Disclosure Under Pillar III of Basel III Norms as on 31.12.2015

Table DF-2 – Capital Adequacy

Qualitative Disclosures:

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

The Bank is exposed to Credit risk, market risk, Operational risk and other Pillar II risks. Based on the scale of business operations approaches have been put in place to compute the required capital of the bank and controls that are commensurate the risk profile of the bank. The capital requirement for the estimated future business levels are assessed in periodic intervals. The bank has adopted the following approaches for the computing the capital charge.

Credit Risk – Standardized Approach

Market Risk – Standardized duration Approach

Operational Risk – Basic Indicator Approach

- The Business projections, capital requirement, Assessment methodology, controlling mechanism, etc., have been discussed in ICAAP document and it has been reviewed on yearly basis.

- CRAR has been computed based on the Basel III guidelines and it is well above the regulatory minimum level of 9% (other than capital conservation buffer and Countercyclical Capital buffer etc.,)

Quantitative Disclosures:

(₹ In lakhs)

Particulars	No of Equity Shares	Face Value Per share	Amount
Authorized Capital	3000.00	10.00	30000.00
Issued Capital	1809.69	10.00	18096.99
Subscribed Capital	1794.61	10.00	17946.16
Called up/paid up Capital	1794.61	10.00	17946.16

The Bank's shares are listed on the National Stock Exchange Limited and Bombay Stock Exchange Limited.

As on 31.12.2015, the bank does not have Capital in the form of additional Tier-I.

Tier 1 capital includes Equity share capital, Reserves comprising of statutory reserves, capital & other revenue reserves, share premium, Balance in profit, loss account and less intangible assets.

Tier 2 Capital consists of the general provision on standard assets, loan loss reserve, provision on NPA assets sold, revaluation reserve, investment fluctuation Reserve and Subordinated Bonds (discounted value)

Break up of capital funds:-

(₹ In lakhs)

A. Tier I Capital Elements	
1. Paid up capital	17946.16
2. Reserves and surplus	128827.54
3. Gross Tier I Capital	146773.70
4. Less (Intangible Assets)	15894.27
5. Net Tier I Capital	130879.43
B. Tier II Capital Elements	
1. General Provisions and Loan loss Reserve	6555.79
2. Subordinated Debt (Lower Tier II bonds)	30930.00
3. Provision for restructured advances	3954.95
4. Revaluation Reserve	3530.55
5. Investment Fluctuation Reserve	72.74
6. Provision for unhedged foreign currency exposure	130.19
7. Gross Tier II capital	45174.22
8. Less (Cross holdings)	1999.00
9. Net Tier II Capital	43175.22

Break up of Capital Requirements:-

(₹ In lakhs)

Risk Type	
b) Capital requirements for Credit Risk	**121472.27**
Portfolios subject to standardized approach	
Cash & Bank	91.19
Loans and Advances	108045.29
Fixed Assets	2086.25
Other Assets	2292.11
Off Balance sheet Exposure	8957.43
c) Capital requirements for Market Risk	
Standardized Duration approach	**14440.16**
Interest Rate Risk	12189.35
Foreign Exchange Risk (including gold)	158.25
Equity Risk	2092.56
d) Capital requirements for Operational Risk	**11233.74**

Basic Indicator approach	
Total Risk weight Assets (b+c+d)*100/9	**1634957.44**
Total Eligible Capital Funds for CRAR	**163578.69**
CRAR (Basel III)	**10.01%**

e) Common Equity Tier 1, Tier I and Total Capital ratios:

For the top consolidated group; and for significant bank subsidiaries (stand alone or sub-consolidated depending on how the framework is applied)

Not applicable

II. Risk Exposure and Assessment

General Qualitative Disclosure requirement:

Credit Risk:

The objectives of Credit risk management practices in the bank are the following: -

- To ensure business continuity with growth and stability.
- To ensure that the bank holds adequate capital in alignment with risks undertaken as well as the regulatory requirements from time to time.
- To optimize risk-return profile by providing a framework for risk-based pricing.
- To provide decision support for entry / exit strategies.
- To provide a framework for monitoring risk profile of the bank through structured reports.
- To facilitate the identification of risks in various activities undertaken by the bank through its operating units.
- To provide guidance on measurement of risks and their quantification for assessing the level of risk under portfolio management.
- To provide guidance on risk mitigation for ensuring customer retention while promoting risk-reward consciousness at all levels of operation.
- To set / monitor prudential risk limits in tune with the business strategy, capital adequacy and regulatory prescriptions.
- To ensure the adherence to these risk limits through defining the reporting structures and systems.
- To ensure compliance with other regulatory prescriptions.

