CONSOLIDATED DISCLOSURES UNDER BASEL-III CAPITAL REGULATIONS FOR THE YEAR ENDED 30th SEPTEMBER 2018

1. SCOPE OF APPLICATION

Name of the head of the banking group to which the framework applies: ALLAHABAD BANK

(I). QUALITATIVE DISCLOSURES

A: List of group entities considered for consolidation

Name of the entity/ [Country of incorporation]	Inclusion under accounting scope of consolidation	Method of consolidation	Inclusion under regulatory scope of consolidation	Method of consolidation	Reasons for difference in method of consolidation	Reasons for consolidation under only one of the scope of consolidation
ASREC (India) Ltd./ [India]	Yes	Consolidated in accordance with AS 27	Yes	Consolidated in accordance with AS 27	Not Applicable	Not Applicable
Allahabad UP Gramin Bank/ [India]	Yes	Consolidated in accordance with AS 23	Yes	Consolidated in accordance with AS 23	Not Applicable	Not Applicable
Universal Sompo General Insurance Company Limited/ [India]	Yes	Consolidated in accordance with AS 27	No	Not Applicable	Not Applicable	Regulatory guidelines

B: List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation: There are no group entities that are not considered for consolidation under both the accounting scope of consolidation and regulatory scope of consolidation.

(II) QUANTITATIVE DISCLOSURES

(Rs. in Millions)

C: List of group entities considered for consolidation			
Name of the entity	**Principle activity of the entity**	**Total balance sheet equity (as per accounting balance sheet)**	**Total balance sheet assets (as per accounting balance sheet)**
ASREC (India) Ltd.	Asset Recovery Company	980	1,707
Allahabad UP Gramin Bank	Banking	619	1,18,552

D: The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation: There is no capital deficiency in any subsidiary, which is not included in the regulatory scope of consolidation.

(Rs. in Millions)

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	Principle activity of the entity	Total balance sheet equity (as per accounting balance sheet)	Bank's holding in the total equity or proportion of voting power (%)	Quantitative impact of regulatory capital of using risk weighting methods versus using the full deduction method
Universal Sompo General Insurance Company Limited	General Insurance	3,682	28.52%	Decrease in CRAR by 3 bps.

F: Any restrictions or impediments on transfer of funds or regulatory capital within the banking group: There are no restrictions or impediments on transfer of funds or regulatory capital within the banking group.

2. CAPITAL ADEQUACY

The Bank is subject to the capital adequacy guidelines stipulated by RBI vide its master circular on Basel-III. As per the said guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB) as on 31st March 2019. These guidelines on Basel III have been implemented since 1st April 2013 in a phased manner. The minimum capital required to be maintained by the Bank for the quarter ended 30th September 2018 is 10.875% with minimum Common Equity Tier 1 (CET1) of 7.375% (including CCB of 1.875%)

The Bank carries out regular assessment of its Capital requirements to maintain a comfortable Capital to Risk Weighted Assets Ratio (CRAR) and to cushion against the risk of losses against any unforeseen events so as to protect the interest of all stakeholders. The Bank conducts exercise of Capital Planning on an annual basis to review the capital required to carry out its activities smoothly in the future. Also, the Bank has well defined Internal Capital Adequacy Assessment Process (ICAAP) under which the Bank also assesses the adequacy of capital under stress to comprehensively assess all risks and maintain necessary additional capital.

The Bank has adopted Standardized Approach for Credit Risk, Basic Indicator Approach for Operational Risk and Standardized Duration Approach for Market Risk for computing CRAR, as per the guidelines of RBI.

A summary of the Bank's capital requirement for credit, market and operational risk and the capital adequacy ratio as on 30th September 2018 is presented below:

(Rs. in Millions)

S.No.	Capital Requirements for Various Risks	Capital Requirement*
A	**CREDIT RISK**	**109,969**
A.1	For non- securitized portfolio	109,969
A.2	For Securitized portfolio	-
B	**MARKET RISK**	**13,520**
B.1	For Interest Rate Risk	9,107
B.2	For Equity Risk	4,332
B.3	For Forex Risk (including gold)	81
B.4	For Commodities Risk	-
B.5	For Options risk	-
C	**OPERATIONAL RISK**	**15,690**
C.1	Basic Indicator Approach	15,690
C.2	Standardized Approach if applicable	-
D	**TOTAL CAPITAL REQUIREMENT**	**139,179**

*Capital requirement is computed at 10.875% of RWA.

PARTICULARS	STANDALONE	CONSOLIDATED
COMMON EQUITY TIER I (CET 1)	4.98%	5.18%
TIER 1 CRAR	5.07%	5.28%
TOTAL CRAR	**7.07%**	**7.28%**

3. CREDIT RISK: GENERAL DISCLOSURE

A. RISK MANAGEMENT: OBJECTIVES AND ORGANISATION STRUCTURE

A.1. The Bank identifies, measures, control, monitor and report risk effectively. The key parameters of the Bank's risk management activities rely on the risk governance architecture, comprehensive processes and internal control mechanism based on Board approved policies and guidelines.

B. ARCHITECTURE AND SYSTEMS OF THE BANK

B.1. The Bank has nominated Chief Risk Officer, who reports to the Managing Director and CEO.

B.2. A Sub-Committee of Board of Directors termed as Risk Management Committee (RMC) has been constituted to specifically oversee and co-ordinate Risk Management functions in the bank.

B.3. A Credit Risk Management Committee of executives has been set up to formulate and implement various credit risk strategies including lending policy and to monitor Bank's Credit Risk Management functions on a regular basis.

B.4. A Market Risk Management Committee of executives has been set up for management and to monitor Bank's Market Risk Management functions on a regular basis.

B.5. An Operational Risk Management Committee of executives has been set up for control and monitoring of Bank's Operational Risk Management functions on a regular basis.

C. CREDIT RISK

Credit risk is defined as the possibility of losses associated with default by or diminution in the credit quality of Borrowers or Counterparties arising from Outright default due to inability or unwillingness of a borrower or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions; or Reduction in portfolio value arising from actual or perceived deterioration in credit quality of borrowers or counterparties. Credit Risk emanates from a bank's dealings with an individual, non-corporate, corporate, bank, financial institution or sovereign.

D. BANK'S CREDIT RISK MANAGEMENT POLICY

D.1. The Bank has put in place a well-structured Credit Risk Management Policy duly approved by the Board. The Policy document defines organizational structure, role and responsibilities and the processes whereby the Credit Risks carried by the Bank can be identified, quantified, managed and controlled within the framework which the Bank considers consistent with its mandate and risk tolerance limits.

D.2. Credit Risk is monitored by the Bank account wise and compliance with the risk limits / exposure cap approved by the Board is ensured. The quality of internal control system is also monitored and in-house expertise has been built up to tackle all the facets of Credit Risk.

D.3. The Bank has taken earnest steps to put in place best Credit Risk Management practices. In addition to Credit Risk Management Policy, the Bank has also framed Board approved Lending Policy, Investment Policy, Country Risk Management Policy, Credit Management Policy, Recovery Management Policy etc. which form integral part in monitoring of credit risk and ensures compliance with various regulatory requirements, more particularly in respect of Exposure norms, Priority Sector norms, Income Recognition and Asset Classification guidelines, Capital Adequacy, Credit Risk Management guidelines etc. of RBI/other Statutory Authorities.

D.4. Besides, the Bank has also put in place a Board approved policy on Credit Risk Mitigation & Collateral Management which lays down the details of securities and administration of such securities to protect the interests of the Bank. These securities act as mitigants against the credit risk to which the Bank is exposed.

E. CREDIT APPRAISAL / INTERNAL RATING

E.1. The Bank manages its credit risk by continuously measuring and monitoring of risks at each obligor (borrower) and portfolio level. The Bank has robust internally developed credit risk grading / rating modules and well-established credit appraisal / approval processes.

E.2. The internal risk rating / grading modules capture quantitative and qualitative issues relating to management risk, business risk, industry risk, financial risk and project risk. The data on industry risk is constantly updated based on market conditions.

