AXIS BANK

DISCLOSURES UNDER BASEL III CAPITAL REGULATIONS (CONSOLIDATED) FOR THE YEAR ENDED 31st MARCH 2017

I. SCOPE OF APPLICATION AND CAPITAL ADEQUACY

Name of the head of the banking group to which the framework applies: Axis Bank Limited

Axis Bank Limited (the 'Bank') is a commercial bank, which was incorporated on the 3rd December 1993. The Bank is the controlling entity for all group entities. The consolidated financial statements of the Bank comprise the financial statements of Axis Bank Limited and its subsidiaries that together constitute the 'Group'. The Bank consolidates its subsidiaries in accordance with Accounting Standard 21 (AS-21) 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India on a line-by-line basis by adding together the like items of assets, liabilities, income and expenditure.

(i) Qualitative Disclosures

The list of group entities considered for consolidation is given below:

Name of the Entity/Country of Incorporation	Included under Accounting Scope of Consolidation	Method of Consolidation	Included under Regulatory Scope of Consolidation	Method of Consolidation	Reasons for difference in the Method of Consolidation	Reasons, if Consolidated under only one of the Scopes of Consolidation
Axis Asset Management Company Limited/India	Yes	Consolidated in accordance with AS-21- Consolidated Financial Statements	Yes	Consolidated in accordance with AS-21- Consolidated Financial Statements	NA	NA
Axis Bank UK Limited/UK	Yes	Consolidated in accordance with AS-21- Consolidated Financial Statements	Yes	Consolidated in accordance with AS-21- Consolidated Financial Statements	NA	NA
Axis Capital Limited/India	Yes	Consolidated in accordance with AS-21- Consolidated Financial Statements	Yes	Consolidated in accordance with AS-21- Consolidated Financial Statements	NA	NA
Axis Finance Limited/India	Yes	Consolidated in accordance with AS-21- Consolidated Financial Statements	Yes	Consolidated in accordance with AS-21- Consolidated Financial Statements	NA	NA
Axis Mutual Fund Trustee Limited/India	Yes	Consolidated in accordance with AS-21- Consolidated Financial Statements	Yes	Consolidated in accordance with AS-21- Consolidated Financial Statements	NA	NA
Axis Private Equity Limited/India	Yes	Consolidated in accordance with AS-21-	Yes	Consolidated in accordance with AS-21-	NA	NA

Name of the Entity/Country of Incorporation	Included under Accounting Scope of Consolidation	Method of Consolidation	Included under Regulatory Scope of Consolidation	Method of Consolidation	Reasons for difference in the Method of Consolidation	Reasons, if Consolidated under only one of the Scopes of Consolidation
		Consolidated Financial Statements		Consolidated Financial Statements		
Axis Securities Limited/India	Yes	Consolidated in accordance with AS-21-Consolidated Financial Statements	Yes	Consolidated in accordance with AS-21-Consolidated Financial Statements	NA	NA
Axis Trustee Services Limited/India	Yes	Consolidated in accordance with AS-21-Consolidated Financial Statements	Yes	Consolidated in accordance with AS-21-Consolidated Financial Statements	NA	NA
A.Treds Limited/India	Yes	Consolidated in accordance with AS-21-Consolidated Financial Statements	Yes	Consolidated in accordance with AS-21-Consolidated Financial Statements	NA	NA

* NA – Not Applicable

As on 31 March, 2017, Axis Securities Europe Ltd. a wholly-owned subsidiary of the Bank in United Kingdom has opted for voluntary winding up and the same is under process.

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

The list of group entities considered for consolidation as on 31st March 2017is given below:

(₹ in millions)

Name of the Entity/Country of Incorporation	Principal Activity of the Entity	Total Balance Sheet Equity*	Total Balance Sheet Assets
Axis Asset Management Company Limited/India	Asset Management company for Axis Mutual Fund	₹2,101	₹3,739
Axis Bank UK Limited/UK	Retail Banking, Corporate Banking, Commercial Banking and Treasury Services	₹3,567 (USD 55)	₹53,350 (USD 823)
Axis Capital Limited/India	Merchant Banking, Institutional Broking and Investment Banking Business	₹735	₹11,988
Axis Finance Limited/India	Non-Banking Financial activities	₹4,183	₹52,756
Axis Mutual Fund Trustee Limited/India	Trustee company for Axis Mutual Fund	₹1	₹4

(₹ in millions)

Name of the Entity/Country of Incorporation	Principal Activity of the Entity	Total Balance Sheet Equity*	Total Balance Sheet Assets
Axis Private Equity Limited/India	Managing investments, venture capital funds and off-shore funds	₹15	₹42
Axis Securities Limited/India	Marketing of Retail Asset Products, Credit Cards and Retail Broking	₹1,445	₹4,484
Axis Trustee Services Limited/India	Trusteeship services	₹15	₹673
A.Treds Limited/India	Setting up institutional mechanism to facilitate financing of trade receivables of MSME	₹250	₹255

* Paid up Equity Capital

Note -
There is no capital deficiency in any subsidiary, which is not included in the regulatory scope of consolidation.

As on 31st March 2017, the Bank does not have controlling interest in any insurance entity.