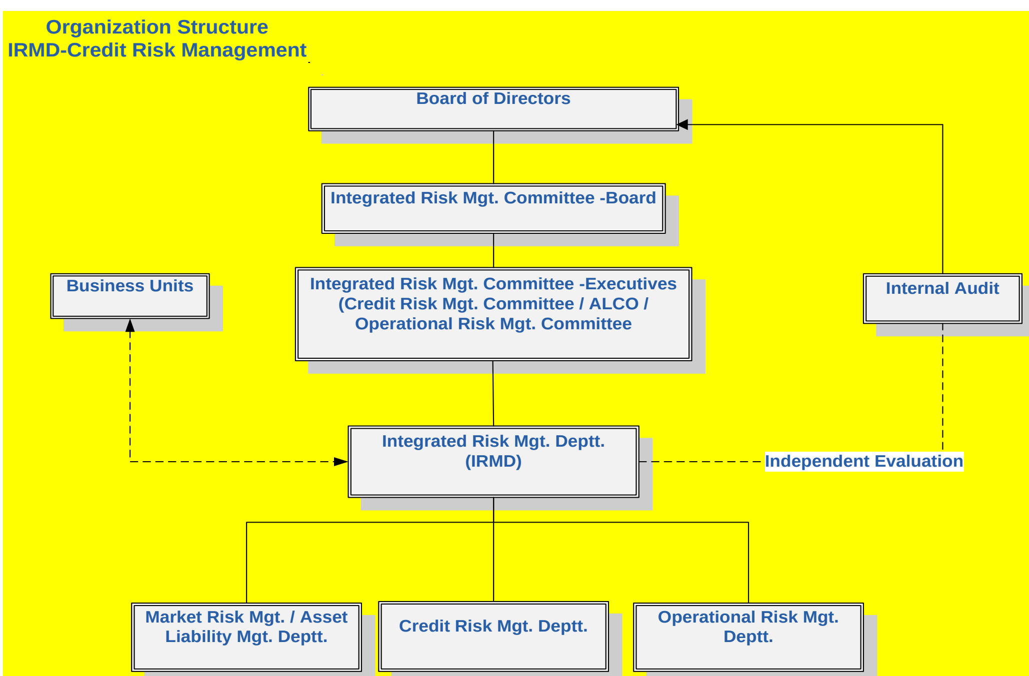
- The bank proposes to keep its overall risk profile as moderate and stable for the medium term.

Risk appetite and risk-return profile, credit risk strategy shall also include a statement of the banks willingness to grant credit based on:

- exposure type (for example, commercial, consumer, real estate,etc.,),
- economic sector (e.g. textile, iron etc.),
- geographical location,
- currency,
- maturity,
- anticipated profitability,
- identification of target markets / business sectors (like priority sector lending) and
- the overall credit portfolio composition
- preferred levels of diversification & concentration tolerances.

Credit risk strategy of the bank shall provide continuity in approach considering cyclical approach of the economy and the resulting shifts in the composition and quality of the overall credit portfolio. Strategy is being reviewed yearly in CRM policy.

Organization Structure:



Comprehensive Risk Management Policy put in place and the same has been approved by Board. The hierarchy of the IRMD starts from Board of Directors. Board is responsible for approving & reviewing on a periodical basis credit risk related policies, strategy & limits. Further Board has sub level committee (IRMCB) to review the risk limits, monitor the functioning of the IRMC-E and issue necessary directions if require.