E.3. The rating for every borrower is reviewed. As a measure of robust credit risk management practices, the bank has implemented a four-tier system of credit rating process for the loan proposals sanctioned at Head Office Level, three tier systems at FGM office/ Zonal Office level and two-tier system at Branch level which includes validation of rating independent of credit department. For the proposals falling under the powers of Bank's Head Office, the validation of ratings is done at Risk Management Department.

E.4. The Bank follows a well-defined multi layered discretionary power structure for sanction of loans. Various committees have been formed at ZO, FGMO & HO Level. ZLCC AGM/DGM headed by Zonal Head, FGMLCC headed by Field General Manager, HLCC GM headed by GM (Credit), HLCC ED headed by ED (Executive Director), CAC headed by MD & CEO and MCBOD (Management Committee of the Board) headed by MD& CEO. A structure named New Business Group (NBG) headed by MD& CEO has been constituted at Head Office level for considering in-principle approval for taking up fresh credit proposals above a specified cut-off point.

F. DEFINITION OF PAST DUE AND IMPAIRED (FOR ACCOUNTING PURPOSES)

The Bank follows Reserve Bank of India regulations, which are summed up below.

F.1. NON-PERFORMING ASSETS

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

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

I. Either Interest and/ or installment of principal dues remain 'overdue' for a period of more than 90 days in respect of a term loan,
II. The account remains 'out of order' for 90 days as indicated below at paragraph F.2, in respect of an Overdraft/Cash Credit (OD/CC). Besides this CC/OD accounts can also be declared NPA in undernoted condition.
   a. If the regular/ad-hoc limits are not reviewed/ renewed within 180 days from the due date of review/renewal or sanctioning of adhoc limit,
   b. If the stock statements are not submitted continuously for a period of 90 days and limits/ drawings are allowed on such irregular drawing power continuously for 90 days.
III. The bill remains overdue and unpaid for a period of more than 90 days in the case of bills purchased and discounted,
IV. The installment of principal or interest thereon remains unpaid for two crop seasons beyond the due date for short duration crops,
V. The installment of principal or interest thereon remains unpaid for one crop season beyond the due date for long duration crops.
VI. The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of guidelines on securitization dated February 1, 2006.
VII. An account is classified as NPA only if the interest due &charged during any quarter is not serviced fully within 90 days from the end of the quarter.

F.2. 'OUT OF ORDER' STATUS

An account is treated as **'out of order'** if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for 90 days. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period, these accounts are treated as **'out of order'**.

F.3. OVERDUE

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

F.4. NON-PERFORMING INVESTMENTS

In respect of securities, where interest/ principal is in arrears, the Bank does not reckon income on the securities and makes appropriate provisions for the depreciation in the value of the investment.

A non-performing investment (NPI), similar to a non-performing advance (NPA), is one where:

- **I.** Interest/ installment (including maturity proceeds) is due and remains unpaid for more than 90 days.
- **II.** This applies mutatis-mutandis to preference shares where the fixed dividend is not paid.
- **III.** In the case of equity shares, in the event the investment in the shares of any company is valued at Re.1 per company on account of the non-availability of the latest balance sheet in accordance with the Reserve Bank of India instructions, those equity shares are also reckoned as NPI.
- **IV.** If any credit facility availed by the issuer is NPA in the books of the bank, the investments in any of the securities issued by the same issuer is also treated as NPI and vice versa.
- **V.** The investments in debentures / bonds, which are deemed to be in the nature of advance, are subjected to NPI norms as applicable to investments.

QUANTITATIVE DISCLOSURES

A. GROSS CREDIT RISK EXPOSURE Including Geographic Distribution of Exposure

(Rs. in Millions)

**Funded Exposure include Credit exposure and investment exposure

#Non-Funded Exposure includes Bank Guarantee, LC and Forward Contract

Sl. No.	Exposure* Type	Domestic	Overseas	Total
1.	Fund Based	19,99,310	66,709	**20,66,019**
2.	Non-Fund Based	2,46,538	771	**2,47,309**
3.	**Total**	**22,45,848**	**67,480**	**23,13,328**

B. RESIDUAL CONTRACTUAL MATURITY BREAKDOWN OF ASSETS

(Rs. in Millions)

Buckets	Cash & RBI Balances	Bank Balances #	Advances	Investments	Fixed Assets	Other Assets	Grand Total
Next day	7890	12794	6537	199279	-	85	**226586**
2 – 7 days	1382	0	18014	10646	-	317	**30359**
8 –14 days	791	0	7320	3858	-	246	**12215**
15 – 30 days	709	0	15467	3454	-	551	**20180**
Over 1 month – 2 months	1085	0	27311	5362	-	1018	**34775**
Over 2 months – 3 months	542	0	68740	6936	-	1392	**77610**
Over 3 months – 6 months	2923	3213	67207	14764	-	2920	**91026**
Over 6 months – 1 year	6214	6426	118842	39096	-	5700	**176277**
Over 1 year – 3 years	29386	22490	446450	156630	-	22794	**677749**
Over 3 years – 5 years	14869	12852	173930	89701	-	19929	**311281**
Over 5 years	27607	0	442434	223783	31160	26962	**751946**
Total	**93397**	**57775**	**1392250**	**753510**	**31160**	**81913**	**2410005**

#Includes Balances with other banks and money at call & short notice.

C. NON-PERFORMING ASSETS (NPA) AND ITS MOVEMENT

S. No.	Particulars	Amount in Millions
A.	**Amount of Gross NPA**	**272362**
A. 1	Substandard	55591
A. 2	Doubtful 1	51968
A. 3	Doubtful 2	109726
A. 4	Doubtful 3	20938
A. 5	Loss	34139
B	**Net NPA**	**110827**
C	**NPA Ratios**	
C. 1	Gross NPAs to Gross Advances	**17.53%**
C. 2	Net NPAs to Net Advances	**7.96%**
D	**Movement of Gross NPA**	
D. 1	**Opening balance at the beginning of the year**	**2,65,628**

S. No.	Particulars	Amount in Millions
D. 2	Additions during the period	53,604
D. 3	Reductions during the period	46,870
D. 4	**Closing balance as at end of the period**	**2,72,362**

D. NON-PERFORMING INVESTMENTS (NPI) AND MOVEMENT OF PROVISION FOR DEPRECIATION ON INVESTMENTS

(Rs. in Millions)

S. No.	Particulars	Amount
A.	**Amount of Non-Performing Investments**	**6,999**
B	Amount of Provision held for Non-Performing Investments	6,105
C	**Movement of provisions for depreciation on investments**	
C. 1	**Opening balance at the beginning of the year**	**13,221**
C. 2	Provisions made during the period	7,799
C. 3	Write-off during the period	**-**
C. 4	Write-back of excess provisions during the period	209
C. 5	**Closing balance as at end of the period**	**20,811**

E. MOVEMENT OF SPECIFIC & GENERAL PROVISION

(Rs. in Millions)

Movement of provisions	Specific Provisions#	General Provisions@
Opening balance at the beginning of the year	**1,43,081**	**7512**
Provisions made during the period	46,093	-
Write-off during the period	28,285	-
Write-back of excess provisions during the period	-	1243
Adjustments/Transfers between provisions during the period*	-	43
Closing Balance as at end of the period	**1,60,889**	**6312**

#Represents provisions for NPA, @Represents provisions for Standard Advances

*Amount utilized towards sale of NPAs and transfer to PWO account.