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

II. CAPITAL ADEQUACY

The Bank is subject to the capital adequacy guidelines stipulated by RBI, which are based on the framework of the Basel Committee on Banking Supervision. As per Basel III 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 on31st March 2019. These guidelines on Basel III have been implemented on 1st April 2013 in a phased manner. The minimum capital required to be maintained by the Bank for the year ended 31st March 2017 is 10.25% with minimum Common Equity Tier 1 (CET1) of 6.75% (including CCB of 1.25%)

An assessment of the capital requirement of the Bank is carried out through a comprehensive projection of future businesses that takes cognizance of the strategic intent of the Bank, profitability of particular businesses and opportunities for growth. The proper mapping of credit, operational and market risks to this projected business growth enables assignment of capital that not only adequately covers the minimum regulatory capital requirement but also provides headroom for growth. The calibration of risk to business is enabled by a strong risk culture in the Bank aided by appropriate, technology-based risk management systems. As part of the Internal Capital Adequacy Assessment Process (ICAAP), the Bank also assesses the adequacy of capital under stress. A summary of the Bank's capital requirement for credit, market and operational risk and the capital adequacy ratio as on 31st March 2017 is presented below:

(₹ in millions)

Capital Requirements for various Risks	Amount
CREDIT RISK	
Capital requirements for Credit Risk	
- Portfolios subject to standardized approach	365,843
- Securitisation exposures	-

MARKET RISK	
Capital requirements for Market Risk	
- Standardised duration approach	31,591
- Interest rate risk	24,722
- Foreign exchange risk (including gold)	311
- Equity risk	6,558
OPERATIONAL RISK	
Capital requirements for Operational risk	
- Basic indicator approach	38,869

Capital requirement has been computed at 9% of RWA

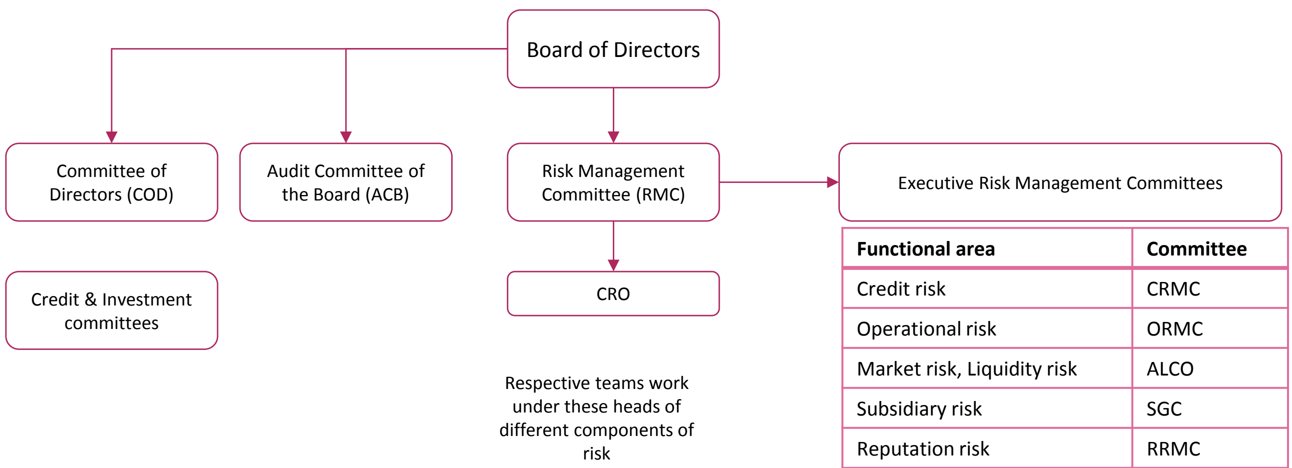
Capital Adequacy Ratios	Consolidated	Standalone
Common Equity Tier – 1 CRAR	11.25%	11.13%
Tier – 1 CRAR	11.97%	11.87%
Total CRAR	15.01%	14.95%

III. RISK MANAGEMENT: OBJECTIVES AND ORGANISATION STRUCTURE

The wide variety of businesses undertaken by the Bank requires it to identify, measure, control, monitor and report risks effectively. The key components of the Bank's risk management rely on the risk governance architecture, comprehensive processes and internal control mechanism based on approved policies and guidelines. The Bank's risk governance architecture focuses on the key areas of risk such as credit, market (including liquidity) and operational risk and quantification of these risks, wherever possible, for effective and continuous monitoring and control.

Objectives and Policies

The Bank's risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring through the sub-committees of the Board of Directors. The Board sets the overall risk appetite and philosophy for the Bank. The Committee of Directors, the Risk Management Committee and the Audit Committee of the Board, which are sub-committees of the Board, review various aspects of risk arising from the businesses of the Bank. Various senior management committees operate within the broad policy framework as illustrated below:



Functional area	Committee
Credit risk	CRMC
Operational risk	ORMC
Market risk, Liquidity risk	ALCO
Subsidiary risk	SGC
Reputation risk	RRMC
Business continuity risk	BCPMC
Outsourcing risk	COC
Info Security risk	ISSC

The Bank has put in place policies relating to management of credit risk, market risk, operational risk, information security risk, reputation risk, subsidiary risk and asset-liability both for the domestic as well as overseas operations along with overseas subsidiaries as per the respective host regulatory requirements and business needs. The overseas policies are drawn based on the risk perceptions of these economies and the Bank's risk appetite.

The Bank has formulated a comprehensive Stress Testing Policy to measure impact of adverse stress scenarios on the adequacy of capital. The stress scenarios are idiosyncratic, market wide and a combination of both.

Structure and Organisation

The Chief Risk Officer reports to the Managing Director and CEO. The Risk Management Committee of the Board oversees the functioning of the Department. The Department has separate teams for individual components of risk i.e. Credit Risk, Market Risk (including Treasury Mid Office), Operational Risk, Enterprise Risk, Risk Analytics, Risk Data Management and Information Security Risk. These teams report to the Chief Risk Officer.

IV. CREDIT RISK

Credit risk refers to the deterioration in the credit quality of the borrower or the counter-party adversely impacting the financial performance of the Bank. The losses incurred by the Bank in a credit transaction could be due to inability or wilful default of the borrower in honouring the financial commitments to the Bank. The Bank is exposed to credit risk through lending and capital market activities.