The Scope and nature of risk reporting and / or measurement systems

Risk-rating model is an important tool and is an integral part of the Credit Risk Management. The benefits of a robust system based rating model

- ⇨ Serves as a **single point indicator of diverse risks** of a borrower
- ⇨ Enables banks to take **informed credit decisions** in a consistent manner.
- ⇨ Facilitates adoption of **risk-based pricing**.
- ⇨ Arriving at **Facility Risk rating** for the particular facility/product based on the comforts of securities/guarantors.

Internal credit rating models / systems are an important tool in monitoring the quality of individual credits, as well as the total portfolio. Bank has well-structured internal risk rating system is a good means of differentiating the degree of credit risk in the different credit exposures of the bank. This will allow more accurate determination of the overall characteristics of the credit portfolio, concentrations, problem credits, and the adequacy of loan loss reserves.

Internal credit rating framework enables the Bank to standardize and uniformly communicate the "judgment" in credit selection procedures but is not a substitute to the vast lending experience accumulated by the bank's professional staff.

In order to make the credit risk assessment more consistent and effective, a two dimensional approaches to measure risk comprising borrower risk (Obligor Rating) and transaction risk (Facility Rating) has been implemented.

Use of Risk Rating Models / Systems

- Individual credit selection, wherein a borrower or a particular exposure/ facility is rated.
- Pricing of the facility / loan
- Deciding the limits & tenure of the proposed credit assistance.
- Portfolio-level analysis and portfolio management
- Frequency and intensity of monitoring of the exposures.
- Internal MIS

- General provision "reasonable over provisioning" in addition to statutory prescribed provision.
- Assessing the aggregate risk profile of bank.

The Bank has a multi-tier structure for sanction of credit proposals, with proper delegation of lending powers at various levels of officers & executives, duly approved by Board.

The powers vested at each level depend on the quantum and type of the loan facility and the overall exposure to the borrower/group.

The Bank has a system under which the lending powers exercised by delegated authority are reported to and reviewed by a higher authority under the Internal Loan Review Mechanism.

A two dimensional approach to measure risk comprising borrower risk (Obligor Rating) and transaction risk (Facility Rating) has been implemented. The Credit Risk Assessment System (CRAS) operated through the risk rating models shall form the fulcrum of credit risk management.

Policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants

As per the RBI guidelines, eligible financial collaterals have been taken into account for risk mitigation purpose.

Bank is having a system in place to monitor compliance with country exposure limits. Exceptions are reported, approved and rectified as per laid down procedures.

Bank is having an effective system in place to generate management reports which are detailed enough for the senior management review and to identify exceptions in a timely manner.

Market Risk:

Strategies and processes

The Bank has policies like Asset Liability Management Policy, Investment & Forex Risk Management Policy to address the liquidity risk and market risk respectively arising out of its banking book and trading book of investment portfolio.

Mid office is functioning independent of treasury and it monitors limits, trigger of investments, cut (stop) loss limit, Open position limit etc., Further it assess various limits set out by RBI and as stipulated in Investment/ trading book Policy, and keeps track on rating migration of rated securities on a daily basis. It fixes the overall counter-party exposure limits (Banks & FIs)

The structure and organization of the relevant risk management function

The Asset Liability Committee (ALCO) is responsible for

- Managing Interest Rate Risk and Liquidity Risk of the Banking Books.
- Pricing of Assets and Liabilities.
- Monitor and control the quality of the Balance Sheet
- Review and control of limits, procedures, reports, ratios & market trends, which impact bank's Balance Sheet.
- Review the treasury operations including trading.
- Differential pricing of wholesale deposits be delegated to Planning & Development

The scope and nature of risk reporting and/or measurement systems

The ALM Policy will be operated through the Integrated Risk Management Department (IRMD) which is responsible for evolving appropriate systems & procedures for ongoing identification & analysis of Balance Sheet risks and laying down parameters for management of these risks. IRMD will, therefore, have the responsibilities of periodic monitoring and control of the risks and the same has been reported to IRMC-E & IRMC-B.

Policies for hedging and/or mitigating and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants.

Board approved Investment and Forex policy are put in place. Policies for hedging/ mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants are discussed in ALCO.