F. Details of write offs and recoveries that have been booked directly to the income statement

(Rs. in Millions)

Write offs that have been booked directly to the income statement	-
Recoveries (in written-off) that have been booked directly to the income statement	3607

G. GEOGRAPHIC DISTRIBUTION OF NPA & PROVISIONS

(Rs. in Millions)

SL No	Particulars	Domestic	Overseas	Total
1.	Gross NPA	2,70,649	1,713	**2,72,362**
2.	Provisions for NPA	1,60,301	588	**1,60,889**
3.	Provisions for Standard Advances	5,983	329	**6,312**

H. AGEING OF PAST DUE LOANS

(Rs. in Millions)

SL No	Particulars as on 30th Sep, 2018	Domestic	Overseas	Total
1.1	31-90 days	-	-	-
1.2	91-365 days	54,516	1,075	**55,591**
1.3	1-2 years	51,968	-	**51,968**
1.4	2-4 years	1,09,088	638	**1,09,726**
1.5	Over 4 years	55,077	-	**55,077**
1.6	**Total**	**2,70,649**	**1,713**	**2,72,362**

I. INDUSTRY TYPE DISTRIBUTION OF EXPOSURES

(Rs. in Millions)

Industry	As on 30.09.2018					For quarter ended 30th Sep 2018	
	Exposure		Gross NPA	Provisions for		Write -offs	Provisions for NPA
	Funded*	Non-Funded#		NPA	Standard Advances		
Advances against Fixed Deposits	63,242	-	1	0	95	0	0
Advances to Individuals against Shares, Bonds, etc.	42,077	-	-	-	168	-	-
Agriculture & Allied activities	302,636	1	23,174	7,353	602	1,104	2,058
Telecom	88	1,064	-	-	-	562	-
Power	112,085	20,796	19,540	11,312	28	-	1,437
Iron & Steel	70,945	16,083	39,847	23,800	84	-	2,096
Textiles	47,959	3,783	14,964	11,629	104	75	2,355
Construction	29,727	66,056	13,711	10,732	57	449	375
Infrastructure Road & Port	59,689	4,357	9,066	3,068	216	-	570
Infrastructure Other	48,962	19,543	6,360	3,139	510	9	549
Fertilizer	253	104	4	1	0	0	0

Industry	As on 30.09.2018					For quarter ended 30th Sep 2018	
	Exposure		Gross NPA	Provisions for		Write -offs	Provisions for NPA
	Funded*	Non-Funded#		NPA	Standard Advances		
Pharmaceutical	1,760	9	8,066	6,912	14	0	214
Engineering & Electronics	13,222	347	21,451	14,633	0	85	1,807
Gems & Jewellery	10,070	3,175	4,967	3,332	10	3	864
Aviation & Shipping	8,660	-	-	-	48	-	-
Commercial Real State	26,198	-	8,296	4,706	117	-	115
Cement	11,029	-	1,429	589	28	7	15
NBFC (excluding HFC)	143,760	-	409	345	432	-	86
Retail Trade	97,850	-	6,395	2,159	183	211	602
Wholesale Trade	120,679	401	10,366	6,618	999	44	1,522
Tea	377	25	3	1	0	-	0
Housing Direct	148,789	-	4,580	964	457	32	358
Housing Indirect	47,549	-	-	-	144	-	-
Leather & Leather Products	2,231	66	99	39	2	2	11
Wood & Wood Products	3,169	1,565	118	38	12	6	8
Paper & Paper Products	12,054	1,614	3,387	2,072	37	1	326
Petrochemical, Other Chemical & their Products	32,480	7,730	153	55	139	1	8
Petroleum,Coal & Nuclear Fuel	729	3,920	2,986	2,264	15	0	1
Rubber, Plastics and their product	6,273	1,194	443	227	14	4	124
Glass & Glassware	1,354	536	8	3	2	-	2
Other Metal & Products	1,507	91	3,773	2,025	-	1	430
Beverage & Toboacco	3,650	248	666	280	9	0	7
Edible Oil & Vanaspati	325	41	2,795	1,973	3	2	132

Industry	As on 30.09.2018					For quarter ended 30th Sep 2018	
	Exposure		Gross NPA	Provisions for		Write -offs	Provisions for NPA
	Funded*	Non-Funded#		NPA	Standard Advances		
Food Processing (other)	26,043	4,338	4,637	2,042	185	9	446
Mining & Quarrying	22,682	4,359	6,685	6,643	22	2	70
Vehicl and Vehicle Component	10,838	2,063	7,563	5,322	6	32	472
Other Industry/ sectors not included above	535,078	83,800	46,420	26,613	1,570	1,650	10,335
Total	**20,66,019**	**2,47,309**	**2,72,362**	**1,60,889**	**6,312**	**4,291**	**27,395**

*Funded Exposure include Credit exposure and investment exposure

#Non-Funded Exposure includes Bank Guarantee, LC and Forward Contract

Exposures to industries in excess of 5% of total Funded & Non-Funded of the Bank as on Sep 30, 2018

(Rs. in Millions)

S. No.	Industry	% of Funded &Non-Funded Exposure
1.	Infrastructure	11.47%
1.1	Out of which: Power	5.74%
3.	Non-Banking Finance Companies	8.27%

4. CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDIZED APPROACH

The Bank has used the Standardized Approach under the RBI's Basel III capital regulations for calculation of risk-weighted assets of its credit portfolio. The RBI guidelines require banks to use ratings assigned by specified External Credit Rating Agencies (ECRA) namely Brickworks, CARE, CRISIL, ICRA, India Ratings, SMERA and Infomerics for domestic counterparties and Standard & Poor's, Moody's and Fitch for foreign counterparties.

The Bank is using issuer ratings and short-term and long-term instrument/bank facilities' ratings which are assigned by the accredited rating agencies, i.e. ECRA, published in the public domain to assign risk-weights in terms of RBI guidelines. In respect of claims on non-resident corporates and foreign banks, ratings assigned by international rating agencies i.e. Standard & Poor's, Moody's and Fitch is used.

QUANTITATIVE DISCLOSURES

The Bank's exposure on its advance portfolio (rated and unrated) bifurcated in three major risk buckets are as follows:

(Rs. in Millions)

Sl No	Risk Weight	Fund Based	Non-Fund Based
1	Below 100% risk weight	1,135,263	102,565
2	100% risk weight	276,155	41,174
3	More than 100% risk weight	142,358	42,753
4	Deduction from capital funds	-	-
5	**Total Exposure**	**1,553,776**	**186,492**

5. CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDIZED APPROACHES

The Bank uses various collaterals both financial as well as non-financial, guarantees and credit insurance as credit risk mitigants based on its board approved Credit Risk Mitigation and Collateral Management policy which include detailed guidelines for risk mitigation and collateral management. The policy covers aspects such as the nature of risk mitigants/collaterals acceptable to the Bank, the documentation and custodial arrangement of the collateral, the valuation approach and periodicity etc.

For the purpose of computation of capital requirement for Credit Risk, the Bank recognizes only those collaterals that are considered as eligible for risk mitigation in the RBI Basel III guidelines on standardized approach, which are as follows:

- Cash deposit with the Bank
- Gold, including bullion and jewelry

- Securities issued by Central and State Governments
- Kisan Vikas Patra and National Savings Certificates
- Life insurance policies with a declared surrender value
- Debt securities rated at least BBB (-)/PR3/P3/F3/A3
- Units of Mutual Funds

The Bank uses the comprehensive approach in capital assessment. In the comprehensive approach, when taking collateral, the Bank calculates the adjusted exposure to counterparty for capital adequacy purposes by netting off the effects of that collateral. The Bank adjusts the value of any collateral by a haircut, as prescribed by RBI, to take into account possible future fluctuations in the value of the security occasioned by market movements.

For purposes of capital calculation, the Bank recognizes the credit protection i.e. guarantees, given by the following entities, considered eligible as per RBI guidelines:

- Sovereigns i.e. Central and State Governments
- Sovereign entities which include Export Credit Guarantee Corporation (ECGC), Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and other guarantees covered under National Credit Guarantee Trustee Company Limited (NCGTC).

The credit risk mitigation taken is largely in the form of cash deposit with the Bank and thus the risk (credit and market) concentration of the mitigants is low.

QUANTITATIVE DISCLOSURES

Exposure covered by Credit Mitigants

Particulars	Rs.in Millions
Total exposure covered by eligible financial collateral	110,790
Total exposure covered by guarantees	99,633

6. **SECURITIZATION: DISCLOSURE FOR STANDARDIZED APPROACH QUALITATIVE DISCLOSURES:** The Bank/Group does not have any securitization exposure.

