

Leverage Ratio

The leverage ratio act as a credible supplementary measure to the risk based capital requirement. w.e.f October 1, 2019 The Bank is required to maintain a minimum Leverage Ratio at 4% for Domestic Systemically Important Banks (DSIBs) and 3.5% for other Banks as per notification dated June 28, 2019.

The Bank's leverage ratio, calculated in accordance with the RBI guidelines under solo and consolidated framework is as follows:

Comparison of accounting assets and leverage ratio exposure as of Jun 30, 2023

(In Rs '000)

| S. No. | Leverage ratio framework | Solo | Regulatory scope of consolidation* |
|----------|--|----------------------|------------------------------------|
| 1 | Total consolidated assets | 1,394,947,523 | 1,430,036,235 |
| 2 | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | - | - |
| 3 | Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure | - | - |
| 4 | Adjustments for derivative financial instruments | 168,770,288 | 168,770,288 |
| 5 | Adjustment for securities financing transactions (i.e. repos and similar secured lending) | 1,054,591 | 1,054,591 |
| 6 | Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures) | 307,174,305 | 310,241,300 |
| 7 | Other adjustments | (1,695,894) | (8,279,404) |
| 8 | Leverage ratio exposure | 1,870,250,813 | 1,901,823,010 |

*Based on unaudited accounts

Leverage ratio common disclosure

(In Rs '000)

| S. No. | Leverage ratio framework | Solo | Regulatory scope of consolidation* |
|---|--|----------------------|------------------------------------|
| On-balance sheet exposures | | | |
| 1 | On-balance sheet items (excluding derivatives and SFTs, but including collateral) | 1,158,296,681 | 1,189,577,488 |
| 2 | (Asset amounts deducted in determining Basel III Tier 1 capital) | (1,695,894) | (8,279,404) |
| 3 | Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2) | 1,156,600,787 | 1,181,298,084 |
| Derivative exposures | | | |
| 4 | Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin) | 31,347,194 | 31,347,194 |
| 5 | Add-on amounts for PFE associated with all derivatives transactions | 222,961,259 | 222,961,259 |
| 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) | 254,308,453 | 254,308,453 |
| Securities financing transaction exposures | | | |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions | 151,112,677 | 154,920,582 |
| 13 | (Netted amounts of cash payables and cash receivables of gross SFT ASSETS) | - | - |
| 14 | CCR exposure for SFT assets | 1,054,591 | 1,054,591 |
| 15 | Agent transaction exposures | - | - |
| 16 | Total securities financing transaction exposures (sum of lines 12 to 15) | 152,167,268 | 155,975,173 |
| Other off-balance sheet exposures | | | |
| 17 | Off-balance sheet exposure at gross notional amount | 887,835,962 | 918,505,912 |
| 18 | (Adjustments for conversion to credit equivalent amounts) | (580,661,657) | (608,264,612) |
| 19 | Off-balance sheet items (sum of lines 17 and 18) | 307,174,305 | 310,241,300 |
| Capital and total exposures | | | |
| 20 | Tier 1 capital | 197,526,844 | 206,873,580 |
| 21 | Total exposures (sum of lines 3, 11, 16 and 19) | 1,870,250,813 | 1,901,823,010 |
| Leverage ratio | | | |
| 22 | Basel III leverage ratio | 10.56% | 10.88% |

*Based on unaudited accounts

Reconciliation of total published balance sheet size and on balance sheet exposure under common disclosure

(In Rs '000)

| S. No. | Leverage ratio framework | Solo | Regulatory scope of consolidation* |
|----------|---|----------------------|------------------------------------|
| 1 | Total consolidated assets | 1,394,947,523 | 1,430,036,235 |
| 2 | Replacement cost associated with all derivatives transactions, i.e. net of eligible cash variation margin | (85,538,165) | (85,538,165) |
| 3 | Adjustment for securities financing transactions (i.e., repos and similar secured lending) | (151,112,677) | (154,920,582) |
| 4 | Adjustment for entities outside the scope of regulatory consolidation | - | - |
| 5 | On-balance sheet exposure under leverage ratio (excluding derivatives and SFTs) | 1,158,296,681 | 1,189,577,488 |

*Based on unaudited accounts

Previous period Leverage Ratios

| (In Rs '000) | June 30, 2023 | March 31, 2023 | December 31, 2022 | September 30, 2022 |
|-------------------------|---------------|----------------|-------------------|--------------------|
| Tier 1 Capital | 197,526,844 | 183,837,783 | 179,951,297 | 179,925,359 |
| Exposure Measure | 1,870,250,813 | 1,780,796,948 | 1,704,208,278 | 1,786,561,389 |
| Leverage Ratio % | 10.56% | 10.32% | 10.56% | 10.07% |