PILLAR III DISCLOSURE REQUIREMENTS AS OF 31st December 2023

1. Scope of Application and Capital Adequacy

Dhanlaxmi Bank is a Commercial Bank, which was incorporated on November 14, 1927 in Thrissur, Kerala. The Bank does not have any subsidiary/ Associate companies under its Management.

Table DF 1 –SCOPE OF APPLICATION

Name of the head of the banking group to which the framework applies: Dhanlaxmi Bank Ltd

Bank has no subsidiaries

Name of the entity / Country of incorporation	Whether the entity is included under accounting scope of consolidation (yes / no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes / no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
Dhanlaxmi Bank Ltd, India	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(i) Qualitative Disclosures:

a. List of group entities considered for consolidation: Nil

b. List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation

Name of the entity / country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% Of bank's holding in the total equity	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
Nil					

Any restrictions or impediments on transfer of funds or regulatory capital within the banking group: Nil

TABLE DF 2- CAPITAL ADEQUACY

Qualitative disclosures:

Basel- III guidelines issued by RBI

Reserve Bank of India had issued Guidelines based on the Basel III reforms on capital regulation in May 2012, to the extent applicable to Banks operating in India. The Basel III capital regulation has been implemented from April 1, 2013 in India and the Bank is subject to the compliance with the regulatory limits and minimum CRAR prescribed under Basel III Capital Regulation on an ongoing basis. The Basel III Capital Regulations have been consolidated in Master Circular RBI/2023-24/31 DOR.CAP.REC.15/21.06.201/2023-24 – Basel III Capital Regulations dated May 12, 2023.

Basel III Capital regulations continue to be based on 3 mutually reinforcing Pillars viz, Minimum Capital requirements (Pillar I), Supervisory Review and Evaluation Process (Pillar II) and Market Discipline (Pillar III). The circular also prescribes the risk weights, for the Balance Sheet assets, non-funded items and other off Balance Sheet exposures and the minimum Capital Funds to be maintained as a ratio to the aggregate of the Risk Weighted Assets (RWA) and other exposures, as also, capital requirements in the Trading book, on an ongoing basis and Operational risk. The Basel-III norms mainly seek to:

a) Raise the quality of capital to ensure that the Banks are capable to absorb losses on both as going concern and as gone concern basis,
b) Increase the risk coverage of the capital framework
c) Introduce Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and Leverage Ratio to serve as a backstop to the risk-based capital measure.
d) Raise the standards for the Supervisory Review and Evaluation Process and Public Disclosures etc.

The macro prudential aspects of Basel III are largely enshrined in the capital buffers, viz., Capital Conservation Buffer and Counter Cyclical Capital Buffer. Both the buffers are intended to protect the Banking sector from stress situations and business cycles. The Capital Conservation Buffer requirements started from March 31, 2016 and are fully implemented by October 1, 2021.

Summary

(i) Tier I Capital: Tier I capital of the Bank includes

- Equity Share Capital
- Reserves & Surpluses comprising of
  - Statutory Reserves,
  - Capital Reserves,
  - Share Premium and

- ❖ Balance in P&L Account
- ❖ Revaluation Reserves
- ❖ Special Reserves

(a) Common Equity Tier I

The Bank has authorized share capital of Rs. 500 Cr, comprising 50 Cr equity shares of Rs.10/- each. As on December 31, 2023, the Bank has Issued, Subscribed and Paid-up capital of Rs.253,01,20,840/-, constituting 25,30,12,084 Equity shares of Rs. 10/- each. The Bank's shares are listed on the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE).

(b) Additional Tier I Capital

As on December 31, 2023 the Bank does not have Additional Tier I Capital.

(ii) Tier 2 Capital includes Investment Fluctuation Reserves, Standard Asset Provisions, Investment Reserves, Provision for Restructured Standard Assets & Advances and Tier II Bonds.

Debt Capital Instruments:
The Bank has been raising capital funds by means of issuance of Upper Tier 2 Bonds and Subordinated Bonds. The details of eligible Upper Tier 2 and Subordinated Debt (Unsecured Redeemable Non-Convertible Subordinated Bonds in the nature of Promissory Notes/ Debentures) issued by the Bank and outstanding as on December 31, 2023, are given below. The Bonds considered in computation of Tier 2 Capital is as per the criteria for inclusion of Debt Capital Instruments as Tier 2 Capital detailed in the Basel III Master Circular.

