to Equity Risk.

- In accordance with RBI guidelines and in line with Bank's Investment Management Policy on investment classification and valuation, Investments are classified on the date of purchase into "Held for Trading" (HFT), "Available for Sale" (AFS) and "Held to Maturity" (HTM) categories. Investments which Bank intends to hold till maturity are classified as HTM securities.
- Investments in equity of subsidiaries and joint ventures are required to classify under HTM category in accordance with RBI guidelines. These are held with a strategic objective to maintain strategic relationships or for strategic business purposes.
- Investments classified under HTM category are carried at their acquisition cost and not marked to market. Any diminution, other than temporary, in the value of equity investments is provided for. Any loss on sale of investments in HTM category is recognised in the Statement of Profit and Loss. Any gain from sale of investments under HTM category is recognised in the Statement of Profit and Loss and is appropriated, net of taxes and statutory reserve, to "Capital Reserve" in accordance with the RBI Guidelines.
- As per RBI guidelines, Bank is allowed to hold investments in units of Venture Capital Fund (VCF) under Banking Book (HTM category) for initial period of 3 years and valued at cost during this period.

Quantitative Disclosures

1. Value of Investments

(Amount in Rs million)

Investments	Value as per Balance Sheet	Fair Value	Publicly Quoted Share Values (if materially different from fair value)
Unquoted	853.89	853.89	N.A
Quoted	NIL	NIL	NIL

2. Type and Nature of Investments

Investments	Publicly Traded	Privately Held
Subsidiary, Associate and Joint Ventures	NIL	734.21
Other shares of PSU/Corporate, which were in the books of the Bank under HTM category as on 02.09.2004 and as per RBI guidelines, can be retained as such.	NIL	NIL
Venture Capital Funds	NIL	119.68

3. Gain/ Loss Statement

(Amount in Rs million)

Particulars	Amount
Cumulative realized gains (losses arising from sales and liquidations in the reporting period.	NIL
Total unrealized gains (losses)	NIL
Total latent revaluation gains (losses)	NIL
Any amount of the above included in Tier I and Tier II capital	NIL

4. Capital Requirement for Banking Book

(Amount in Rs million)

Investments	Treatment under Basel III	Exposure	Risk Weighted Assets	Capital Requirement @10.875%
Subsidiary, Associate and Joint Ventures, Venture Capital Funds	Risk weighted at 250%	732.71	1831.78	199.21
	Risk weighted at 150%	119.68	179.52	19.53
Other shares of PSU/Corporate, which were in the books of the Bank under HTM category as on 02.09.2004 and as per RBI guidelines, can be retained as such.	NIL	NIL	NIL	NIL