7. MARKET RISK IN TRADING BOOK

- Market Risk is defined as the possibility of loss caused by changes/movements in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. Bank's exposure to Market risk arises from investments (interest related instruments and equities) in trading book (both AFS and HFT categories) and the Foreign Exchange positions. The objective of the market risk management is to minimize the impact of losses on earnings and equity.

- The Bank has put in place Board approved Policies on Investments, Foreign Exchange Operations, Trading in Forex Market, Derivatives, and Stress Testing for effective management of market risk. The policies ensure that operations in fixed income securities, equities, foreign exchange and derivatives are conducted in accordance with sound business practices and as per extant regulatory guidelines.

- The Bank has put in place various limits to measure, monitor and manage market risk, viz., Modified duration Limits. Day Light Limits, Overnight Limits, Aggregate Gap Limits, VaR Limit, Deal Size Limits, Counterparty Limits, Instrument-wise Limits, Stop Loss Limits etc. The limits are monitored on daily basis and reported to the top management as per stipulated timelines.

MARKET RISK CAPITAL REQUIREMENT

- The Bank has adopted Standardized Duration Approach as prescribed by RBI for computation of capital charge for Market Risk.

<u>QUANTITATIVE DISCLOSURES: TOTAL CAPITAL REQUIREMENT FOR MARKET RISK</u>

(Rs.in Millions)

Particulars	**Amount**
Interest rate risk	9,107
Equity position risk	4,332
Foreign exchange risk	81
Total Capital required	**13,520**

8. OPERATIONAL RISK

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

- The Bank has framed Operational Risk Management Policy duly approved by the Board. Supporting policies adopted by the Board which deal with management of various areas of operational risk are (a) Compliance Risk Management Policy (b) Forex Risk Management Policy (c) Policy Document on Know Your Customers (KYC) and Anti Money Laundering (AML) Procedures (d) Business Continuity and Disaster Recovery Policy (e) Fraud Risk Management Policy etc.

- The Operational Risk Management Policy adopted by the Bank outlines organization structure and detailed processes for management of operational risk. The basic objective of the policy is to closely integrate operational risk management system into the day-to-day risk management processes of the 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. Operational risks in the Bank are managed through comprehensive and well-articulated internal control frameworks.

CAPITAL REQUIREMENT

- The Bank has adopted the Basic Indicator Approach for computing capital for Operational Risk. As per the guidelines, the capital for operational risk is equal to 15% of average positive annual Gross Income of previous three years as defined by RBI.

- **Accordingly, the capital requirement for operational risk as on 30.09.2018 is Rs. 15,690 Million.**

9. INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

- Interest Rate Risk is the risk where changes in market interest rates might adversely affect a Bank's financial condition. The immediate impact of changes in interest rates is on Bank's earnings i.e. Net Interest Income (NII). A long -term impact of changing interest rates is on Bank's Market Value of Equity (MVE) or Net Worth as the economic value of Bank's assets, liabilities and off-balance sheet positions get affected due to variation in market interest rates.

- The impact on income (Earnings perspective) is measured through use of Traditional Gap analysis, which measures mismatch between rate sensitive liabilities and rate sensitive assets (including off-balance sheet positions) over different time intervals, as at a given date. The impact of interest rate risk on NII is assessed by applying notional rate shock of 100,200 & 300 bps on gaps in various time bucket up to a period of one year as prescribed in Bank's ALM Policy.

- The Bank has adopted Duration Gap Analysis (DGA) to measure interest rate risk in its balance sheet from the economic value perspective. The Bank computes bucket-wise Modified Duration of Rate Sensitive Liabilities and Assets using the suggested common maturity, coupon and yield parameters, prescribed by RBI/BOARD. The Modified Duration Gap is computed from weighted average modified duration of total rate sensitive assets and rate sensitive liabilities. The impact of change in interest rate on net worth is analyzed by applying a notional interest rate shock of 100, 200 & 300 bps.

- The analysis & reporting of Interest rate risk is done by the Bank on a monthly basis.

QUANTITATIVE DISCLOSURES

Rs in Millions

1.	**Change in Interest Rate**	**Earnings at Risk (NII)**
	1.00%	1473
2.	**Change in Interest Rate**	**Economic Value of Equity at Risk (Net Worth)**
	1.00%	1028

10. GENERAL DISCLOSURE FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK

- Counterparty Credit risk is the risk that the counterparty to a financial contract will default prior to the expiration of the contract and will not make all the payments required under the contract.

- Exposure to Central counterparties arising from over-the-counter derivative trades, exchange traded derivatives transactions and security financing transactions (SFTs), attracts capital charges applicable to Central Counterparty.

- Applicable risk weights for trades, guaranteed by central counterparties, which are recognized as qualifying central counterparty (QCCP) by Reserve Bank of India or SEBI, are comparatively lower than OTC deals.

- In India, presently there are four QCCPs viz. Clearing Corporation of India (CCIL), National Securities Clearing Corporation Ltd (NSCCL), Indian Clearing Corporation Ltd (ICCL) and MCX-SX Clearing Corporation Ltd (MCX-SXCCL). These QCCPs are subjected, on an ongoing basis, to rules and regulations that are consistent with CPSS-IOSCO Principles for Financial Market Infrastructures.

- The Bank does not recognize bilateral netting. The derivative exposure is calculated using Current Exposure Method (CEM).

QUANTITATIVE DISCLOSURES

(Rs in Millions)

S. NO.	Particulars	Amount
1.	Gross positive value of contracts	35,803
2.	Netting Benefits	-
3.	Netted current credit exposure	35,803
4.	Collateral held	-
5.	**Net Derivative: Credit Exposure**	35,803

Item	Notional Amount	Current Credit Exposure (Positive MTM)	Total Credit Exposure (as per CEM)
Forward Contracts	**12,25,197**	**35,803**	**60,280**

11. Composition of Capital

(Rs. in Millions)

	Particulars	Amount	Amounts Subject to Pre-Basel III Treatment	Ref No.
Common Equity Tier 1 Capital: Instruments and Reserves				
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	64,410		A1 + A2
2	Retained earnings	(88,425)		A3
3	Accumulated other comprehensive income (and other reserves)	113,560		B1 + B2+ B3+ B4 + B5 + B6+ B7
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-		
	Public sector capital injections grandfathered until 1 January 2018	-		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-	
6	**Common Equity Tier 1 capital before regulatory adjustments**	**89,546**		
Common Equity Tier 1 capital: regulatory adjustments				
7	Prudential valuation adjustments	-	-	
8	Goodwill (net of related tax liability)	-		
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	**350**	-	C1

	Particulars	Amount	Amounts Subject to Pre-Basel III Treatment	Ref No.
10	Deferred tax assets	**11,290**		Part of C2
11	Cash-flow hedge reserve	**-**		
12	Shortfall of provisions to expected losses	**-**		
13	Securitization gain on sale	**-**		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	**-**		
15	Defined-benefit pension fund net assets	**-**		
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	**-**		
17	Reciprocal cross-holdings in common equity	**1,036**	-	C3
18	Investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the Bank does not own more than 10% of the issued share capital (amount above 10% threshold)	**-**		
19	Significant investments in the common stock of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	**-**		
20	Mortgage servicing rights (amount above 10% threshold)	**-**		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	**9,501**		
22	Amount exceeding the 15% threshold	**-**		
23	of which: significant investments in the common stock of financials	**-**		
24	of which: mortgage servicing rights	**-**		
25	of which: deferred tax assets arising from temporary differences	**-**		
26	National specific regulatory adjustments (26a+26b+26c+26d)	**1,050**		
26a	Of which: Investments in the equity capital of unconsolidated insurance subsidiaries	**1,050**		Part of C5
26b	Of which: Investment in the equity capital of unconsolidated non-financial subsidiaries			
26c	Of which: Shortfall in the equity capital of majority owned financial entities which have not been			