The Structural liquidity statement is prepared on a daily basis to analyze the liquidity profile of the bank in a static manner. Exchange risk is managed by fixing limits on position limits – Day light and Overnight limits, single deal limit, stop loss limit and Overall Overnight Open Exchange position limit. Additional liquidity ratios reviewed on a quarterly basis against the limits set under stock approach.

Interest rate risk is analyzed from earnings perspective using Traditional Gap analysis and Economic value perspective using Duration Gap analysis on a Quarterly basis.

Further stress testing process conducted under scenario as well as stock approach to estimate the impact on various conditions.

Operational Risk

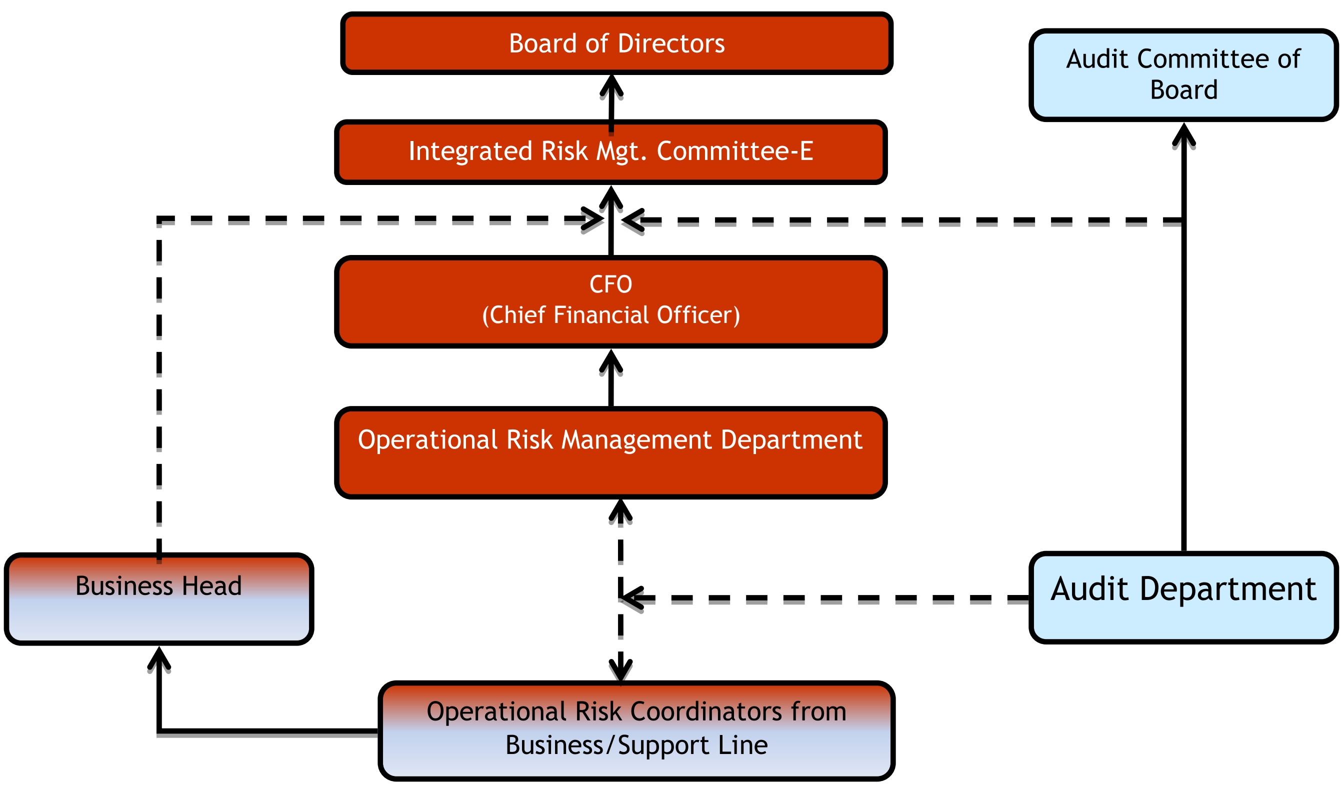
Strategies and processes

The strategy for the overall management of operational risk is in alignment with the business objectives & risk appetite of the bank considering the size, nature and complexities of the bank activities.