Credit Risk Management Policy

The Board of Directors establishes parameters for risk appetite which are defined through strategic businesses plan as well as the Corporate Credit Policy. Credit Risk Management Policy lays down the roles and responsibilities, risk appetite, key processes and reporting framework. Corporate credit is managed through rating of borrowers and the transaction, thorough due diligence through an appraisal process alongside risk vetting of individual exposures at origination and thorough periodic review (including portfolio review) after sanctioning. Retail credit to individuals and small business is managed through definition of product criteria, appropriate credit filters and subsequent portfolio monitoring.

Credit Rating System

The foundation of credit risk management rests on the internal rating system. Rating linked single borrower exposure norms, delegation of powers and review frequency have been adopted by the Bank. The Bank has developed rating tools specific to market segments such as large and mid-corporates, SME, financial companies, microfinance companies and project finance to objectively assess underlying risk associated with such exposures.

The credit rating model uses a combination of quantitative and qualitative inputs to arrive at a 'point-in-time' view of the risk profile of counterparty. Each internal rating grade corresponds to a distinct probability of default over one year. Expert scorecards are used for various SME schematic products and retail agriculture schemes. Statistical application and behavioural scorecards have been developed for all major retail portfolios.

The Bank recognises cash, central/state government, bank and corporate guarantees, exclusive mortgage of properties and lease rental securitisation for the purpose of credit enhancement to arrive at a facility rating.

Model validation is carried out annually by objectively assessing the discriminatory power, calibration accuracy and stability of ratings. The Bank has completed the estimation and validation of PD, LGD and CCF models for corporate and retail portfolios.

Credit Sanction and Related Processes

The guiding principles behind the credit sanction process are asunder:

- 'Know Your Customer' is a leading principle for all activities.
- The acceptability of credit exposure is primarily based on the sustainability and adequacy of borrower's normal business operations and not based solely on the availability of security.

The Bank has put in place a hierarchical committee structure based on the size and rating of the exposures for credit sanction and review; with sanctioning authority rested with higher level committees for larger and lesser rated exposures. Committee of Directors (COD) is the topmost committee in the hierarchy which is a sub-committee of the Board.

All management level sanctioning committees require mandatory presence of a representative from Risk Department for quorum.

Review and Monitoring

- All credit exposures, once approved, are monitored and reviewed periodically against the approved limits. Borrowers with lower credit rating are subject to more frequent reviews.
- Credit audit involves independent review of credit risk assessment, compliance with internal policies of the Bank and with the regulatory framework, compliance of sanction terms and conditions and effectiveness of loan administration.
- Customers with emerging credit problems are identified early and classified accordingly. Remedial action is initiated promptly to minimize the potential loss to the Bank.

Concentration Risk

The Bank manages concentration risk by means of appropriate structural limits and borrower-wise limits based on credit-worthiness. Credit concentration in the Bank's portfolios is monitored for the following:

- Large exposures to the individual clients or group: The Bank has individual borrower-wise exposure ceilings based on the internal rating of the borrower as well as group-wise borrowing limits which are continuously tracked and monitored.
- Geographic concentration for real estate exposures.
- Concentration by Industry: Industry analysis plays an important part in assessing the concentration risk within the loan portfolio. Industries are classified into various categories based on factors such as demand-supply, input related risks, government policy stance towards the sector and financial strength of the sector in general. Such categorization is used in determining the expansion strategy for the particular industry.

Portfolio Management

Portfolio level risk analytics and reporting to senior management examines optimal spread of risk across various rating classes, undue risk concentration across any particular industry segments and delinquencies. Borrowers or portfolios are marked for early warning when signs of weakness or financial deterioration are envisaged in order that timely remedial actions may be initiated. In-depth sector specific studies are undertaken on portfolios vulnerable to extraneous shocks and the results are shared with the business departments. The Bank has a well-defined stress testing policy in place and periodic stress testing is undertaken on various portfolios to gauge the impact of stress situations on the health of portfolio, profitability and capital adequacy.

Retail lending portfolio is the blended mix of Consumer Lending and Retail Rural Lending Portfolios. Secured products (like mortgage, wheels business) commands a major share of the Consumer Lending Portfolio, as the Bank continues to grow the unsecured lending book (personal loans and credit card business) albeit with prudent underwriting practice. The Bank has developed a robust risk management framework at each stage of retail loan cycle i.e. loan acquisition, underwriting and collections.

Underwriting strategy relies on extensive usage of analytical scoring models which also takes inputs from bureau. The Bank uses 'Rules Engine' which helps customise business rules thereby aiding in faster decision making without compromising on the underlying risks. Senior Management takes note of movement and direction of risk reported through information published on structured dashboards.

Definitions and Classification of Non-Performing Assets

Advances are classified into performing and non-performing asset (NPAs) as per RBI guidelines.

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

- interest and/or installment of principal remains overdue for a period of more than 90 days in respect of a term loan,
- the account remains 'out-of-order' for a period of more than 90 days in respect of an Overdraft or Cash Credit (OD/CC),
- the bill remains overdue for a period of more than 90 days in case of bills purchased and discounted,
- a loan granted for short duration crops will be treated as an NPA if the installments of principal or interest thereon remain overdue for two crop seasons,
- a loan granted for long duration crops will be treated as an NPA if the installments of principal or interest thereon remain overdue for one crop season,
- 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.
- the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of guidelines on securitisation dated February 1, 2006.

NPAs are further classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. A sub-standard asset is one, which has remained a NPA for a period less than or equal to 12 months. An asset is classified as doubtful if it has remained in the sub-standard category for more than 12 months. A loss asset is one where loss has been identified by the Bank or internal or external auditors or during RBI inspection but the amount has not been written off fully.

Definition of Impairment

At each balance sheet date, the Bank ascertains if there is any impairment in its assets. If such impairment is detected, the Bank estimates the recoverable amount of the asset. If the recoverable amount of the asset or the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account.