	Particulars	Amount	Amounts Subject to Pre-Basel III Treatment	Ref No.
	consolidated with the Bank			
26d	Of which: Unamortized pension funds expenditures			
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT			
	OF WHICH: Investment in the equity capital of consolidated financial subsidiaries	-		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		
28	**Total regulatory adjustments to Common equity Tier 1**	23,227		
29	**Common Equity Tier 1 capital (CET1)**	66,319		
Additional Tier 1 capital: instruments				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	-		
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-		
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-		E5
33	Directly issued capital instruments subject to phase out from Additional Tier 1	1,200		E1
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-		
35	of which: instruments issued by subsidiaries subject to phase out	-		
36	**Additional Tier 1 capital before regulatory adjustments**	**1,200**		
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instruments	-		
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-		
39	Investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the Bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-		
40	Significant investments in the capital of Banking,	-		

	Particulars	Amount	Amounts Subject to Pre-Basel III Treatment	Ref No.
	financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)			
41	National specific regulatory adjustments (41a + 41b)	-		
41a	Investments in Additional Tier I Capital of unconsolidated insurance subsidiaries	-		
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the Bank	-		
	REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	-		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		
43	**Total regulatory adjustments to Additional Tier 1 capital**	-		
44	**Additional Tier 1 capital (AT1)**	**1,200**		
45	**Tier 1 capital (T1 = CET1 + AT1) (row 29 + row 44)**	**67,519**		
Tier 2 capital: instruments and provisions				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	25,000		E4
47	Directly issued capital instruments subject to phase out from Tier 2	10,000		E2+ E3
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-		
49	of which: instruments issued by subsidiaries subject to phase out	-		
50	Provisions	6,425		D1+ part of D2+D3
51	**Tier 2 capital before regulatory adjustments**	**41,425**		
Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments	-		
53	Reciprocal cross-holdings in Tier 2 instruments	**50**	-	C4
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	-		

	Particulars	Amount	Amounts Subject to Pre-Basel III Treatment	Ref No.
	(amount above the 10% threshold)			
55	Significant investments in the capital Banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-		
56	National specific regulatory adjustments (56a+56b)	-		
56a	Of which: Investments in the Tier II capital of unconsolidated subsidiaries	-		
56b	Of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the Bank	-		
	REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	-		
57	**Total regulatory adjustments to Tier 2 capital**	**50**		
58	**Tier 2 capital (T2)**	**41,375**		
58 (A)	**Total Tier 2 capital admissible for regulatory capital purposes**	**25,596**		
59	**Total capital (TC = T1 + T2) {row 45+row 58 (A)}**	**93,115**		
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT			
60	**Total risk weighted assets (row 60a +row 60b +row 60c)**	**1,279,811**		
60a	of which: total credit risk weighted assets	1,011,210		
60b	of which: total market risk weighted assets	124,325		
60c	of which: total operational risk weighted assets	144,276		
Capital ratios				
61	**Common Equity Tier 1 (as a percentage of risk weighted assets)**	5.18%		
62	**Tier 1 (as a percentage of risk weighted assets)**	5.27%		
63	**Total capital (as a percentage of risk weighted assets)**	7.27%		
64	**Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)**	7.375%		
65	**of which: capital conservation buffer requirement**	**1.875%**		
66	**of which: Bank specific countercyclical buffer requirement**	**-**		
67	**of which: G-SIB buffer requirement**	**-**		
68	**Common Equity Tier 1 available to meet buffers**	**5.18%**		

	Particulars	Amount	Amounts Subject to Pre-Basel III Treatment	Ref No.
	(as a percentage of risk weighted assets)			
National minima (if different from Basel III)				
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%		
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%		
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%		
Amounts below the thresholds for deduction (before risk weighting)				
72	Non-significant investments in the capital of other financials	1,788		
73	Significant investments in the common stock of financials	-		
74	Mortgage servicing rights (net of related tax liability)	-		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	17,187		
Applicable caps on the inclusion of provisions in Tier 2				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	6,425		
77	Cap on inclusion of provisions in Tier 2 under standardized approach	12,640		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	NA		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	NA		
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2021)				
80	Current cap on CET1 instruments subject to phase out arrangements	NA		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	NA		
82	Current cap on AT1 instruments subject to phase out arrangements	NA		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	NA		
84	Current cap on T2 instruments subject to phase out arrangements	NA		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	NA		

Notes to the Template

Row No. of the Template	Particular	Rs. in million
10	Deferred tax assets associated with accumulated losses	11,290
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	17,187
	Total as indicated in row 10	28,478
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	1,050
	of which: Increase in Common Equity Tier 1 capital	1,050
	of which: Increase in Additional Tier 1 capital	-
	of which: Increase in Tier 2 capital	-
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	-
	(i) Increase in Common Equity Tier 1 capital	-
	(ii) Increase in risk weighted assets	-
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	-
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	-
50	Eligible Provisions included in Tier 2 capital	6,425
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	6,425
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	15,779

12. Composition of Capital- Reconciliation Requirements

(Rs. in millions)

Step- 1

S. No.	Particulars	Balance sheet as in financial statements	Balance sheet as per regulatory Scope of consolidation
A.	**Capital & Liabilities**		
i.	Paid-up Capital	10,548	10,548
	Reserves & Surplus	78,080	76,815
	of which:		
	Statutory Reserve	32,279	32,279
	Capital Reserve	5,102	4,624
	Revenue & Other Reserves	31,748	31,748
	Investment Reserve Account	1,386	1,386
	Share Premium	53,862	53,862
	Special Reserve	14,500	14,500
	Revaluation Reserve	25,361	25,361
	Balance in Profit & Loss Account	(87,639)	(88,426)
	of which: Balance in Profit & Loss Account as per last financial Year		(50,779)
	Foreign Currency Translation Reserves	1,461	1,461
	I R S Reserve	19	19
	Minority Interest	-	-
	Share application money pending allotment	17,900	17,900
	Total Capital	**106,528**	**105,263**
ii.	**Deposits**	**2,101,906**	**2,101,991**
	of which: Deposits from Banks	2,168	2,168
	of which: Customer deposits	2,099,738	2,099,823
iii.	**Borrowings**	**151,441**	**151,441**

S. No.	Particulars	Balance sheet as in financial statements	Balance sheet as per regulatory Scope of consolidation
	of which: From RBI	43,785	43,785
	of which: From Banks	64	64
	of which: From other institutions &agencies	4,119	4,119
	of which: Others (Outside India)	56,973	56,973
	of which: Capital instruments	46,500	46,500
	of which: Subordinated Innovative Perpetual Debt Instruments	3,000	3,000
	of which: Subordinated Innovative Perpetual Debt Instruments Basel III Compliant	-	-
	of which: Subordinated Debt – Upper Tier II Capital	10,000	10,000
	of which: Subordinated Debt – Tier II Capital	8,500	8,500
	of which: Subordinated Debt – Tier II Basel III Capital	25,000	25,000
iv.	**Other liabilities & provisions**	**60,132**	**54,093**
	Total	**2,420,007**	**2,412,787**
B.	**Assets**		
i.	**Cash and balances with Reserve Bank of India**	93,399	93,397
	Balance with Banks and money at call and short notice	57,768	57,823
ii.	**Investments:**	761,651	756,333
	of which: Government securities	694,763	692,455
	of which: Other approved securities	3	-
	of which: Shares	5,706	5,631
	of which: Debentures & Bonds	51,354	48,966
	of which: Subsidiaries / Joint Ventures / Associates	2,989	4,023
	of which: Others (Commercial Papers, Mutual Funds etc.)	6,837	5,259
iii.	**Loans and advances**	**1,392,250**	**1,392,250**
	of which: Loans and advances to Banks	47,459	47,459
	of which: Loans and advances to customers	1,344,791	1,344,791
iv.	**Fixed assets**	**31,167**	**31,048**
v.	**Other assets**	**83,771**	**81,936**
	of which: Goodwill and intangible	359	350

S. No.	Particulars	Balance sheet as in financial statements	Balance sheet as per regulatory Scope of consolidation
	assets		
	of which: Deferred tax assets	28,471	28,478
vi.	Goodwill on consolidation	**-**	**-**
vii.	Debit balance in Profit & Loss account	**-**	**-**
	Total Assets	**2,420,007**	**2,412,787**