The strategy towards operational risk management shall focus on:

The Structure and organization of the relevant risk management function

Operational Risk Management is organized within the IRMD and will report to the head of the risk. The hierarchy of ORM within the organizational chart for governance purposes is presented below. These roles and responsibilities relate only to the activities relating to operational risk management.



A well-defined Operational risk Management policy is put in place. The role of Board vests in setting business strategy, risk appetite, policies, governance, management framework, methodology of measurement and assessment, internal audit, report to stakeholders on risk management, etc.,

The Scope and nature of risk reporting and/or measurement systems

The scope of risk reporting is to establish an explicit operational risk management process that results in the identification, evaluation, assessment, measurement, analysis, monitoring, control, mitigation and reporting of operational risks. This process also includes independent evaluation of operational risk management function by the Internal Audit Department and to report its findings to the Board / Senior Management as an assurance for the effective discharge of responsibilities with respect to management of operational risk.

Policies and procedures are put in place for control / mitigate material operational risks to adjust the risk appetite / tolerance level based on its risk control and mitigation strategies. For those risks that cannot be controlled, the bank decides whether to accept these risks, reduce the level of business activity involved, or withdraw from this activity completely. Some major control/mitigation techniques like sound internal control system, Insurance, Standards for Insurance Recognition, retention/self insurance, Business Continuity and Disaster Recovery Plan, Outsourcing of financial services, Information Technology security, Internal Audit, External Audit, Reporting are deployed in the framework.

Interest Rate Risk in Banking Book

Strategies and Processes

Interest Rate Risk is measured in two different ways. Earnings perspective using Traditional Gap Analysis is to assess the impact of adverse movement in interest rate on the Net Interest Income (Earnings at Risk) and economic value perspective using Duration Gap Analysis to assess the impact of adverse movement in interest rate on the market value of Bank's equity.

Structure and Organization of Risk Management Function

ALM policy will manage and monitor the limits / guidance values / target set on interest rate risk of the Banking Book. IRMC-B and ALCO at the executive level are responsible for efficient and effective management of Interest rate risk in Banks business.

Scope and nature of risk reporting / measurement systems

The Duration/ Modified duration mainly depends on coupon, maturity and periodicity of payment of installments. Since the modified duration of the liabilities is less compared to the modified duration of assets, there would be fall in the equity value under major stress. Modified duration of Equity is calculated on a quarterly basis. The capital charge for Interest rate risk in banking book is assessed based on drop in the Market value of equity under 200 bps changes in interest rate. The results of Traditional Gap analysis and Duration Gap analysis including the adherence to tolerance limit set in this regard are monitored and the same has been placed before ALCO/IRMC-B level.

Policies for hedging / mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/ mitigants

Investment policy, Forex policy, ALM policy, Stress testing policy, Credit Risk Management Policy are put in place to measure, mitigate / hedge the various risks.

TABLE DF-3: Credit Risk

Credit Risk: General Disclosures

Qualitative Disclosures

(a) The general qualitative disclosure requirement with respect to credit risk, Includes the definitions of Past Due, NPA of a loan or a advance and impaired assets (For Accounting Purposes), Out of order and Overdue. These definitions are as per the extant guidelines of Reserve Bank of India.

Credit Risk

Credit risk in simple terms is the potential that bank's borrower or counterparty will fail to meet its obligations in accordance with agreed terms.

Credit risk is defined as the possibility of losses associated with default in repayment or diminution in the credit quality of borrowers or counterparties or diminution in the value of primary and/or collateral assets. 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.

Discussion of the Bank's Credit risk management policy

The Board level approved Credit Risk Management Policy is put in place. The goal of the policy is to ensure that it is within the acceptable risk appetite and tolerance limit set by the bank. It manages the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions and it encompasses identification, measurement, monitoring and control of the credit risk exposures. Further it deals the structure, governance, framework, and processes for effective and efficient management of the Credit risk.