Rs. in Cr

Series	Coupon (%)	Date of Allotment	Maturity Date	Amount of Issue *
Series XV	Payable half yearly @ 11.00%	29.03.2018	29.03.2025	150.00

*Of this Rs.30.00 Cr is eligible for Tier 2 Capital under Basel III.

Quantitative Disclosures:
Risk exposure and assessment

Besides computing CRAR under the Pillar I requirement, the Bank also periodically undertakes Stress Testing in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, profitability and capital adequacy. The Bank conducts Internal Capital Adequacy Assessment Process (ICAAP) on annual basis to assess the sufficiency of its capital funds to cover the risks specified under Pillar II of Basel guidelines. The adequacy of Bank’s capital funds to meet the future business growth is also assessed in the ICAAP Document. Capital requirement for current business levels and framework for assessing capital requirement for future business levels has been made. Capital requirement and Capital optimization are monitored periodically by the Committee of Senior Management (ALCO). The Senior Management deliberates on various options available for capital augmentation in tune with business growth. Based on these reports submitted by Senior Management, the Board of Directors evaluates the available capital sources, forecasts the capital requirements and capital adequacy of the Bank and ensures that the capital available for the Bank at all times is in line with the Risk Appetite of the Bank.

Composition of Capital as on 31.12.2023

Items	Rs. in Million
Paid-up Share Capital	2530.12
Reserves	13754.56
Common Equity Tier 1 Capital before deductions	16284.68
Less amounts deducted from Tier I capital (accumulated losses, DTA , Intangible Assets and Valuation Adjustments on Illiquid securities).	8299.89
(a) Common Equity Tier 1 Capital	**7984.80**
(b) Additional Tier-I Capital	0.00
(c) Total Tier-I Capital (a)+(b)	**7984.80**
Directly issued Tier II capital instruments subject to phase out	300.00
General Provisions/ Investment Reserves/ Investment Fluctuation Reserves	898.24
(d) Total Tier 2 Capital	**1198.24**
Total Eligible Capital (c)+(d)	**9183.03**

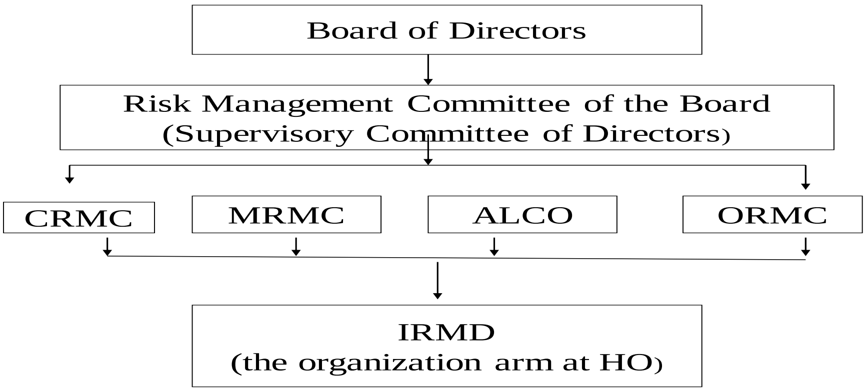
The Bank is following Standardised Approach, Standardised Duration Approach and Basic Indicator Approach for measurement of capital charge in respect of Credit Risk, Market Risk and Operational Risk respectively. The Capital requirements for Credit Risk, Market Risk and Operational Risk and the Common Equity Tier 1, Tier 2 and Total Capital Ratios are given below: -

Rs.in Cr

Items	31.12.2023
(a) Capital requirements for Credit risk	
Portfolios subject to Standardised Approach (11.50%)	**692.50**
Securitization exposures	
(b) Capital requirements for Market risk- Standardised Duration approach	**36.71**
Interest rate risk	32.01
Foreign exchange risk (including gold)	0.90
Equity position risk	3.80
(c) Capital requirements for Operational risk	**75.59**
Basic Indicator Approach	75.59
Total Capital Funds Required @ 11.50% [(a)+(b)+(c)]	**804.80**
Total Capital Funds Available	**918.30**
Total Risk Weighted Assets	**7425.49**

Items	31.12.2023
(d) Common Equity Tier 1, Tier 2 and Total Capital Ratios	
Common Equity Tier 1 CRAR (%)	10.75%
Tier 2 CRAR (%)	1.61%
Total CRAR % for the Bank	**12.37%**