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CREDIT RISK EXPOSURES

Total Gross Credit Risk Exposure Including Geographic Distribution of Exposure – Position as on 31st March 2017

(₹ in millions)

	Domestic (Outstanding)	Overseas (Outstanding)	Total
Fund Based	5,164,546	594,638	5,759,184
Non Fund Based *	1,059,702	90,135	1,149,837
Total	6,224,248	684,773	6,909,021

* Non-fund based exposures are bank guarantees issued on behalf of constituents and acceptances and endorsements.

Distribution of Credit Risk Exposure by Industry Sector – Position as on 31st March 2017

(₹ in millions)

Industry Classification	Amount	
	Fund Based (Outstanding)	**Non-Fund Based (Outstanding)**
Banking and Finance*	489,980	168,835
Infrastructure (excluding Power)	232,289	233,496
Engineering	82,418	183,728
Power Generation & Distribution	197,939	50,829
Trade	181,224	56,612
Chemicals and Chemical products	118,012	48,330
Metal and Metal Products	128,164	34,078
Commercial Real Estate	141,652	12,428
Iron and Steel	112,322	32,239
Petroleum, Coal Products and Nuclear Fuels	48,327	93,059
NBFCs	86,748	19,294
Food Processing	93,251	4,348
Construction	29,986	40,655
Professional Services	63,087	3,834
Cement and Cement Products	48,102	13,251
Cotton Textiles	45,160	2,887
Computer Software	25,953	20,891
Rubber, Plastic and their Products	30,374	5,283
Shipping Transportation & Logistics	31,102	3,499
Vehicles, Vehicle Parts and Transport Equipment	28,609	5,452
Mining and Quarrying (incl. Coal)	30,213	967
Other Textiles	26,689	3,272
Entertainment & Media	16,593	10,344
Edibile oils and Vanaspati	7,274	16,274
Other Industries	245,674	48,136
Residual Exposures	3,218,042	37,816
- of which Other Assets	185,998	-
- of which Banking Book Investments	808,152	-
- of which Retail, Agriculture & Others	2,223,892	-
Total	**5,759,184**	**1,149,837**

* includes Cash, Balances with RBI and Balances with banks and money at call and short notice

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As on 31st March 2017, the Bank's exposure to the industries stated below was more than 5% of the total gross credit exposure (outstanding):

Sr. No.	Industry Classification	Percentage of the total gross credit exposure
1.	Banking & Finance	10%
2.	Infrastructure (Excluding Power)	7%

Residual Contractual Maturity Breakdown of Assets – Position as on 31st March 2017[(1)]

(₹ in millions)

Maturity Bucket	Cash	Balances with RBI	Balances with other banks[(2)]	Investments	Advances	Fixed Assets	Other assets
1day	63,579	92,741	14,963	1,90,388	47,534	-	4,017
2 to 7 days	-	6,604	1,55,435	47,043	31,128	-	23,368
8 to 14 days	-	3,440	1,167	20,563	24,972	-	22,403
15 to 30 days	-	4,969	1,643	27,775	1,16,657	-	51,243
31 days to 2 months	-	6,311	1,339	40,036	78,497	-	9,974
Over 2 months and upto3 months	-	6,690	1,720	40,659	1,06,781	-	5,335
Over 3 months and upto 6 months	-	14,721	9,716	85,692	1,98,107	-	25,242
Over 6 months and upto 12 months	-	22,547	22,959	1,48,120	2,46,286	-	64,173
Over 1 year and upto 3 years	-	18,616	136	1,41,058	6,67,553	-	35,543
Over 3 years and upto 5 years	-	3,559	6	74,848	4,97,708	9	48,404
Over 5 years	-	64,802	-	4,88,294	17,97,192	38,130	1,79,609
Total	**63,579**	**2,45,000**	**2,09,084**	**13,04,476**	**38,12,415**	**38,139**	**4,69,311**

1. Intra-group adjustments are excluded
2. Including money at call and short notice

Movement of NPAs (including NPIs) – Position as on 31st March 2017

(₹ in millions)

	Particulars	Amount
A.	**Amount of NPAs (Gross)**	212,805
	- Substandard	58,394
	- Doubtful 1	54,569
	- Doubtful 2	42,045
	- Doubtful 3	4,716
	- Loss	53,081
B.	**Net NPAs**	86,266
C.	**NPA Ratios**	
	- Gross NPAs (including NPIs) to gross advances (%)	5.42%
	- Net NPAs (including NPIs) to net advances (%)	2.26%

D.	**Movement of NPAs (Gross)**	
	- Opening balance as on 1st April 2016	60,875
	- Additions	217,818
	- Reductions	(65,888)
	- Closing balance as on 31st March 2017	212,805

Movement of Specific & General Provision – Position as on 31st March 2017

(₹ in millions)

Movement of Provisions	**Specific Provisions**	**General Provisions**
- Opening balance as on 1st April 2016	36,000	21,492
- Provision made in 2016-17(1)(2)	105,834	3,401
- Write-offs	(18,301)	-
- Write-back of excess provision	(552)	-
- Closing balance as on 31st March 2017	122,981	24,893

1. Includes release of specific provision of ₹895 million on account of exchange rate fluctuation
2. Includes impact of exchange rate fluctuation of ₹96 million in general provisions

Details of write-offs and recoveries that have been booked directly to the income statement – for the year ending31st March 2017

(₹ in millions)

Write-offs that have been booked directly to the income statement	2,731
Recoveries that have been booked directly to the income statement	1,819

NPIs and Movement of Provision for Depreciation on Investments – Position as on 31st March 2017

(₹ in millions)