Quantitative Disclosures

Credit Risk Exposures	(₹ In Lacs)
Fund Based*	1816712.42
Non Fund Based	197685.99
Total Fund & Non Fund Based	2014398.41

***** Fund based exposure excludes investments in HTM, Fixed Assets, Other Assets, Cash & Bank Balances etc.,

Geographic wise Distribution of Exposures:- **(₹ In Lakhs)**

State Name	Funded Exposure	Non-Funded Exposure	Total Exposure
Andhra Pradesh	121476.73	16043.21	137519.94
Chattisgarh	1811.63	44.07	1855.70
Gujarat	41441.25	1516.42	42957.67
Haryana	1734.28	1424.81	3159.09
Jharkhand	1566.19	23.00	1589.19
Karanataka	182445.81	3470.37	185916.18
Kerala	28565.41	47.50	28612.91
Madhya Pradesh	3401.52	97.16	3498.68
Maharashthra	273860.28	44852.68	318712.96
New Delhi	93925.09	25193.56	119118.65
Odisha	242.38	13.55	255.93
Puducherry	8097.54	535.36	8632.90
Rajasthan	3856.30	32.50	3888.80
Tamilnadu	903680.58	70773.64	974454.22
Telangana	128438.85	32498.91	160937.76
Uttar Pradesh	928.51	21.32	949.83
West Bengal	21240.07	1097.93	22338.00
Total	**1816712.42**	**197685.99**	**2014398.41**

Industry Wise distribution of Exposures:-

(₹ In Lakhs)

S.NO	Industry Name	Funded	Non-funded	Total	% of Gross Credit
1	Mining and Quarrying	23893.19	141.40	24034.59	1.19
2	Food Processing	26294.11	7542.67	33836.78	1.68
3	Beverages (excluding Tea & Coffee) and Tobacco	17486.69	159.24	17645.93	0.88
4	Textiles	104494.99	7045.64	111540.63	5.54
5	Leather and Leather products	805.14	4.00	809.14	0.04
6	Wood and Wood Products	10287.28	12905.02	23192.30	1.15
7	Paper and Paper Products	12809.24	589.13	13398.37	0.67
8	Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	1160.53	177.21	1337.74	0.07
9	Chemicals and Chemical Products (Dyes, Paints, etc.)	30307.57	15919.51	46227.08	2.29
10	Rubber, Plastic and their Products	7344.74	1108.01	8452.75	0.42
11	Glass & Glassware	2723.84	5.67	2729.51	0.14
12	Cement and Cement Products	14359.17	0.00	14359.17	0.71
13	Basic Metal and Metal Products	92012.86	22716.26	114729.12	5.70
14	All Engineering	24036.07	8641.51	32677.58	1.62
15	Vehicles, Vehicle Parts and Transport Equipments	5193.11	1.50	5194.61	0.26
16	Gems and Jewellery	10138.13	940.00	11078.13	0.55
17	Construction	0.00	0.00	0.00	0.00
18	Infrastructure	157982.67	48286.43	206269.10	10.24
	Other Industries	29633.64	518.78	30152.42	1.50
	Residual Advance	1245749.48	70984.00	1316733.48	65.37
	Total	**1816712.45**	**197685.98**	**2014398.43**	

Note: The industries break-up given on the same lines as prescribed for DSB returns. Residual advances are educational loans, aviation sector, Housing loans, Gold loans, Loan against deposits, Personnel loan, staff loan, consumer loans, vehicle loans, etc., The Industries which has crossed 5% of gross credit exposure are:

a) Infrastructure- 10.24%

b) Basic Metal and Metal Products – 5.70%

c) Textiles – 5.54%

Residual Contractual maturity breakdown of assets

(₹ In Lakhs)

