

BASEL III – PILLAR 3 DISCLOSURES FOR THE HALF YEAR ENDED 30.09.2019

RBI issued Basel III guidelines, applicable w.e.f. 01.04.2013. These guidelines initially provided a transition schedule for Basel III implementation till 31.03.2019. RBI has extended the transition period for implementing the last tranche of 0.625% under the Capital Conservation Buffer (CCB), by one year, i.e., up to March 31, 2020. Upon full implementation i.e. as on March 31 2020, 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%. Minimum capital required to be held by Bank for the half year ended 30th September 2019 is 10.875% with minimum CET 1 (incl. CCB) of 7.375%.

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.

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
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 consolidation Investment is 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	48.69 (BOM share 100%)	173.46
Maharashtra Gramin Bank (MGB)/India	Banking	5023.37 (BOM share 35%)	114588.09

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, 2019.

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, 2019.

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 and assess the capital position on quarterly basis.

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 Pillar II risks it is exposed to in the normal course of its business and considers them for capital planning:

- Liquidity Risk
- Risk of under-estimation of credit risk under standardized Approach
- Credit Concentration Risk
- Reputational Risk
- Strategic Risk
- IT Risk
- Pension Obligation
- Compliance Risk
- Model Risk
- IRRBB
- Risk of decline in collateral values of Credit Risk Mitigants
- Settlement Risk
- Currency Induced credit Risk
- Legal Risk
- Group Risk
- Country Risk
- Securitization Risk
- Capital Risk

Bank has implemented the scorecard for IT Risk, Reputational Risk and Strategic Risk. 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 the Bank monitors capital adequacy levels of Bank. 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 on a quarterly basis

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 by Bank for the year ended 30th September 2019 is 10.875% with minimum CET 1 (incl. CCB) of 7.375% for credit, market and operational risks is given below:

(Amount in Rs million)

Sr. No.	Particulars	Amount	Amount
(A)	Capital Required for Credit Risk		
(i)	Portfolios subject to Standardized Approach	76022.68	
(ii)	For Securitization Exposure	0.00	
	Total capital charge for credit risks under standardized approach (i+ii)		76022.68
(B)	Market Risk		

Sr. No.	Particulars	Amount	Amount
(i)	Interest Rate Risk	5272.69	
(ii)	Foreign Exchange Risk (including Gold)	45.00	
(iii)	Equity Risk	986.83	
	Total capital charge for market risks under standardized duration approach (i+ii+iii)		6304.52
(C)	Capital Charge for Operational Risk		
	As per Basic Indicator Approach (BIA)		*7213.90
	Under The Standardized Approach (Parallel run)		*6925.50
(D)	Capital Ratios		Standalone (In %)
	Common Equity Tier 1 Capital Ratio (Incl CCB)		10.006%
	Tier 1 Capital Ratio (Incl CCB)		10.006%
	Total Capital Ratio(CRAR) – Including CCB		11.829%

(*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, Policy for issuance of Bank Guarantee and Policy for Financing of NBFCs forms an integral part of credit risk management.

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 on a quarterly basis.

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 at zonal level 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 (CRRF) 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 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. Credit facilities backed by Central Government Guarantees though overdue may be treated as NPA only when the Government repudiates its guarantee when invoked. State Government guaranteed advances and investments in State Government guaranteed securities would attract asset classification and provisioning norms if interest and /or principal or any other amount due to the Bank remains overdue for more than 90 days.

Quantitative Disclosures

1. Total Gross Credit exposure:

(Amount in Rs million)

Category	30.09.2019
Fund Based	1088547.00
Non-Fund Based	140661.60

2. Geographic Distribution of credit exposure :

(Amount in Rs million)

Category	30.09.2019	
	Overseas	Domestic
Fund Based	NIL	1088547.00
Non-Fund Based	NIL	140661.60

3. Industry-wise Distribution:

(Amount in Rs million)

Sr. No.	Industry	Funded Exposure		Non-Fund Exposure	
3.1	Mining and Quarrying (incl. Coal)		6830.20		126.70
3.2	Food Processing		2416.00		0.00
3.2.1	Sugar	1842.50		0.00	
3.2.2	Edible Oil and Vanaspati	78.40		0.00	
3.2.3	Tea	1.00		0.00	
3.2.4	Others	494.10		0.00	
3.3	Beverage and Tobacco		10.40		0.00
3.4	Textiles		19723.70		2676.20
3.4.1	Cotton Textiles	4778.20		754.80	