Structure and Organisation of the Risk Management function in the Bank



Risk exposure and assessment

The Bank has adopted an integrated approach for the management of risk. The Bank's Integrated Risk Management Department (IRMD) is the organisational arm for risk management functions. The Bank has developed a comprehensive risk rating system that serves as a single point indicator of diverse risk factors of counterparty and for taking credit decisions in a consistent manner. Major initiatives of IRMD are –

- Risk rating system is drawn up in a structured manner incorporating the parameters from the 5 main risk areas 1) Financial Risk, 2) Industry/ Market Risk, 3) Business Risk, 4) Management Risk, and 5) Facility risk
- Risk rating system is made applicable for loan accounts with total limits of Rs.2 lakhs and above.
- Different Rating Models are used for different types of exposures, for eg. Traders, SME, NBFC, Corporate, Small Loans, Retail Loans etc.
- IRMD validates the ratings of all exposures of Rs.100 lakhs and above.
- An independent analysis is carried out of the various risks attached to the credit proposals including industry analysis.
- Rating Migration analysis covering all exposures of Rs.5 Cr and above is conducted on quarterly basis and migration analysis of exposures of Rs.1 Cr & above is conducted on a half yearly basis. Rating Migration analysis covering all exposures of Rs.25 lakhs and above is conducted on annual basis; Evaluates the asset quality by tracking the delinquencies and migration of borrower from one rating scale to another.

Credit facilities are sanctioned at various levels in accordance with the delegation approved by the Board. The Bank has in place the following hierarchical functionaries with delegated powers for credit sanction and administration:

- Branch Head with Branch Operational Manager, jointly,
- Regional Credit Committee (RCC)
- Corporate Credit Committee (CCC)
- Corporate Credit Committee (CCC1)
- Credit and Business Committee of the Board (CBCB)
- Board of Directors

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

The Bank has put in place a Board approved Policy on Credit Risk Mitigation Techniques and Collateral Management, covering the Credit Risk mitigation techniques used by the Bank for both risk management and capital computation purposes. Apart from the Basel defined collateral, the Bank ensures securities by way of inventories, Book Debts, Plant & Machineries, Land & Buildings and other moveable/ immovable assets/ properties. The Bank also accepts Personal/ Corporate guarantee as an additional comfort for Credit Risk mitigation. The securities are subjected to proper valuation as prescribed in the Credit Policy of the Bank.

Bank has laid down detailed guidelines on documentation to ensure legal certainty of Bank's charge on collaterals. In order to ensure that documents are properly executed, the function has been brought under the purview of Credit Officers. The Credit Officers at branches ensure documentation, ground level follow up, collection of feedback, closer monitoring of accounts, quality of asset portfolios, statistical analyses, reporting of irregularities, providing guidelines, compliance with policy prescriptions and adherence to terms of sanction.

The Bank has an exclusive set up for Credit Monitoring functions in order to have greater thrust on post sanction monitoring of loans and strengthen administering the various tools available under the Bank's policies on loan review mechanism. For effective loan review, the Bank has the following in place: -

- On site monitoring tools like Inspection of Assets/ Books/ Stock of the borrower, Stock audit, Operations in the account, Payment of statutory dues etc.
- Recording of loan sanctioned by each sanctioning authority by the next higher authority.
- Offsite monitoring tools like Financial Follow-up Reports, verification of various statutory returns, Audit Reports etc.

TABLE DF 3 – CREDIT RISK: GENERAL DISCLOSURES

Qualitative disclosures:

(a) General: -

Definitions of Past Due and Impaired (for accounting purposes)

The Bank has adopted the definition of the Past Due and Impaired (for accounting purposes) as defined by the Regulator for income recognition and these asset classification norms are furnished below: -

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;

a) interest and/ or installment of principal remains overdue for a period of more than 90 days in respect of a term loan,
b) the account remains ‘out of order’ as indicated at paragraph 2 below, in respect of an Overdraft/ Cash Credit (OD/ CC),
c) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
d) the installment of principal or interest thereon remains overdue for two crop seasons for short duration crops,
e) the installment of principal or interest thereon remains overdue for one crop season for long duration crops,
f) the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021.
g) in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

In addition, an account may also be classified as NPA in terms of any temporary deficiencies as defined by the Regulator.