		Amount
A.	Amount of Non-Performing Investments	12,348
B.	Amount of Provision held for Non-performing investments	9,609
C.	Movement of provision for depreciation on investments	
	- Opening balance as on 1st April 2016	2,226
	- Provision made in 2016-17	3,163
	- Write-offs/Write-back of excess provision	(1,290)
	- Closing balance as on31st March 2017	4,099

Breakup of NPA by major industries– Position as on 31st March 2017

(₹ in millions)

	Amount	
Particulars	**GROSS NPA**	**Specific Provision**
Iron and Steel	41,044	13,425
Infrastructure (excluding Power)	29,262	16,394
Professional services	16,871	12,631
Commercial real estate	10,941	7,610
Engineering	10,544	5,807
Power Generation & Distribution	6,303	2,004
Trade	6,043	2,330
Chemicals and chemical products	4,071	2,578
Food Processing	3,634	1,583
Banking and Finance	1,882	1,818
Petroleum coal products and nuclear fuels	1,231	741
Other metal and metal products	796	775

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Particulars	Amount	
	GROSS NPA	Specific Provision
Construction	773	439
Retail, Agri & Other Industries	79,410	54,846
Total	**212,805**	**122,981**

Note: Specific provisions include NPA and restructured provisions

General provision in Top 5 industries amounts to ₹5,487 million.

Major industries breakup of specific provision and write-off's during the current period – for the quarter ending 31st March 2017

(₹ in millions)

Industry	Provision	Write-offs
Specific Provision in Top 5 industries	6,170	4,796

Geography wise Distribution of NPA and Provision – Position as on 31st March 2017

(₹ in millions)

Geography	Gross NPA	Specific Provision	General Provision
Domestic	165,853	93,757	21,175
Overseas	46,952	29,224	3,718
Total	**212,805**	**122,981**	**24,893**

Credit Risk: Use of Rating Agency under the Standardised Approach

The RBI guidelines on capital adequacy require banks to use ratings assigned by specified External Credit Assessment Agencies (ECAIs) namely Brickworks, CARE, CRISIL, ICRA, India Ratings and SMERA 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 viz. Brickworks, CARE, CRISIL, ICRA, India Ratings and SMERA and 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. For exposures with contractual maturity of less than one year, a short-term rating is used. For cash credit facilities and exposures with contractual maturity of more than one year, long-term rating is used.

Issue rating is used if the Bank has an exposure in the rated issue and this would include fund-based and non-fund based working capital facilities as well as loans and investments. In case the Bank does not have exposure in a rated issue, the Bank uses the issue rating for its comparable unrated exposures to the same borrower, provided that the Bank's exposures are pari-passu or senior and of similar or lesser maturity as compared to the rated issue. Structured Obligation (SO) ratings are used where the Bank has a direct exposure in the 'SO' rated issue. If an issuer has a long-term or short-term exposure with an external rating that warrants a risk weight of 150%, all unrated claims on the same counterparty, whether short-term or long-term, also receive 150% risk weight, unless the Bank uses recognised credit risk mitigation techniques for such claims.

Issuer ratings provide an opinion on the general credit worthiness of the rated entities in relation to their senior unsecured obligations. Therefore, issuer ratings are directly used to assign risk-weight to all unrated exposures of the same borrower.

Details of Gross Credit Risk Exposure (Fund based and Non-fund based) based on Risk-Weight – Position as on 31st March 2017

(₹ in millions)

	Amount
Below 100% risk weight	4,334,454
100% risk weight	1,540,822
More than 100% risk weight	1,033,745
Deduction from capital funds	-

V. CREDIT RISK MITIGATION

The Bank uses various collaterals both financial as well as non-financial, guarantees and credit insurance as credit risk mitigants. The main financial collaterals include bank deposits, National Savings Certificate/Kisan Vikas Patra/Life Insurance Policy and gold, while main non-financial collaterals include land and building, plant and machinery, residential and commercial mortgages. The guarantees include guarantees given by corporate, bank and personal guarantees. This also includes loans and advances guaranteed by Export Credit & Guarantee Corporation Limited (ECGC), Credit Guarantee Fund Trust for Small Industries (CGTSI), Central Government and State Government.

The Bank has in place a collateral management policy, which underlines the eligibility requirements for Credit Risk Mitigants (CRM) for capital computation as per Basel III guidelines. The Bank reduces its credit exposure to counterparty with the value of eligible financial collateral to take account of the risk mitigating effect of the collateral. To account for the volatility in the value of collateral, haircut is applied based on the type, issuer, maturity, rating and re-margining/revaluation frequency of the collateral. The Bank revalues various financial collaterals at varied frequency depending on the type of collateral. The Bank has a valuation policy that covers processes for collateral valuation and empanelment of valuers.

Details of Total Credit Exposure (after on or off Balance Sheet Netting) as on 31st March 2017

(₹ in millions)

	Amount
Covered by:	
- Eligible financial collaterals after application of haircuts	227,342
- Guarantees/credit derivatives	165,970

VI. SECURITISATION

The primary objectives for undertaking securitisation activity by the Bank are enhancing liquidity, optimisation of usage of capital and churning of the assets as part of risk management strategy.

The securitisation of assets generally being undertaken by the Bank is on the basis of 'True Sale', which provides 100% protection to the Bank from default. The Bank has not sponsored any special purpose vehicle which is required to be consolidated in the consolidated financial statements as per accounting norms.

The Bank may also invest in securitised instruments which offer attractive risk adjusted returns. The Bank enters into purchase/sale of corporate and retail loans through direct assignment/SPV. In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/SPV. The Bank, however, does not follow the originate to distribute model and pipeline and warehousing risk is not material to the Bank.

Valuation of securitised exposures is carried out in accordance with the Fixed Income Money Market and Derivatives Association (FIMMDA)/RBI guidelines. Gain on securitisation is recognised over the period of the underlying securities issued by the SPV. Loss on securitisation is immediately debited to profit and loss account. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to senior pass through certificate holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29 'Provisions, contingent liabilities and contingent assets'.

