

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 Sep 30, 2019

(In Rs '000)

| S. No. | Leverage ratio framework | Solo | Regulatory scope of consolidation* |
|----------|--|----------------------|------------------------------------|
| 1 | Total consolidated assets | 1,097,063,815 | 1,121,479,612 |
| 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 | 220,052,629 | 220,052,629 |
| 5 | Adjustment for securities financing transactions (i.e. repos and similar secured lending) | 1,161,964 | 1,161,964 |
| 6 | Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures) | 249,801,191 | 252,498,539 |
| 7 | Other adjustments | (578,024) | (5,755,887) |
| 8 | Leverage ratio exposure | 1,567,501,575 | 1,589,436,857 |

* Based on un-audited accounts for banks & unaudited accounts for subsidiary

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) | 901,661,023 | 926,076,820 |
| 2 | (Asset amounts deducted in determining Basel III Tier 1 capital) | (578,024) | (5,755,887) |
| 3 | Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2) | 901,082,999 | 920,320,933 |
| Derivative exposures | | | |
| 4 | Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin) | 123,010,857 | 123,010,857 |
| 5 | Add-on amounts for PFE associated with all derivatives transactions | 220,866,175 | 220,866,175 |
| 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) | 343,877,032 | 343,877,032 |
| Securities financing transaction exposures | | | |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions | 71,578,389 | 71,578,389 |
| 13 | (Netted amounts of cash payables and cash receivables of gross SFT ASSETS) | - | - |
| 14 | CCR exposure for SFT assets | 1,161,964 | 1,161,964 |
| 15 | Agent transaction exposures | - | - |
| 16 | Total securities financing transaction exposures (sum of lines 12 to 15) | 72,740,353 | 72,740,353 |
| Other off-balance sheet exposures | | | |
| 17 | Off-balance sheet exposure at gross notional amount | 583,606,464 | 607,519,939 |
| 18 | (Adjustments for conversion to credit equivalent amounts) | (333,805,273) | (355,021,400) |
| 19 | Off-balance sheet items (sum of lines 17 and 18) | 249,801,191 | 252,498,539 |
| Capital and total exposures | | | |
| 20 | Tier 1 capital | 148,770,297 | 158,302,883 |
| 21 | Total exposures (sum of lines 3, 11, 16 and 19) | 1,567,501,575 | 1,589,436,857 |
| Leverage ratio | | | |
| 22 | Basel III leverage ratio | 9.49% | 9.96% |

* Based on un-audited accounts for banks & unaudited accounts for subsidiary

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 | 1,097,063,815 | 1,121,479,612 |
| 2 | Replacement cost associated with all derivatives transactions, i.e. net of eligible cash variation margin | (123,824,403) | (123,824,403) |
| 3 | Adjustment for securities financing transactions (i.e. repos and similar secured lending) | (71,578,389) | (71,578,389) |
| 4 | Adjustment for entitles outside the scope of regulatory consolidation | 0 | 0 |
| 5 | On-balance sheet exposure under leverage ratio (excluding derivatives and SFTs) | 901,661,023 | 926,076,820 |

* Based on un-audited accounts for banks & unaudited accounts for subsidiary