2. ‘Out of Order’ status: An account is treated as **'Out of Order'** if the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or the outstanding balance in the CC/ OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/ OD account is less than the sanctioned limit/ drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

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. The borrower accounts shall be flagged as overdue by the banks as part of their day-end processes for the due date, irrespective of the time of running such processes.

Strategies and Processes for Credit Risk Management

Credit Risk Management Committee (CRMC) headed by MD & CEO is the highest-level executive committee for Credit Risk management. The committee considers and takes decisions necessary to manage and control Credit Risk within overall quantitative prudential limit set up by Board. The committee is entrusted with the job of recommending to the Board for its approval, clear policies on standards for presentation of credit proposals, fine-tuning required in various rating models based on feedbacks or change in market scenario, approval of any other action necessary to comply with requirements set forth in Credit Risk Management Policy/ RBI guidelines or otherwise required for managing credit risk.

The Bank's strategies to manage the credit risks in its lending operations are as under:

a) The Bank has a Comprehensive Board Approved Credit Risk Management Policy which is reviewed and revised annually. In addition to the above, various strategies with regard to Credit Risk management are covered under Bank's Credit Policy, Credit Monitoring Policy and Recovery Policy which are periodically reviewed by the Board.
b) Defined segment exposures are delineated into Retail, SME and Corporates
c) Industry wise exposure caps on aggregate lending by Bank
d) Individual borrower wise caps on lending as well as borrower group wise lending caps linked as a percentage to the Bank's capital funds in line with RBI guidelines.
e) Credit rating of borrowers and allowing credit exposures only to defined thresholds of risk levels
f) A well-defined approach to sourcing and preliminary due diligence while sourcing fresh credit accounts
g) A clear and well-defined delegation of authority within the Bank with regard to decision making, linking exposure, rating and transaction risks.
h) Regular review of all credit structures and caps, continuously strengthening credit processes, and monitoring oversight which are regularly reviewed and duly approved by the Board of the Bank.
i) Credit Risk Management Cell is validating the rating assigned to all individual credit exposures of Rs100 Lakh and above.
j) Bank has an ever-improving procedures and structures with respect to Credit Approval Process, Credit Rating, Prudential Limits, Documentation, Credit Monitoring and Review Mechanism.
k) Credit Audit System by Internal/ External Auditors has been put in place for all Rs.1Cr and above advances. For all loans/ advances of aggregate sanctioned amount of Rs.1 Cr and above, Credit Audit is conducted within 30 days from the date of disbursement. For

Takeover accounts of Rs.1 Cr and above, Credit Audit is conducted within 15 days from the date of disbursement and one more Credit Audit is conducted in the immediate succeeding year. In respect of standard accounts with fund based working capital limit of Rs.3 Cr and above and in respect of standalone Term loans of Rs.5 Cr and above, Credit audit is conducted every year.

l) Legal Audit is conducted for all eligible loan accounts having an exposure of Rs.1 Cr and above mandatorily. In respect of advances of Rs.1 Cr and below Rs.5 Cr, Legal Audit is conducted as a onetime measure and in respect of advances of Rs.5 Cr and above, Legal Audit is conducted every year.

m) The review of accounts is usually done once in a year. But in case of deterioration of the quality of advance the frequency of review is shortened to half yearly or quarterly as per the case.

n) The Credit Officers at branch level take care of the security creation and account management

o) Credit Monitoring Department monitors the performance of loan assets of the Bank.

p) Bank also carries out industry study which would provide necessary information to Business line to increase/ hold/ decrease exposure under various industries.

Quantitative disclosures:

(a) Total Gross Credit exposures as on 31st December 2023: (After accounting offsets in accordance with applicable accounting regime and without taking into account the effects of credit risk mitigation techniques e.g. Collateral and netting)

Overall credit exposure		**Amount**	**Total (In Cr)**
Fund Based	Loans & advances	10313.98	12268.83
	Cash, RBI and Banks	1204.68	
	Others (Fixed Assets & other Assets)	750.16	
Non Fund Based	LC, BG etc	401.41	1171.15
	Forward Contracts/ Interest rate SWAPS	131.22	
	Others	638.52	
Investments (Banking Book only)	--	2801.31	2801.31
Total of Credit Risk exposure	--	**16241.29**	**16241.29**