Sr. No.	Industry	Funded Exposure		Non-Fund Exposure	
3.4.2	Jute Textiles	75.40		0.00	
3.4.3	Man-Made Textiles	18.50		0.70	
3.4.4	Other Textiles	14851.60		1920.70	
3.5	Leather and Leather Products		932.50		55.60
3.6	Wood and Wood Products		1395.70		133.50
3.7	Paper and Paper Products		3812.90		295.30
3.8	Petroleum, Coal Products and Nuclear Fuels of which:		7030.30		78.70
3.8.1	Petroleum	4627.20		41.00	
3.9	Chemicals and Chemical Products		12208.80		1205.90
3.9.1	Fertiliser	1395.40		47.50	
3.9.2	Drugs & Pharmaceuticals	6657.10		542.40	
3.9.3	Petro Chemicals	3210.20		584.30	
3.9.4	Others	946.10		31.70	
3.10	Rubber, Plastic & their Products		5184.90		565.00
3.11	Glass & Glassware		1136.20		1724.40
3.12	Cement & Cement Products		6483.60		343.30
3.13	Basic Metal & Metal Product		41559.20		3291.30
3.13.1	Iron & Steel	21457.70		538.70	
3.13.2	Other Metal & Metal Product	20101.50		2752.60	
3.14	All Engineering		31228.90		18360.40
3.14.1	Electronics	7376.50		2359.60	
3.14.2	Others	23852.40		16000.80	
3.15	Vehicles, Vehicle Parts & Transport Equipment		13670.70		2669.50
3.16	Gems & Jewellery		3572.90		562.10
3.17	Construction (other than Infrastructure)		49.30		0.30
3.18	Infrastructure		92506.30		22233.20
3.18.1	Power	43503.70		5541.70	
3.18.2	Telecommunication	54.40		8.20	
3.18.3	Roads	25828.90		7474.90	
3.18.4	Airports	0.00		0.00	
3.18.5	Ports	3647.00		0.70	
3.18.6	Railways (other than	37.70		30.90	

Sr. No.	Industry	Funded Exposure		Non-Fund Exposure	
	Indian Railways)				
3.18.7	Other Infrastructure	19489.00		9176.80	
3.19	Other Industries		10088.80	1739.90	
3.20	Residuary Advances Other		828705.70		84600.30
	Total		1088547.00		140661.60

Industry having more than 5% of gross credit exposure

Industry	% of Exposure

4. Residual Maturity break down of Assets:

(Amount in Rs million)

Maturity Pattern	Investments	Advances	Foreign Currency Assets
1 day	50.00	10890.30	10399.63
2 to 7 days	43011.46	13328.90	14662.20
8 to 14 days	26547.31	18878.90	171.16
15 to 30 days	1194.37	44578.50	16013.22
31 days to 2 months	4781.78	28174.10	14535.83
Over 2 months to 3 months	7787.64	14381.10	3736.14
Over 3 months and up to 6 months	31857.89	64010.50	24928.52
Over 6 months and up to 1 year	57489.87	46429.90	30321.65
Over 1 year and upto 3 years	43212.74	380093.20	19.71
Over 3 years and upto 5 years	116.83	117735.80	0.00
Over 5 years	386981.21	175562.60	0.00
Total	603031.10	914063.80	114788.06

5. Disclosures for NPAs & NPIs :

Domestic:

(Amount in Rs million)

		30.09.2019
(A)	Gross NPA	
	Sub-standard	37038.21
	Doubtful 1	26681.06
	Doubtful 2	47297.50
	Doubtful 3	22090.66
	Loss	20977.69
	Total	154085.12
(B)	Net NPA	44065.60
(C)	NPA Ratios	
	% of Gross NPAs to Gross Advances	16.86%