The Bank follows the standardized approach prescribed by the RBI for the securitization activities. The Bank uses the ratings assigned by various external credit rating agencies viz. Brickworks, CARE, CRISIL, ICRA, India Ratings and SMERA for its securitisation exposures.

All transfers of assets under securitisation were effected on true sale basis. However, in the year ended 31st March 2017, the Bank has not securitized any asset.

A. Banking Book

Details of Exposure Securitised by the Bank and subject to Securitisation Framework

(₹ in millions)

Sr. No.	Type of Securitisation	
I	Total amount of exposures securitised	-
Ii	Losses recognised by the Bank during the current period	-
iii	Amount of assets intended to be securitised within a year	-
	Of which	
	- Amount of assets originated within a year before securitisation	-
iv	Amount of exposures securitised	
	- Corporate Loans	-
v	Unrecognised gain or losses on sale	
	- Corporate Loans	-

Aggregate amount of Securitisation Exposures Retained or Purchased as on 31st March 2017 is given below

(₹ in millions)

Sr. No.	Type of Securitisation	On Balance Sheet	Off Balance Sheet
i	Retained	-	-
ii	Securities purchased	-	-
iii	Liquidity facility	-	-
iv	Credit enhancement (cash collateral)	-	-
v	Other commitments	-	-

Risk-weight wise Bucket Details of the Securitisation Exposures on the Basis of Book-Value

(₹ in millions)

	Amount	Capital charge
Below 100% risk weight	-	-
100% risk weight	-	-
More than 100% risk weight	-	-
Deductions		
- Entirely from Tier I capital	-	-
- Credit enhancing I/Os deducted from total capital	-	-
- Credit enhancement (cash collateral)	-	-

B. Trading Book

Details of Exposure Securitised by the Bank and subject to Securitisation Framework

(₹ in millions)

Sr. No.	Type of Securitisation	Amount
i	Aggregate amount of exposures securitised by the Bank for which the Bank has retained some exposures and which is subject to the market risk approach	-

Aggregate amount of Securitisation Exposures Retained or Purchased as on 31st March 2017 is given below

(₹ in millions)

Sr. No.	Type of Securitisation	On Balance Sheet*	Off Balance Sheet
I	Retained	-	-
ii	Securities purchased		
	-Corporate Loans	-	-
	- Lease Rental	2,615	-
	- Priority Sector (auto pool & micro finance)	8,077	-
iii	Liquidity facility	-	-
iv	Credit enhancement (cash collateral)	-	-
V	Other commitments	-	-

* includes outstanding balance of PTCs purchased in earlier years also

Risk-weight wise Bucket Details of the Securitisation Exposures on the Basis of Book-Value

(₹ in millions)

		Amount	Capital charge
i	Exposures subject to Comprehensive Risk Measure for specific risk		
	- Retained	-	-
	- Securities purchased	-	-
ii	Exposures subject to the securitisation framework for specific risk		
	Below 100% risk weight	10,692	343
	100% risk weight	-	-
	More than 100% risk weight	-	-
iii	Deductions		
	- Entirely from Tier I capital	-	-
	- Credit enhancing I/Os deducted from Total Capital	-	-
	- Credit enhancement (cash collateral)	-	-

VII. MARKET RISK IN TRADING BOOK

Market risk is the risk of loss to the Bank's earnings and capital due to changes in the market level of interest rates, price of securities, foreign exchange rates and equities' price, as well as the volatilities of those changes. The Bank is exposed to market risk through its investment activities and also trading activities, which are undertaken for customers as well as on a proprietary basis. The Bank adopts a comprehensive approach to market risk management for its trading, investment and asset/liability portfolios. For market risk management, the Bank has:

- Board approved market risk policies and guidelines which are aligned to the regulatory guidelines and based on experiences gained over the years. The policies are reviewed periodically keeping in view regulatory changes, business requirements and market developments.
- Process manual which are updated regularly to incorporate and document the best practices.
- Market risk identification through elaborate mapping of the Bank's main businesses to various market risks.
- Statistical measures like Value at Risk (VaR), supplemented by stress tests, back tests and scenario analysis.
- Non-statistical measures like position limits, marked-to-market (MTM), gaps and sensitivities (mark-to-market, position limits, duration, PVBP, option Greeks).
- Management Information System (MIS) for timely market risk reporting to senior management functionaries. Key risk metrics are presented to the Risk Management Committee of the Board through Risk Dash-Boards.

Risk limits such as position limits, stop-loss limits, alarm limits, gaps and sensitivities (duration, PVBP, option Greeks) are set up and reviewed periodically, based on a number of criteria including regulatory guidelines, relevant market analysis, business strategy, size of the investment and trading portfolio, management experience and the Bank's risk appetite. These limits are monitored on an intra-day/daily basis by the Treasury Mid-office and the exceptions are put up to ALCO and Risk Management Committee of the Board.

The Bank uses Historical Simulation and its variants for computing VaR for its trading portfolio. VaR is calculated and reported on a daily basis for the trading portfolios at a 99% confidence level for a one-day holding period, using 250 days of historical data or one year of relative changes in historical rates and prices. The model assumes that the risk factor changes observed in the past are a good estimate of those likely to occur in the future and is, therefore, limited by the relevance of the historical data used. The method, however, does not make any assumption about the nature or type of the loss distribution. The VaR models for different portfolios are back-tested at regular intervals and the results are used to maintain and improve the efficacy of the model.

The VaR measure is supplemented by a series of stress tests and sensitivity analysis that estimates the likely behaviour of a portfolio under extreme but plausible conditions and its impact on earnings and capital. The Bank undertakes stress tests for market risks for its trading book, IRS, forex open position and forex gaps on a monthly basis as well as for liquidity risk at the end of each quarter. The Bank has built its capabilities to migrate to advanced approach i.e. Internal Models Approach for assessment of market risk capital.