Step – 2

S. No.	Particulars	Balance sheet as in financial statements	Balance sheet as per regulatory Scope of consolidation	Ref. No.
A.	**Capital & Liabilities**			
i.	Paid-up Capital	10,548	10,548	
	of which: Amount eligible for CET1	-	10,548	A1
	of which: Amount eligible for AT1	-	-	
	Reserves & Surplus	78,080	76,815	
	of which:			
	Statutory Reserve	32,279	32,279	B1
	Capital Reserve	5,102	4,624	B2
	Revenue & Other Reserves	31,748	31,748	B3
	Investment Reserve Account	1,386	1,386	D1
	Share Premium	53,862	53,862	A2
	Special Reserve	14,500	14,500	B4
	Revaluation Reserve	25,361	25,361	
	of which: Amount eligible for CET1	-	11,412	B5
	of which: Amount eligible for Tier II	-	-	
	Balance in Profit & Loss Account	(87,639)	(88,426)	A3
	of which: Balance in Profit & Loss Account as per last financial Year	(50,168)	(50,779)	
	Foreign Currency Translation Reserves	1,461	1,461	
	of which: Considered under Capital fund	-	1,096	B6
	IRS Reserve	19	19	
	Share application money pending allotment	17,900	17,900	B7
	Minority Interest	-	-	-
	Total Capital	**1,06,528**	**105,263**	**-**
ii.	Deposits	**2,101,906**	**2,101,991**	-
	of which: Deposits from Banks	2,168	2,168	-
	of which: Customer deposits	2,099,738	2,099,823	-
iii.	Borrowings	**151,441**	**151,441**	**-**

S. No.	Particulars	Balance sheet as in financial statements	Balance sheet as per regulatory Scope of consolidation	Ref. No.
	of which: From RBI	43,785	43,785	-
	of which: From Banks	64	64	-
	of which: From other institutions & agencies	4,119	4,119	-
	of which: Others (Outside India)	56,973	56,973	-
	of which: Capital instruments	46,500	46,500	-
	of which: Subordinated Innovative Perpetual Debt Instruments	3,000	3,000	
	of which: Eligible AT1 Capital	-	1200	E1
	of which: Subordinated Debt – Upper Tier II Capital	10,000	10,000	E2
	of which: Subordinated Debt – Tier II Capital	8,500	8,500	
	of which: Eligible Subordinated Debt Tier II Capital	-	900	E3
	of which: Basel III Tier II Capital	25,000	25,000	E4
	of which: Subordinated Innovative Perpetual Debt Instruments as per Basel III compliant	-	-	E5
iv.	**Other liabilities & provisions**	**60,132**	**54,093**	
	Of which: provision for Standard Advances	6,312	6,312	D2
	Of which: provision for Unhedged Foreign Currency Exposure	80	80	D3
	of which: DTLs related to goodwill	-	-	
	of which: DTLs related to Intangible Assets	-	-	
	of which: DTLs related to Special Reserve	4,997	4,997	
	Total	**2,420,007**	**2,412,787**	
B.	**Assets**			
i.	**Cash and balances with Reserve Bank of India**	93,399	93,397	-
	Balance with Banks and money at call and short notice	57,768	57,823	-
ii.	**Investments:**	761,651	756,333	**-**
	of which: Government securities	694,763	692,455	-
	of which: Other approved securities	3	-	-
	of which: Shares	5,706	5,631	

S. No.	Particulars	Balance sheet as in financial statements	Balance sheet as per regulatory Scope of consolidation	Ref. No.
	of which: Reciprocal Cross Holding	*1,038*	*1,038*	C3
	of which: Debentures & Bonds	51,354	48,966	
	of which: Reciprocal Cross Holding under AT-1	-	-	
	of which: Reciprocal Cross Holding under Tier-II	50	*50*	C4
	of which: Subsidiaries / Joint Ventures / Associates	2,989	4,023	C5
	of which: Others (Commercial Papers, Mutual Funds etc.)	6,837	5,259	-
iii.	**Loans and advances**	**1,392,250**	**1,392,250**	**-**
	of which: Loans and advances to Banks	47,459	47,459	-
	of which: Loans and advances to customers	1,344,791	1,344,791	-
iv.	**Fixed assets**	**31,167**	**31,048**	**-**
v.	**Other assets**	**83,771**	**81,936**	**-**
	of which: Goodwill	-	-	
	of which: Intangible Assets	359	350	C1
	of which: Deferred tax assets	28,471	28,478	C2
vi.	Goodwill on consolidation	-	**-**	-
vii.	Debit balance in Profit & Loss account	**-**	**-**	-
	Total Assets	**2,420,007**	**2,412,787**	

Step - 3

Extract of Basel III common disclosure template (with added column) – Table 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	64,410	A1 + A2
2	Retained earnings	(88,425)	A3
3	Accumulated other comprehensive income (and other reserves)	113,560	B1 + B2 + B3+ B4+B5 +B6+B7

4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	**Common Equity Tier 1 capital before regulatory adjustments**	89,545	
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	

13. Main Features of Regulatory Capital

A. Equity Capital

The main features of Equity capital are as follows:

S. No.	Particulars	Equity
1	Issuer	Allahabad Bank
2	Unique identifier	ISIN: INE428A01015
3	Governing law(s) of the instrument	Indian Laws
Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier I
5	Post-transitional Basel III rules	Common Equity Tier I
6	Eligible at solo/group/ group & solo	Solo & Group
7	Instrument type	Common Equity
8	Amount recognized in regulatory capital (as of most recent reporting date)	Rs. 10,547.78 million
9	Par value of instrument	Rs. 10547.78 million (Rs. 10 per share)
10	Accounting classification	Shareholder's Fund
11	Original date of issuance	Various
12	Perpetual or dated	Perpetual
13	Original maturity date	No Maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
Coupons / dividends		
17	Fixed or floating dividend/coupon	Discretionary Dividend
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary
21	Existence of step up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-Cumulative
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA

S. No.	Particulars	Equity
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

B. Basel II Compliant Tier I capital instruments

The main features of Basel II Compliant Tier I capital instruments are as follows:

S. No.	Particulars	Perpetual Bond Series I	Perpetual Bond Series II
1	Issuer	Allahabad Bank	Allahabad Bank
2	Unique identifier	INE428A09091	INE428A09125
3	Governing law(s) of the instrument	Indian Laws	Indian Laws
Regulatory treatment			
4	Transitional Basel III rules	Additional Tier 1	Additional Tier I
5	Post-transitional Basel III rules	Ineligible	Ineligible
6	Eligible at solo/group/ group & solo	Solo & Group	Solo & Group
7	Instrument type	Perpetual	Perpetual
8	Amount recognized in regulatory capital	Rs. 600 million	Rs.600 million
9	Par value of instrument	Rs. 1,500 million (Rs. 1 million per Bond)	Rs. 1,500 million (Rs. 1 million per Bond)
10	Accounting classification	Liability	Liability
11	Original date of issuance	30th March, 2009	18th December, 2009
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No Maturity	No Maturity
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Optional call date: 30th March 2019 and thereafter on each anniversary date	Optional Call Date: 18th December 2019 and thereafter on each

S. No.	Particulars	Perpetual Bond Series I	Perpetual Bond Series II
		Contingent Call Dates: NA Redemption at par	anniversary date Contingent call dates: NA Redemption at Par
16	Subsequent call dates, if applicable	On each anniversary date after 30th March 2019	On each anniversary date after 18th December 2019
Coupons / dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	9.20% p.a. payable annually from issue date till the first call option date and if the Bank does not exercise the call option, 50 bps over and above coupon rate of 9.20% i.e. 9.70 % p.a. after 30th March, 2019	9.08% p.a., payable annually from issue date till first call option date and if the Bank does not exercise the call option, 50 bps over and above coupon rate of 9.08% i.e. 9.58% p.a. after 18th December, 2019
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionary or mandatory	Partially discretionary	Partially discretionary
21	Existence of step up or other incentive to redeem	Yes	Yes
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	No	No
31	If write-down, write-down	NA	NA