	% of Net NPAs to Net Advances	5.48%
(D)	Movement of Gross NPA	
I	Opening Balance	153244.89
II	Add:-Addition during the period	21504.40
III	Less:- Reduction during the period	20664.17
	Closing balance as at the end of period (i +ii-iii)	154085.12
(E)	Movement of provision	
E1	Specific Provision	
i.	Opening Balance	105627.38
ii.	Provisions made during the period	14414.61
iii.	Write-off made during the period	11864.80
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))	108177.19
E2	General Provisions	
i.	Opening Balance	1589.93
ii.	Provisions made during the period	0.02
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))	1589.95
(F)	Write off during the period	11864.80
(G)	Recovery in the written off accounts during the period	1376.91
(H)	Non Performing Investments (NPI)	2747.90
(I)	Provisions for NPI	1354.80
(J)	Movement of provision for depreciation on investments (including provision of Non Performing Investments, MTM depreciation and Restructured Investments)	
I	Opening balance	4666.34
II	Provisions made during the period	69.30
III	Reduction during the period	180.62
IV	Write-off made during the period	75.75
V	Provisions used during shifting securities	833.10

VI	Write back of excess provision made during period	0.00
	Closing balance (i+ii-iii-iv-v)	3646.16

(K)	Industries	
	Amount of NPAs	75252.90
	Specific Provisions	66256.60
	General Provisions	0.00
	Specific Provisions made during the period	0.00
	Write offs during the period	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)	17290.00	16914.80
B	All Engineering	16772.20	15771.10
C	Roads	8528.50	7850.00
D	Vehicles, Vehicle Parts & Transport Equipment	8314.40	7980.70
E	Power	5469.50	1864.30

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

(Amount in Rs million)

Sr. No.	Particulars	30.09.2019
1.	Additional provisioning made on account of UFCE	18.10
2.	Incremental Capital held on account of UFCE	18.80

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. SMERA-ACUITE (Earlier 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.
- As per RBI circular dated 25.08.2016, claims on Corporates, AFCs and NBFC – IFCs having aggregate exposure from banking system of more than Rs 100.00 crore which were rated earlier and subsequently have become unrated will attract a risk weight of 150%.
- W.e.f 30.06.2017, all unrated claims on Corporates, AFCs and NBFC – IFCs having aggregate exposure from banking system of more than Rs 200.00 crore will attract a risk weight of 150%.
- As per RBI circular 22.02.2019, Risk weights for exposures to NBFCs, excluding Core Investment Companies (CICs) is risk weighted as per ratings assigned by the rating agencies in a manner similar to that of corporates.
- As per RBI circular 25.08.2016, additional risk weight of 75 percentage points over and above applicable risk weight for the exposure to the eligible specified borrowers is applied.
- As per RBI circular dated 12.09.2019, risk weight for consumer credit, including personal loans, but excluding credit card receivables is reduced to 100%.

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). For credit facilities, which are unconditionally cancellable without prior notice, Bank applies a CCF of zero percent on the undrawn exposure.

b. Quantitative Disclosures:

Exposure amounts as of 30.09.2019 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	1386701.99
ii	100 % risk weight	157042.23
iii	More than 100 % risk weight	112898.53
	sub total	1656642.75
iv	Deducted CRM Value	57481.19
	Total Exposure	1714123.93

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 BBB,A3
- 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)

	30.09.2019
Total exposure (after, where applicable, on or off balance sheet netting) that is covered by eligible financial collateral after application of haircuts	57481.19

(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)

	30.09.2019
Total exposure that is covered by Guarantees	34484.27

TABLE DF-6 SECURITIZATION EXPOSURE

Qualitative Disclosures:

The Bank does not have any case of securitization of its assets as on 30th September 2019.

Quantitative Disclosures:

Quantitative Disclosure for Securitization Assets 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.

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.

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).

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:

Risk Category		(Amount in Rs million)	
		30.09.2019	
		Capital Charge	Risk Weighted Assets
i	Interest Rate Risk	5272.69	65908.65
ii	Equity Position Risk	986.83	12335.38
iii	Foreign Exchange Risk (including gold)	45.00	562.50
	Total capital charge for market risks under standardized duration approach (i+ii+iii)	6304.52	78806.53

(*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 mitigation, 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 Standardized 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 7213.90 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 monthly basis.