	Cash	Balance With RBI	Balance With Other Banks	Invest ments	Call Money Placem ents	Repo-Asset	Advances	Fixed Assets	Other Assets
Overdue to 1 Day	32818.86	1332.12	3642.73	62187.69	0.00	15600.00	18505.63	0.00	379.47
2-7 Days	0.00	2449.65	0.00	16110.38	0.00	0.00	37264.27	0.00	415.26
8-14 Days	0.00	1034.52	0.00	5892.20	0.00	0.00	39768.32	0.00	483.64
15-28 Days	0.00	1322.11	0.00	7530.17	0.00	0.00	41801.82	0.00	966.03
29 Days to 3 Months	0.00	7454.44	0.00	58588.36	0.00	0.00	151005.12	0.00	4281.86
3-6 Months	0.00	11656.44	0.00	66489.05	0.00	0.00	112592.60	0.00	6216.41
6 Months-1 Year	0.00	15331.62	0.00	91559.00	0.00	0.00	278035.99	0.00	0.00
1-3 Years	0.00	31464.05	644.09	198119.01	0.00	0.00	739365.19	0.00	79577.65
3-5 Years	0.00	6583.37	5.00	70092.27	0.00	0.00	89995.51	0.00	0.00
Over 5 Years	0.00	14698.02	0.00	92722.50	0.00	0.00	288742.97	25819.77	4601.14
Total	32818.86	93326.36	4291.82	669290.63	0.00	15600.00	1797077.43	25819.77	96921.46

Asset Quality

(₹ In Lakhs)

Amount of Non-Performing Assets (Gross)	33157.31
Substandard	8812.75
Doubtful – 1	8422.46
Doubtful – 2	7248.16
Doubtful – 3	1599.03
Loss	7074.90
Net NPA	14387.34
Gross NPA to gross advances (%)	1.82%
Net NPAs to Net advances (%)	0.80%
Movement of NPAs (Gross)	
Opening Balance	33180.00
Additions during the period	1190.69
Reductions	1213.38
Closing Balance	33157.31

Movement of Provisions **(₹ In Lakhs)**

	Specific Provision	General Provision
Opening Balance	11961.63	10010.37
Provisions made during the period	2576.96	500.37
Write off	0.00	0.00
Write back of excess provisions	374.41	0.00
Any other adjustments, including transfers between provisions	-----	-----
Closing balance	14164.18	10510.74

Details of write offs and recoveries that have been booked directly to the Income statement

Write offs that have been booked directly to the income statement	316.31
Recoveries that have been booked directly to the income statement	413.92

Investments **(₹ In Lakhs)**

Amount of Non Performing Investments	1205.16
Amount of provisions held for non-performing investments	1041.17
Movement of provisions for depreciation on Investments	
Opening Balance	4438.48
Provisions made during the period (June 15 to September 15)	1308.15
Write-off/Write – back of excess provisions	0.00
Closing Balance	5746.63

Major Industry break up of NPA **(₹ In Lakhs)**

Industry	Gross NPA	Specific Provision
Metal and Metal Products	5702.85	1022.12
Food Processing	5218.66	5215.95
Textiles	1958.31	812.94
Gems and Jewellery	1634.07	521.88
Infrastructure	1301.48	1138.61
Total	**15815.37**	**8711.50**

Geographic wise Distribution of NPA and Provision **(₹ In Lakhs)**

Geography	Gross NPA	Specific Provision	General Provision
Domestic	33157.31	14164.18	10510.74
Overseas	NIL	NIL	NIL
Total	**33157.31**	**14164.18**	**10510.74**

Table DF- 4- Credit Risk : Disclosures for Portfolios Subject to the Standardized Approach

a) For exposure amounts after risk mitigation subject to the standardized approach, amount of a bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted:

(₹ In Lakhs)

Particulars	Below 100% Risk Weight		100% Risk Weight		More than 100% Risk Weight		Grand Total	
	BV**	RWA**	BV	RWA	BV	RWA	BV	RWA
Fund Based								
Loans & Advances	1142827.30	432438.63	453685.71	445119.51	220549.99	322959.56	1817063.00	1200517.70
Investments	422573.58	0.00	0.00	0.00	0.00	0.00	422573.58	0.00
Other Assets*	212443.80	26466.66	0.00	0.00	25819.76	23180.58	238263.56	49647.24
Loans & Advances Deducted (Taken for Mitigation purpose)	412208.51	0.00	11205.37	0.00	0.00	0.00	423413.88	0.00
Total Fund Based	1777844.68	458905.29	453685.71	445119.51	246369.75	346140.14	2477900.14	1250164.94
Non Fund Based(Inc. Contingent credit)	53069.75	15177.45	107118.94	53218.90	58144.91	31130.63	218333.60	99526.98
Total Credit Risk Exposures	**1830914.43**	**474082.74**	**560804.65**	**498338.41**	**304514.66**	**377270.77**	**2696233.74**	**1349691.92**