S. No.	Particulars	Perpetual Bond Series I	Perpetual Bond Series II
	trigger(s)		
32	If write-down, full or partial	NA	NA
33	If write-down, permanent or temporary	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation	The claims of the Bondholders shall be (a) superior to the claims of investors in equity shares and (b) subordinated to the claims of all other creditors	The claims of the Bondholders shall be (a) superior to the claims of investors in equity shares and (b) subordinated to the claims of all other creditors

C. Tier II Capital Instruments

a. Upper Tier II capital Instruments

The main features of Upper Tier II Capital Instruments are as follows:

S. No.	Particulars	Series I	Series II
1.	Issuer	Allahabad Bank	Allahabad Bank
2.	Unique identifier	INE428A09075	INE428A09117
3.	Governing law(s) of the instrument	Indian Laws	Indian Laws
Regulatory treatment			
4.	Transitional Basel III rules	Tier 2	Tier 2
5.	Post-transitional Basel III rules	Ineligible	Ineligible
6.	Eligible at solo/group/ group & solo	Solo & Group	Solo & Group
7.	Instrument type	Upper Tier II	Upper Tier II
8.	Amount recognized in regulatory capital (` in million, as of most recent reporting date)	Rs. 5,000 million	Rs. 5,000 million
9.	Par value of instrument	Rs. 5,000 million (Rs. 1 million per Bond)	Rs. 5,000 million (Rs. 1 million per Bond)
10.	Accounting classification	Liability	Liability
11.	Original date of issuance	19th March 2009	18th December 2009
12.	Perpetual or dated	Dated	Dated
13.	Original maturity date	19th March 2024	18th December 2024
14.	Issuer call subject to prior supervisory approval	Yes	Yes
15.	Optional call date, contingent call dates and redemption amount	Optional Call Date: 19th March 2019 and thereafter on each anniversary date Contingent call dates: NA Redemption at Par	Optional Call Date: 18th December 2019 and thereafter on each anniversary date Contingent call dates: NA Redemption at Par
16.	Subsequent call dates, if applicable	On each anniversary date after optional call date i.e. 19.03.2019.	On each anniversary date after optional call date i.e. 18.12.2019.
Coupons / dividends			
17.	Fixed or floating dividend / coupon	Fixed	Fixed
18.	Coupon rate and any related index	9.28% p.a. payable annually from issue date till the first call option date and if the call option	8.58% p.a. payable annually from issue date till the first call option date and if the

S. No.	Particulars	Series I	Series II
		is not exercised by the Bank then 50 bps over and above coupon rate of 9.28% i.e. 9.78% p.a. payable annually after 19th March 2019	call option is not exercised by the Bank then 50 bps over and above coupon rate of 8.58% i.e. 9.08% p.a. payable annually after 18th December 2019
19.	Existence of a dividend stopper	No	No
20.	Fully discretionary, partially discretionary or mandatory	Partially discretionary	Partially discretionary
21.	Existence of step up or other incentive to redeem	Yes	Yes
22.	Noncumulative or cumulative	Non-Cumulative	Non-Cumulative
23.	Convertible or non-convertible	Non-Convertible	Non-Convertible
24.	If convertible, conversion trigger(s)	NA	NA
25.	If convertible, fully or partially	NA	NA
26.	If convertible, conversion rate	NA	NA
27.	If convertible, mandatory or optional conversion	NA	NA
28.	If convertible, specify instrument type convertible into	NA	NA
29.	If convertible, specify issuer of instrument it converts into	NA	NA
30.	Write-down feature	No	No
31.	If write-down, write-down trigger(s)	NA	NA
32.	If write-down, full or partial	NA	NA
33.	If write-down, permanent or temporary	NA	NA
34.	If temporary write-down, description of write-up mechanism	NA	NA
35.	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The claims of the investors in these Bonds shall be (a) superior to the claims of investors in instruments eligible for inclusion in Tier I capital; and (b) subordinate to the claims of all other creditors.	The claims of the investors in these Bonds shall be (a) superior to the claims of investors in instruments eligible for inclusion in Tier I capital; and (b) subordinate to the

S. No.	Particulars	Series I	Series II
			claims of all other creditors.
36.	Non-compliant transitioned features	Yes	Yes
37.	If yes, specify non-compliant features	Step up; No Basel III Loss Absorbency	Step up; No Basel III Loss Absorbency

b. Subordinated Bonds, Lower Tier II

The main features of Subordinate Bonds are as follows:

S. No.	Particulars	Series VIII	Series IX
1.	Issuer	Allahabad Bank	Allahabad Bank
2.	Unique identifier	INE428A09083	INE428A09109
3.	Governing law(s) of the instrument	Indian Laws	Indian Laws
Regulatory treatment			
4.	Transitional Basel III rules	Tier 2	Tier 2
5.	Post-transitional Basel III rules	Ineligible	Ineligible
6.	Eligible at solo/group/ group & solo	Solo & Group	Solo & Group
7.	Instrument type	Tier 2 Instruments	Tier 2 Instruments
8.	Amount recognized in regulatory capital (Rs. in million, as of most recent reporting date)	-	-
9.	Par value of instrument	Rs. 4,000 million (Rs. 1 million per Bond)	Rs. 4,500 million (Rs. 1 million per Bond)
10.	Accounting classification	Liability	Liability
11.	Original date of issuance	26th March 2009	4th August 2009
12.	Perpetual or dated	Dated	Dated
13.	Original maturity date	26th March 2019	4th August 2019
14.	Issuer call subject to prior supervisory approval	No	No
15.	Optional call date, contingent call dates and redemption amount	No	No
16.	Subsequent call dates, if applicable	NA	NA
Coupons / dividends			
17.	Fixed or floating dividend / coupon	Fixed	Fixed
18.	Coupon rate and any related index	9.23% p.a. payable annually	8.45% p.a. payable annually
19.	Existence of a dividend stopper	No	No
20.	Fully discretionary, partially	Mandatory	Mandatory

S. No.	Particulars	Series VIII	Series IX
	discretionary or mandatory		
21.	Existence of step up or other incentive to redeem	No	No
22.	Non-cumulative or cumulative	Non-Cumulative	Non-Cumulative
23.	Convertible or non-convertible	Non-Convertible	Non-Convertible
24.	If convertible, conversion trigger(s)	NA	NA
25.	If convertible, fully or partially	NA	NA
26.	If convertible, conversion rate	NA	NA
27.	If convertible, mandatory or optional conversion	NA	NA
28.	If convertible, specify instrument type convertible into	NA	NA
29.	If convertible, specify issuer of instrument it converts into	NA	NA
30.	Write-down feature	No	No
31.	If write-down, write-down trigger(s)	NA	NA
32.	If write-down, full or partial	NA	NA
33.	If write-down, permanent or temporary	NA	NA
34.	If temporary write-down, description of write-up mechanism	NA	NA
35.	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The claims of the investors in these Bonds shall be (a) superior to the claims of investors in instruments eligible for inclusion in Tier I capital; and (b) subordinate to the claims of all other creditors.	The claims of the investors in these Bonds shall be (a) superior to the claims of investors in instruments eligible for inclusion in Tier I capital; and (b) subordinate to the claims of all other creditors.
36.	Non-compliant transitioned features	Yes	Yes
37.	If yes, specify non-compliant features	No Basel III Loss Absorbency	No Basel III Loss Absorbency

c. Basel III Compliant Tier 2 Bonds

The main features of Basel III Compliant Tier II Bonds are as follows:

S. N.	Particulars	Series I	Series II	Series III
1.	Issuer	Allahabad Bank	Allahabad Bank	Allahabad Bank
2.	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE428A08028	INE428A08044	INE428A08051
3.	Governing law(s) of the instrument	Indian Laws	Indian Laws	Indian Laws
Regulatory treatment				
4.	Transitional Basel III rules	Tier 2	Tier 2	Tier 2
5.	Post-transitional Basel III rules	Eligible	Eligible	Eligible
6.	Eligible at solo/group/ group & solo	Solo & Group	Solo & Group	Solo & Group
7.	Instrument type	Subordinate Tier II	Subordinate Tier II	Subordinate Tier II
8.	Amount recognized in regulatory capital (Rs. in million, as of most recent reporting date)	Rs. 5000 million	Rs. 10000 million	Rs. 10000 million
9.	Par value of instrument	Rs. 5000 million (Rs. 1 million per Bond)	Rs. 10000 million (Rs. 1 million per Bond)	Rs. 10000 million (Rs. 1 million per Bond)
10.	Accounting classification	Liability	Liability	Liability
11.	Original date of issuance	20th January 2015	21st December 2015	25th January 2017
12.	Perpetual or dated	Dated	Dated	Dated
13.	Original maturity date	20th January 2025	20th December 2025 *21st December 2025, being Sunday	25th January 2027
14.	Issuer call subject to prior supervisory approval	NA	NA	NA
15.	Optional call date, contingent call dates and redemption amount	NA	NA	NA
16.	Subsequent call dates, if applicable	NA	NA	NA
Coupons / dividends				
17.	Fixed or floating dividend /	Fixed	Fixed	Fixed

S. N.	Particulars	Series I	Series II	Series III
	coupon			
18.	Coupon rate and any related index	8.78% p.a. payable annually till maturity of Bonds	8.64% p.a. payable annually till maturity of Bonds	8.15% p.a. payable annually till maturity of Bonds
19.	Existence of a dividend stopper	No	No	No
20.	Fully discretionary, partially discretionary or mandatory	Partially discretionary	Partially discretionary	Partially 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	YES	YES	YES
31.	If write-down, write-down trigger(s)	The Bonds may, at the option of the RBI, be permanently written off upon occurrence of the trigger event called the "Point of Non-Viability Trigger". The PONV Trigger event shall be the earlier of: a) a decision that the permanent	The Bonds may, at the option of the RBI, be permanently written off upon occurrence of the trigger event called the "Point of Non-Viability Trigger". The PONV Trigger event shall be the earlier of: a) a decision that the permanent	The Bonds may, at the option of the RBI, be permanently written off upon occurrence of the trigger event called the "Point of Non-Viability Trigger". The PONV Trigger event shall be the earlier of: a) a decision that the permanent

S. N.	Particulars	Series I	Series II	Series III
		write off, without which the Bank would become non-viable, is necessary, as determined by the RBI; and b) the decision to make a public-sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority. Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public-sector injection of capital so that the capital provided by the public sector is not diluted.	write off, without which the Bank would become non-viable, is necessary, as determined by the RBI; and b) the decision to make a public-sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority. Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public-sector injection of capital so that the capital provided by the public sector is not diluted.	write off, without which the Bank would become non-viable, is necessary, as determined by the RBI; and b) the decision to make a public-sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority. Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public-sector injection of capital so that the capital provided by the public sector is not diluted.
32.	If write-down, full or partial	Full	Full	Full
33.	If write-down, permanent or temporary	Permanent	Permanent	Permanent

S. N.	Particulars	Series I	Series II	Series III
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)	The claims of the Bondholders shall be (a) senior to the claims of investors in instruments eligible for inclusion in Tier 1 capital of the Bank; (b) subordinate to the claims of all depositors and general creditors of the Bank; and (c) neither secured nor covered by a guarantee of the Bank or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments	The claims of the Bondholders shall be (a) senior to the claims of investors in instruments eligible for inclusion in Tier 1 capital of the Bank; (b) subordinate to the claims of all depositors and general creditors of the Bank; and (c) neither secured nor covered by a guarantee of the Bank or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments	The claims of the Bondholders shall be (a) senior to the claims of investors in instruments eligible for inclusion in Tier 1 capital of the Bank; (b) subordinate to the claims of all depositors and general creditors of the Bank; and (c) neither secured nor covered by a guarantee of the Bank or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments

S. N.	Particulars	Series I	Series II	Series III
		(coupon or principal) except in bankruptcy and liquidation.	(coupon or principal) except in bankruptcy and liquidation.	(coupon or principal) except in bankruptcy and liquidation.
36.	Non-compliant transitioned features	NO	NO	NO
37.	If yes, specify non-compliant features	NA	NA	NA

14. FULL TERMS AND CONDITIONS OF REGULATORY CAPITAL INSTRUMENTS

Disclosures pertaining to the terms and conditions of regulatory capital instruments have been disclosed separately on the Bank's website under the Regulatory Disclosures Section. The link to this section is:

https://www.allahabadbank.in/english/Capital_Instruments.aspx

15. DISCLOSURE REQUIREMENTS FOR REMUNERATION

Not Applicable for Public Sector Bank

16. EQUITIES – DISCLOSURE FOR BANKING BOOK POSITIONS

In accordance with the RBI guidelines 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 the Bank intends to hold till maturity are classified as HTM securities. In accordance with the RBI guidelines, equity investments held under the HTM category are classified as banking book for capital adequacy purpose.

Investments in equity of subsidiaries and joint ventures are required to be classified under HTM category in accordance with the RBI guidelines. These are held with a strategic objective to maintain relationships for 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.

QUANTITATIVE DISCLOSURES

A. Value of Investments

(Rs. in millions)

Investments	Value as per Balance Sheet	Fair Value	Publicly Quoted Share Values (if materially different from fair value)
Unquoted	1,646	2,758	NA
Quoted	NIL	NIL	NA

B. Types and Nature of Investments

(Rs. in millions)

Publicly traded	-
Privately held	1,632

C. Gain/ Loss Statement

(Rs. in millions)

Particulars	Amount
Cumulative realized gains (losses) arising from sales and liquidations in the reporting period	-
Total unrealized gains (losses)	1112
Total latent revaluation gains (losses)	
Unrealized gains (losses) included in Capital	-
Latent revaluation gains (losses) included in Capital	-

D. Capital Requirement for Banking Book

(Rs. in millions)

Equity grouping	Treatment under Basel III	Capital Requirement
Shares of PSU/Corporate, which were in the books of the Bank under HTM category as on 2nd March 2004 and as per RBI guidelines, can be retained as such.	Risk weighted	15

17. SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE

(Rs. in millions)

	Item	As on Sep 30, 2018
1	Total consolidated assets as per published financial statements	24,12,787
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(1,050)
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	(350)
4	Adjustments for derivative financial instruments	68,883
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	1,47,765
7	Other adjustments	(21,823)
8	**Leverage ratio exposure**	**2,606,212**

Reconciliation with public financial statements

(Rs. in millions)

	Particulars	As on Sep 30, 2018
1	Total assets as per financial statement	2,412,787
2	Adjustments for securities financing transactions	(10,076)
3	Other Adjustments	(23,222)
4	**On-Balance Sheet exposure under Leverage Ratio**	**2,379,489**

18. LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

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

(Rs. in millions)

	Item	As on Sep 30, 2018
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	2,402,716
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(23,227)
3	**Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of lines 1 and 2)	**2,379,489**
Derivative exposures		
4	Replacement cost associated with all *derivatives* transactions (i.e. net of eligible cash variation margin	39,117
5	Add-on amounts for PFE associated with *all* derivatives transactions	29,766
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	**Total derivative exposures (sum of lines 4 to 10)**	**68,883**
Securities financing transaction exposures		
12	Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions	10,071
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	4
15	Agent transaction exposures	-
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	10,075
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	662,121
18	(Adjustments for conversion to credit equivalent amounts)	(514,356)
19	**Off-balance sheet items (sum of lines 17 and 18**	**147,765**

	Item	As on Sep 30, 2018
Capital and total exposures		
20	**Tier 1 capital**	**67,519**
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**2,606,212**
Leverage ratio		
22	**Basel III leverage ratio**	**2.59%**

LEVERAGE RATIO DISCLOSURE

(Rs. in millions)

Particulars	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017
Tier 1 capital	67,519	65,623	99,095	1,33,977
Exposure Measure	26,06,228	25,52,193	27,22,651	26,79,056
Leverage Ratio	2.59%	2.57%	3.64%	5.00%