Quantitative Disclosure Earning at Risk (As per Traditional Gap):

(Amount in Rs. Million)

Change in Interest rate	Parallel shift of 100 bps for 1 Year period	
	30.09.2019	
	(+) 100 basis point	(-) 100 basis point
Impact on Net Interest Income	1439.29	- 1439.29

Economic Value of Equity (As per Duration Gap):

Impact on economic value of equity	30.09.2019	
	(+) 200 basis point	(-) 200 basis point
	4987.72	-4987.72

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	30.09.2019
1	Replacement Cost	1069.50
2	Potential Future Exposure	3041.10
3	Gross Credit Equivalent	4110.60
	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	4110.60
3.5	Commodities Contracts	
4	Gross Credit Equivalent Amount	4110.60
5	Less: Effect of Netting Arrangements	0.00
6	Credit Equivalent Amount after netting (4-5)	4110.60
7	Less: Collateral Amount	
7.1	Eligible Financial Collateral	0.00
7.2	Other Eligible Collateral	0.00
8	Net Credit Equivalent Amount	4110.60

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 wherever 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 30.09.19	Ref. No.
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	127268.70	A1+B1
2	Retained earnings	-73602.92	B8(a)
3	Accumulated other comprehensive income (other reserves, revaluation reserves and DTA)	42765.62	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	96431.40	
	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)	316.60	K1(b)
10	Deferred tax assets associated with accumulated losses (net of eligible DTL)	11641.56	
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	
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	



Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from March 31, 2017)		As on 30.09.19	Ref. No.
20	Mortgage servicing rights (amount above 10% threshold)	0.00	
21	Deferred tax assets associated with timing differences (other than those related to accumulated losses)	20746.22	
21 (a)	DTL eligible for netting from DTA associated with timing differences	3565.66	
21 (b)	Recognition of DTA and Significant Investments in CET 1	8447.17	
22	Amount exceeding the 15% threshold	0.00	
23	of which: significant investments in the common stock of financial 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	20693.06	
29	Common Equity Tier 1 capital (CET1)	75738.35	
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	0.00	
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)	0.00	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	0.00	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	0.00	
35	of which: instruments issued by subsidiaries subject to phase out	0.00	



Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from March 31, 2017)		As on 30.09.19	Ref. No.
36	Additional Tier 1 capital before regulatory adjustments	0.00	
	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)	0.00	
45	Tier 1 capital (T1 = CET1 + AT1) (row 29 + row 44)	75738.35	
	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	13000.00	
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	5003.85	
51	Tier 2 capital before regulatory adjustments	23003.85	
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	0.00	



Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from March 31, 2017)		As on 30.09.19	Ref. No.
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	9100.00	
57	Total regulatory adjustments to Tier 2 capital	9201.10	
58	Tier 2 capital (T2)	13802.75	
59	Total capital (TC = T1 + T2) (45+ 58)		
60	Total risk weighted assets (60a + 60b + 60c)	756966.42	
60a	of which: total credit risk weighted assets	587986.75	
60b	of which: total market risk weighted assets	78806.53	
60c	of which: total operational risk weighted assets	90173.14	
	Capital ratios and Buffers		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	10.006%	
62	Tier 1 (as a percentage of risk weighted assets)	10.006%	
63	Total capital (as a percentage of risk weighted assets)	11.829%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	7.375%	
65	of which: capital conservation buffer requirement	1.875%	
66	of which: bank specific countercyclical buffer requirement	0.00	



Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from March 31, 2017)		As on 30.09.19	Ref. No.
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)	2.829%	
	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 timing differences (net of related tax liability)	17180.57	
	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)	5003.85	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	7349.83	
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	
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	11641.56
	Total as indicated in row 10	11641.56
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	5003.85
	Eligible Revaluation Reserves included in Tier 2 capital	0.00
	Total of Row 50	5003.85

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 30.09.2019	As on 30.09.2019
A	Capital & Liabilities		
i	Paid-up Capital	58241.09	
	Reserves & Surplus	47407.81	
	Minority Interest	0.00	
	Total Capital	105648.90	
ii	Deposits of which:	1414403.57	
	Deposits from banks	1943.06	
	Customer deposits (SB)	567554.89	
	Other deposits	844905.62	
iii	Borrowings of which:	51201.35	
	From RBI	3000.00	
	From Banks	3000.00	
	From other institutions	17161.13	
	Borrowings in the form of bonds & debentures capital instruments	28000.00	
	Borrowings from outside India	40.22	
iv	Other Liabilities and Provision	32861.18	
	Total Capital & Liabilities	1604115.00	