* other assets includes cash, balance with RBI, balance with other banks, fixed assets and others

**** BV: Book Value; RWA: Risk Weighted Assets**

Table DF- 5-Credit Risk: Credit Risk Mitigation: Disclosures for Standardized Approaches

Qualitative Disclosures

a) The general qualitative disclosure requirement with respect to credit risk mitigation including

Policies and process for and an indication of the extent to which the bank makes use of, on and off balance sheet netting;

- **Policies and processes for collateral valuation and management**

Bank has a policy and procedure for the management of collateral and guarantees.

Valuation should be based on the current market value of the collateral and should not be biased in order to enable the bank, to grant a higher credit limit to the borrower or improve its internal credit rating, make a smaller amount of provision or continue interest accrual for a problem credit.
Collateral should be revalued on a regular basis, though the frequency may vary with the type of collateral involved and the nature & the internal credit rating of the underlying credit e.g. frequency for shares and properties as collateral would be different.

Collaterals & guarantees are properly evaluated with respect to legal validity, enforceability in all relevant jurisdictions, etc., for the purpose of netting as credit risk mitigants as per the policy.

A more conservative approach should be adopted for valuing the collateral of problem credits because the forced-sale value, rather than the open market value, is likely to be closer to what eventually may be realized from an asset sale when the market conditions are un-favorable. Therefore, a discount to the estimated market value should be applied where appropriate.

- **Description of the main types of collateral taken by the bank**

Under Standardized approach, the following collateral instruments used as risk mitigants for the capital computation.

1. Cash and fixed deposits of the Borrower with the Bank.
2. Gold (The value of the gold arrived after notionally converting into 99.99% purity)
3. Securities issued by Central and State Governments.
4. Kisan Vikas Patra and National Savings Certificates (with no lock-in period)

5. Life insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator.

6. Debt Securities issued by Public Sector Entities and other entities (including banks and other primary dealers) rated by chosen rating agency attracting 100% risk weight or lesser risk weight.(i.e. rated atleast BBB(-) or A3 for short-term debt instruments)

7. Debt Securities not rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity where these are
   a) Issued by a bank
   b) Listed on a recognized stock exchange,
   c) Classified as senior debt and
   d) all the rated issues of the same senior by the issuing bank are rated atleast BBB (-) or A3 by a chosen Credit Rating Agency.
   e) The bank has no information to suggest that the issue justifies a rating below BBB (-) or A3 by a chosen Credit Rating Agency

8. Units of Mutual Funds regulated by the securities regulator of the jurisdiction of the Bank's operation and mutual funds where
   a. A price for the units is publicly quoted daily i.e. where the daily NAV is available in public domain
   b. Mutual fund is limited to investing in the permitted instruments listed.

- **Information about (market or credit) risk concentrations within the mitigation taken**

  Majority of the exposures are retail exposures and insulated with adequate liquid collateral by way of cash margin, KVP, fixed deposits, National Savings Certificate, Life Insurance Policies etc for reducing the capital buffer after applying applicable haircuts in the respective securities.

Quantitative Disclosures

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

Credit Risk exposure covered by Eligible Financial Collaterals

(**₹ In Lakhs**)

Type of Exposure	Notional Exposure (After CCF)	Eligible Financial Collaterals	Net Exposure
On Balance Sheet	358815.96	390521.85	0.00
Off Balance Sheet	100675.27	20006.55	78445.47

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

NIL

Leverage Ratio (Solo) **(₹ In lakhs)**

Tier I Capital	1308.79
Total Exposure	27706.38
Leverage ratio	4.72%