(b) **Geographic distribution of exposures:**

Exposures	**31.12.2023 (Rs. in Cr)**		
	Fund based	**Non Fund Based**	**TOTAL**
Domestic operations	15070.14	1171.15	16241.29
Overseas operations	Bank has no overseas operations		

(c) **Industry type distribution of exposures as on 31.12.2023:**

Particulars	**Funded Exposures**
	Gross advance (Rs in Cr)
A. Mining and Quarrying	1.54
B. Food Processing	100.1
C. Beverages (excluding Tea & Coffee) and Tobacco	4.76
D. Textiles	104.78
E. Leather and Leather products	9.2
F. Wood and Wood Products	6.64
G. Paper and Paper Products	10.29
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear fuels	0
I. Chemicals and Chemical Products (Dyes, Paints, etc.)	17.46
J. Rubber, Plastic and their Products	8.44
K. Glass & Glassware	8.08
L. Cement and Cement Products	5.42
M. Basic Metal and Metal Products	35.55
N. All Engineering	34.97
O. Vehicles, Vehicle Parts and Transport Equipments	20.3
P. Gems and Jewellery	146.29
Q. Construction	266.03
R. Infrastructure	487.79
S. Other Industries	33.27
All Industries (A to S)	1300.9
Residuary other advances	9013.08
Gross Advances	**10313.98**

Exposures to Infrastructure (Transport, Energy, Water sanitation, Communication etc.) and Construction accounted for 4.73% and 2.58% of Gross Advances outstanding, respectively. The coverage of advances to the above 2 industries occupy the top 2 positions among the total industry sectors.

(Rs in Cr.)

Sl No.	**Industry**	**Gross Advance**	**Gross NPA**	**Provision**
1.	Infrastructure	487.79	9.66	9.22
2.	Construction	266.03	39.45	13.76
3.	Gems and Jewellery	146.29	0.21	0.04
4.	Textiles	104.78	3.71	1.49
5.	Food Processing	100.10	9.53	7.87
	Total	**1104.99**	**62.56**	**32.38**

(d) Residual maturity breakdown of assets as on 31.12.2023:

(Rs. in Cr)

Maturity Pattern Assets	Advances (Net)	Investments (Gross)	Foreign Currency Assets
Next Day	267.19	0.00	35.29
2 - 7 Days	91.50	29.52	0
8 - 14 Days	76.78	0.00	3.20
15 - 30 Days	407.54	24.61	1.30
31 D - 2 M	1163.57	10.00	42.79
2 - 3 Months	670.88	1.33	24.46
3 - 6 Months	1232.19	13.56	24.56
6 Months - 1 Year	1471.66	102.30	21.54
1 Year - 3 Years	1797.73	2044.74	-
3 - 5 Years	858.87	1019.28	
Over 5 Years	1906.66	633.83	-
Total	**9944.58**	**3879.17**	**153.13**

(e) Non Performing Assets:

Sl No	Items	Amount in Rs. in Million 31.12.2023)
1	**Gross NPAs**	**4956.48**
1.1	Substandard	998.23
1.2	Doubtful 1	152.78
1.3	Doubtful 2	1115.23
1.4	Doubtful 3	997.97
1.5	Loss	1692.26
2	**Net NPAs**	**1262.49**
	NPA Ratios	
3.1	Gross NPAs to Gross Advances (%)	4.81%
3.2	Net NPA s to Net Advances (%)	1.27%
4	**Movement of NPAs (Gross)**	
4.1	Opening balance	5111.49
4.2	Additions	1279.16
4.3	Reductions	1434.18
4.4	Closing balance	4956.48
5	**Movement of provisions for NPAs**	
5.1	Opening balance	4008.92
5.2	Provisions made during the FY	755.19
5.3	Reductions	1081.75
5.4	Closing balance	3682.36
6	**Amount of Non Performing Investments (NPI)**	899.57
7	**Amount of provisions held for NPI**	899.57
8	**Movement of Provisions held for NPIs**	
8.1	Opening balance	899.57
8.2	Provisions made during the period	0.00

8.3	Write-off/ Write back of excess provisions	0.00
8.4	Closing balance	899.57

Table DF 4 DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

Qualitative disclosures:

(a) For Portfolios under the Standardised Approach

1	Names of credit rating agencies used	Bank has approved all the External Credit Rating agencies accredited by RBI for the purpose of credit risk rating of domestic borrowal accounts, i.e. CRISIL Ratings Ltd, CARE, India Ratings & Research Pvt. Ltd., ICRA, ACUITE rating & Research Ltd, Infomerics and International Credit Rating agencies, i.e, Standard and Poor, Moody's and FITCH.
2	Changes if any, since prior period disclosure in the identified rating agencies and reasons for the same.	No change
3	Types of exposure for which each agency is used	The External Credit Rating assigned by an agency is considered only if it fully takes into account the credit exposure of the Bank. Bank is entitled to use the ratings of all the above identified Rating Agency rating for various types of exposures as follows:
		(i) For Exposure with a contractual maturity of less than or equal to one year (except Cash Credit, Overdraft and other Revolving Credits), Short -Term Rating given by ECRA will be applicable
		(ii) For Domestic Cash Credit, Overdrafts and other Revolving Credits (irrespective of the period) and/ or Term Loan exposures of over one year, Long Term Rating will be applicable.
		(iii) For Overseas exposures, irrespective of the contractual maturity, Long Term Rating given by IRAs will be applicable.
		(iv) Rating by the agencies is used for both fund based and non-fund based exposures.
		(iv) Rating assigned to one particular entity within a corporate group cannot be used to risk weight other entities within the same group.
4	Description of the process used to transfer public issue rating on to	Long –term Issue Specific (our own exposures or other issuance of debt by the same borrower-constituent/ counter-party) Ratings or Issuer (borrower-constituent/ counter-party) Ratings can be applied to other unrated

	comparable assets in the Banking book.	exposures of the same borrower-constituent/ counterparty in the following cases :
		(i) If the Issue Specific Rating or Issuer Rating maps to Risk Weight equal to or higher than the unrated exposures, any other unrated exposure on the same counter-party will be assigned the same Risk Weight, if the exposure ranks paripassu or junior to the rated exposure in all aspects
		(ii) In cases where the borrower-constituent/ counter-party has issued a debt (which is not a borrowing from our Bank), the rating given to that debt may be applied to Bank's unrated exposures if the Bank's exposure ranks paripassu or senior to the specific rated debt in all respects and the maturity of unrated Bank's exposure is not later than Maturity of rated debt.

Quantitative disclosures

Amount of Bank's outstanding in major risk buckets- under standardised approach after factoring risk mitigants (i.e., collaterals) (includes Banking Book exposure of Investments):

(Rs. in Cr)

Particulars	Total
Below 100% risk weight	9415.00
100% risk weight	1846.01
More than 100% risk weight	786.37
Total Net Exposure	**12047.38**

<u>Table DF 18 Leverage Ratio</u>

The Basel III Leverage ratio is defined as the Capital measure (the numerator) divided by the Exposure measure (the denominator), with this ratio expressed as a percentage. Effective from the quarter commencing October 1, 2019, the minimum leverage ratio shall be 3.50%.

$$\text{Leverage Ratio} = \frac{\text{Capital Measure (Tier I Capital)}}{\text{Exposure Measure}}$$

As per RBI Guidelines, the Basel III Leverage Ratio for the Bank at the consolidated level as on December 31, 2023 is as follows:

	Table DF-18: Leverage Ratio common disclosure template	
	Item	**Leverage ratio framework (Rs. in Million)**
	On-Balance Sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	159045.66
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	376.16

	Table DF-18: Leverage Ratio common disclosure template	
	Item	**Leverage ratio framework (Rs. in Million)**
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	**158669.50**
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	5.06
5	Add-on amounts for PFE associated with all derivatives transactions	24.24
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
8	(Exempted CCP leg of client-cleared trade exposures)	0
9	Adjusted effective notional amount of written credit derivatives	0
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
11	Total derivative exposures (sum of lines 4 to 10)	**29.30**
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0
14	CCR exposure for SFT assets	
15	Agent transaction exposures	0
16	Total securities financing transaction exposures (sum of lines 12 to 15)	**0**
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	4509.39
18	(Adjustments for conversion to credit equivalent amounts)	0
19	Off-balance sheet items (sum of lines 17 and 18)	**4509.39**
	Capital and Total exposures	
20	Tier 1 capital	**7984.80**
21	Total exposures (sum of lines 3, 11, 16 and 19)	**163208.19**
	Leverage ratio	
22	Basel III leverage ratio	**4.89%**