		Balance sheet as in published financial statements	Balance Sheet Under regulatory scope of consolidation
		As on 30.09.2019	As on 30.09.2019
B	Assets		
i	Cash and Bank Balance with Reserve Bank of India	70586.69	
ii	Balance with banks and money at call and short notice	891.38	
iii	Investments of which:	599384.96	
	of which: Government securities	497241.67	
	of which: Other approved securities	0.00	
	of which: Shares	2603.56	
	of which: Debentures & Bonds	25301.61	
	of which: Subsidiaries / Joint Ventures / Associates	734.21	
	of which: Others (Commercial Papers, Mutual Funds etc.)	73503.91	
iv	Loans and Advances of which:	803822.69	
	Loans and Advances to banks	90.41	
	Loan and Advances to Customers	803732.28	
v	Fixed Assets	17027.21	
vi	Other Assets of which:	112402.07	
vii	Goodwill on Consolidation	0.00	
viii	Debit Balance in Profit and Loss Account	0.00	
	Total Assets	1604115.00	

Step 2

		Ref. No.	Balance sheet as in published financial statements	Under regulatory scope of consolidation
			As on 30.09.2019	As on 30.09.2019
A			Capital & Liabilities	
I	Paid-up Capital of which	A	58241.09	
	Amount eligible for CET 1	A1	58241.09	
	Amount eligible for AT1	A2	0.00	
	Reserves & Surplus of which:	B	47407.81	
	Equity Share Premium	B1	69027.61	
	Statutory Reserve	B2	12524.93	
	Capital Reserve	B3	3633.97	
	Revenue Reserve and Other Reserves	B4	15686.72	
	Special Reserve	B5	4980.00	



		Ref. No.	Balance sheet as in published financial statements	Under regulatory scope of consolidation
			As on 30.09.2019	As on 30.09.2019
	Revaluation Reserve of which:	B6	13200.01	
	Eligible for CET 1	B6(a)	5940.00	
	Investment Reserve	B7	0.00	
	Balance in Profit and Loss Account of which	B8	-71645.42	
	Eligible for CET 1	B8(a)	-73602.92	
	Minority Interest	B9	0.00	
	Total Capital	A+B	105648.90	
	Deposits	C	1414403.57	
	Of which:			
ii	Deposits from banks	C1	1943.06	
	Customer deposits (SB)	C2	567554.89	
	Other deposits	C3	844905.62	
	Borrowings	D	51201.35	
	Of which:			
	From RBI	D1	3000.00	
	From banks	D2	3000.00	
iii	From other institutions & agencies	D3	17161.13	
	Borrowings in the form of bonds & debentures capital instruments of which:	D4	28000.00	
	Eligible for AT1 before regulatory adjustments	D4(a)	0.00	
	Eligible for Tier 2 before regulatory adjustments	D4(b)	18000.00	
iv	Other Liabilities and Provision of which	E	32861.18	
	DTLs related to Goodwill	E2	0.00	
	DTLs related to Intangible Assets	E3	0.00	
	Total		1604115.00	
B	Assets			
i	Cash and Bank Balance with Reserve Bank of India	F	70586.69	
	Balance with banks and money at call and short notice	G	891.38	
ii	Investments of which:	H	599384.96	
	Government Securities	H1	497241.67	
	Other Approved Securities	H2	0.00	
	Shares	H3	2603.56	
	Debentures and Bonds	H4	25301.61	
	Subsidiaries/Joint Ventures	H5	734.21	
	Others(Mutual Funds, CoDs, RIDF, PTCs)	H6	73503.91	



		Ref. No.	Balance sheet as in published financial statements	Under regulatory scope of consolidation
			As on 30.09.2019	As on 30.09.2019
iii	Loans and Advances of which:	I	803822.69	
	Loans and Advances to banks	I1	90.41	
	Loan and Advances to Customers	I2	803732.28	
iv	Fixed Assets	J	17027.21	
v	Other Assets of which:	K	112402.07	
	Goodwill and Intangible Assets out of which	K1	0.00	
	Goodwill	K1(a)	0.00	
	Other Intangibles (Excluding MSRs)	K1(b)	0.00	
	Net Deferred Tax Assets	K1 (c)	28822.13	
	Unamortised Pension	K 1 (d)	0.00	
vi	Goodwill on Consolidation	L	0.0	
vii	Debit Balance in Profit and Loss Account	M	0.00	
	Total Assets		1604115.00	