Concentration Risk

The Bank has allocated the internal risk limits in order to avoid concentrations, wherever relevant. For example, the Aggregate Gap Limit, Net Open Position and daylight limits are allocated to various currencies and maturities into Individual Gap Limits to monitor concentrations. Similarly, stop-loss limits and duration limits have been set up for different categories within a portfolio. Within the overall PV01 limit, a sub-limit is set up which is not expected to be breached by trades linked to any individual benchmark. Some of the limits like currency wise net open position, stop loss limits and PV01 limits are allocated dealer-wise also, based on their skill and experience, to avoid build up of positions in a single dealer's book.

Liquidity Risk

Liquidity Risk is the current and prospective risk to earnings or capital arising from a Bank's inability to meet its current or future obligations on the due date. Liquidity risk is two-dimensional viz., risk of being unable to fund portfolio of assets at appropriate maturity and rates (liability dimension) and the risk of being unable to liquidate an asset in a timely manner at a reasonable price (asset dimension).

The goal of Liquidity Risk Management is to meet all commitments on the due date and also be able to fund new investment opportunities by raising sufficient funds in the form of increasing fresh liabilities or by expeditious asset sell-off without incurring unacceptable losses, both under normal and adverse conditions. These objectives are ensured by setting up policies, operational level committees, measurement tools and monitoring and reporting mechanism using effective use of IT systems for availability of quality data.

The Bank manages its liquidity on a static as well as dynamic basis using various tools such as gap analysis, ratio analysis, dynamic liquidity statements, intraday liquidity monitoring tools and scenario analysis. The Bank's ALM policy defines the tolerance limits for its structural liquidity position. The Liquidity Policy for the domestic operations as well as for the overseas branches lay down the operational framework for prudent risk management in the Bank. The liquidity profile of the Bank is analysed on a static basis by tracking all cash inflows and outflows in the maturity ladder based on the actual maturity and expected occurrence (for non-maturity items) of cash flows. The liquidity profile of the Bank is also estimated on a dynamic basis by considering the growth in deposits and loans, investment obligations, etc. for a short-term period of three months. The Bank undertakes behavioral analysis of the non-maturity products viz. savings and current deposits and cash credit/overdraft accounts on a periodic basis, to ascertain the volatility of residual balances in those accounts. The renewal pattern and premature withdrawals of term deposits and drawdown of unavailed credit limits are also captured through behavioral studies. The concentration of large deposits is monitored on a periodic basis.

The Bank's ability to meet its obligations and fund itself in a crisis scenario is critical and accordingly, liquidity stress tests are conducted under different scenarios at periodical intervals to assess the impact on liquidity to withstand stressed conditions. The liquidity positions of overseas branches are managed in line with the Bank's internal policies and host country regulations. Such positions are also reviewed centrally by the Bank's ALCO along with domestic positions.

The Bank has adopted the Basel III framework on liquidity standards as prescribed by RBI and has put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR).

Counterparty Risk

The Bank has a Counterparty Risk Management Policy incorporating well laid-down guidelines, processes and measures for counterparty risk management. The policy includes separate counterparty rating models for commercial banks, foreign banks and co-operative banks for determining maximum permissible exposure limits for counterparties. The key financials, quality of management and the level of corporate governance are captured in the counterparty rating model. Counterparty limits are monitored and reported daily and internal triggers have been put in place to guard against breach in limits. Credit exposures to issuer of bonds, advances etc. are monitored separately under the prudential norms for exposure to a single borrower as per the Bank's Corporate Credit Risk Policy or Investment Policy, as applicable. The counterparty exposure limits are reviewed at periodic intervals based on the financials of the counterparties, business need, past transaction experiences and market conditions. The Bank has also put in place the 'Derivatives and Suitability & Appropriateness Policy' and Loan Equivalent Risk (LER) Policy to evaluate counterparty risk arising out of all customer derivatives contracts.

Country Risk

The Bank has a country risk management policy containing the guidelines, systems and processes to effectively identify, assess, monitor and control its country risk exposures. Based on the risk profiling, countries are classified under seven categories i.e. insignificant, low, moderate, high, very high, restricted and off-credit. Risk profiling is based on the ratings provided by Export Credit Guarantee Corporation of India Ltd. (ECGC), Dun & Bradstreet, Standard & Poor's Banking Industry

Country Risk Assessment (BICRA), inputs received from overseas branches/business departments, reports published by various agencies viz. Moody's, Standard &Poor's, Fitch and other publications of repute. The categorisation of countries is reviewed at quarterly intervals or at more frequent intervals if situations so warrant. An exposure to a country comprises all assets, both funded and non-funded, that represents claims on residents of another country. The Bank has in place both category wise and country wise exposure limits. The Bank monitors country risk exposures through a process of trigger limits as well as prior approval system for select categories viz. high, very high, restricted and off-credit to ensure effective monitoring and management of exposures. As a proactive measure of country risk management, Risk department issues 'Rating Watch' from time to time. Further, based on country-specific developments, the concerned business departments are provided updates on countries which have high probability of a rating downgrade.

Risk Management Framework for Overseas Operations

The Bank has put in place separate risk management policies for each of its overseas branches in Singapore, Hong Kong, Dubai, Colombo and Shanghai. These country-specific risk policies are based on the host country regulators' guidelines and in line with the practices followed for the Indian operations. The Asset Liability Management and all the risk exposures for the overseas operations are monitored centrally at the Central Office.