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	127268.70	A1+B1
2	Retained earnings	-73602.92	B8(a)
3	Accumulated other comprehensive income	42765.62	B2+B3+B4+B5+B6(a)
4	Directly issued capital subject to phase out from CET1 (only to non-joint stock co)	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)	96431.40	
	DTA associated with timing differences (max up to 10% of CET) included in CET 1	8447.17	
7	Prudential valuation adjustments	0.00	
8	Goodwill (net of related tax liability)	0.00	



DF-13: Main Features of the Regulatory Capital Instruments

1	Issuer	Bank of Maharashtra	Bank of Maharashtra	Bank of Maharashtra
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE457A09173	INE457A09199	INE457A08035
3	Governing law(s) of the instrument	Indian Laws	Indian Laws	Indian Laws
Regulatory treatment				
4	Transitional Basel III rules	Tier II Bonds	Tier II Bonds	Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible	Eligible
6	Eligible at solo/group/ group& solo	Solo	Solo	Solo
7	Instrument type	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)	900	3000	5000
9	Par value of instrument(Rs in million)	1	1	1
10	Accounting classification	Liability-borrowing	Liability-borrowing	Liability-borrowing
11	Original date of issuance	01.02.2010	31.12.2012	27.06.2016
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	01.02.2025	31.12.2022	27.09.2026
14	Issuer call subject to prior supervisory approval	Yes	No	No
15	Optional call date, contingent call dates and redemption amount	01.02.2020	NA	NA
16	Subsequent call dates, if applicable	No	NA	NA
Coupons / dividends				
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	8.65%pa	9.00%pa	9.20%pa
19	Existence of a dividend stopper	Yes	No	Yes
20	Fully discretionary, partially discretionary or mandatory	Partially Discretionary	Mandatory	Full Discretionary
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Non Cumulative	Non Cumulative	Non Cumulative
23	Convertible or non-convertible	Non Convertible	Non Convertible	Non Convertible
24	If convertible, conversion trigger (s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	No	Yes
31	If write-down, write-down trigger(s)	NA	NA	Point of Non-viability trigger
32	If write-down, full or partial	NA	NA	Full
33	If write-down, permanent or temporary	NA	NA	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	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	No
37	If yes, specify non-compliant features	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 recognized in the Statement of Profit and Loss. Any gain from sale of investments under HTM category is recognized 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	799.27	799.27	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	65.06

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%	66.56	99.84	10.86
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



LEVERAGE RATIO DISCLOSURE

Sr. No.	Item	(Rs. in millions)
1	Total consolidated assets as per published financial statements	1604115.00
2	Adjustments for Investments in Banking, Financial, Insurance and Commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation (Out of 1 above)	(0.00)
3	Adjustments for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0.00
4	Adjustments for derivative financial instruments	4977.20
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0.00
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	89938.01
7	Other adjustments	(20722.27)
8	Leverage Ratio Exposure	1678307.94

Sr. No.	Item	(Rs. in million)
On-Balance Sheet Exposure		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	1604115.00
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(20722.27)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	1583392.73
Derivative Exposure		
4	Replacement cost associated with all <i>derivatives</i> transactions (i.e. net of eligible cash variation margin)	1069.50
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	3907.70
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0.00
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0.00
8	(Exempted CCP leg of client-cleared trade exposures)	0.00
9	Adjusted effective notional amount of written credit derivatives	0.00
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0.00
11	Total derivative exposures (sum of lines 4 to 10)	4977.20
Securities Financing Transaction Exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0.00
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0.00
14	CCR exposure for SFT assets	0.00
15	Agent transaction exposures	0.00
16	Total securities financing transaction exposures (sum of lines 12 to 15)	0.00



Other Off-Balance Sheet Exposure		
17	Off-balance sheet exposure at gross notional amount	242311.90
18	(Adjustments for conversion to credit equivalent amounts)	(152373.89)
19	Off-balance sheet items (sum of lines 17 and 18)	89938.01
Capital and total Exposures		
20	Tier 1 Capital	75738.30
21	Total Exposures (sum of lines 3,11,16 and 19)	1678307.94
Leverage Ratio		
22	Basel III Leverage Ratio	4.51%