Capital Requirement for Market Risk – Position as on 31st March 2017

(₹ in millions)

Type	Amount of Capital Required
Interest rate risk	24,722
Foreign exchange risk (including gold)	311
Equity position risk	6,558

VIII. OPERATIONAL RISK

Strategies and Processes

Operational Risk (OR) is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The operational risk management policy documents the Bank's approach towards management of operational risk and defines the roles and responsibilities of the various stakeholders within the Bank. The Bank also has a detailed framework for operational risk loss data collection, risk and control self-assessment and key risk indicators.

Based on the above policy the Bank has initiated several measures to manage operational risk. The Bank has put in place a hierarchical structure to effectively manage operational risk through the formation of several internal committees viz., Operational Risk Management Committee, Product Management Committee, Change Management Committee, Central Outsourcing Committee, Business Continuity Planning Management Committee (BCPMC) and IT Security Committee.

Structure and Organisation

The Risk Management Committee (RMC) of the Board at the apex level is the policy making body. The RMC is supported by the Operational Risk Management Committee (ORMC), consisting of Senior Management personnel, which is responsible for implementation of the Operational Risk policies of the Bank. This internal committee oversees the implementation of the OR framework and oversees the management of operational risks across the Bank. A dedicated operational risk management unit ensures management of operational risk. A representative of the Risk Department is also a permanent member of control committees on product management covering approval of new products, change management of processes, outsourcing, business continuity management and IT Security.

Scope and Nature of Operational Risk Reporting and Measurement Systems

A systematic process for reporting risks, losses and non-compliance issues relating to operational risks has been developed and implemented. The information gathered is being used to develop triggers to initiate corrective actions to improve controls. Critical risks and major loss events are reported to the Senior Management/ORMC.

The Bank has further enhanced its capability for effective management of operational risk with the implementation of an Enterprise Governance Risk and Compliance platform (SAS-EGRC).The IT platform acts as the single repository of processes and operational, compliance and financial reporting risks. It facilitates capturing of individual risks and the effectiveness of their controls, tagging of identified risks to processes and products, originates action plans and acts as a repository of all operational risk events.

Policies for Hedging and Mitigating Operational risk

An Operational Risk Management Policy approved by the Risk Management Committee of the Board details the framework for managing and monitoring operational risk in the Bank. Business units put in place basic internal controls as approved by the Product Management Committee to ensure appropriate controls in the operating environment throughout the Bank. As per the policy, all new products are being vetted by the Product Management Committee to identify and assess potential operational risks involved and suggest control measures to mitigate the risks. Each new product or service introduced is subject to a risk review and sign-off process. Similarly, any changes to the existing products/processes are being vetted by the Change Management Committee.

Key Risk Indicators (KRIs) have been developed for various Business Units of the Bank for effective monitoring of key operational risks. KRIs for the branches has also been launched as a new initiative to help branches to manage operational risk better.

The Bank has adopted BCP and IT Disaster Recovery Policy wherein critical activities and system applications have been defined, recovery plan is in place for these critical activities and system applications to ensure timely recovery of the Bank's critical products and services in the event of an emergency.

Regular tests have been carried out to ascertain BCP preparedness. The test reports are shared with senior management on a regular frequency. Business Continuity Planning Management Committee (BCPMC) has been formed comprising of senior functionaries of the Bank, which monitors BCM framework implementation in the Bank.

Approach for Operational Risk Capital Assessment

As per the RBI guidelines, the Bank has followed the Basic Indicator Approach for computing the capital for operational risk for the year ending 31st March 2017.

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

Interest Rate Risk in the Banking Book is measured and monitored in accordance with the guidelines laid out in the Bank's Asset Liability Management (ALM) Policy which is based on the RBI "Guidelines on Banks' Asset Liability Management Framework – Interest Rate Risk" dated 4th November 2010. Interest Rate Risk is measured in terms of changes in the value of interest rate sensitive positions across the whole bank i.e. both in the banking and trading books as described below.

The Bank measures and controls interest risk in the banking book using both Earnings at Risk (EaR) which assesses the sensitivity of its net interest income to parallel movement in interest rates over the 1 year horizon as well as Market Value of its Equity (MVE) which measures the sensitivity of the present value of all assets and liabilities to interest rate risk in response to given interest rate movements. The Bank prepares Interest Rate Sensitivity reports which are reviewed against Regulatory and Internal limits. Internal limits have been established for (a) Earnings at Risk for a 100 bps parallel shift in interest rates over the horizon of 1 year, and (b) 200 bps parallel shift in interest rates for Market Value of Equity impact. Any review of the internal interest rate risk limits is approved by the ALCO and is ratified by the Risk Management Committee of the Board.

Bucketing of non-maturity liability items for interest rate risk measurement is based on the behavioral analysis methodology for identification of core and non-core components. Bucketing rules of core and non-core portions in the interest rate sensitivity statements are laid out in the ALM policy. The Bank does not use any assumptions for prepayment of loans for preparation of interest rate risk sensitivity reports.

The findings of the various IRRBB measures are submitted to the ALCO, which is the apex committee for providing strategic guidance and direction for the ALM measures.

Details of increase/(decrease) in earnings and economic value for upward and downward rate shocks based on balance sheet as on 31st March 2017 are given below:

Earnings Perspective

(₹ in millions)

Currency	**Interest Rate Shock**	
	+200bps	**-200bps**
INR	10,044	(10,044)
USD	233	(233)
Residual	390	(390)
Total	**10,667**	**(10,667)**

Economic Value Perspective

(₹ in millions)

Currency	**Interest Rate Shock**	
	+200bps	**-200bps**
INR	(31,782)	31,782
USD	305	(305)
Residual	1,690	(1,690)
Total	**(29,787)**	**29,787**

Note: Interest Rate Risk in Banking Book is computed only for banks/bank like entities where the inherent business is maturity transformation of assets and liabilities, thereby resulting in interest rate mismatch. Other subsidiaries whose core business is not banking activity, IRRBB need not be computed.

X. EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK

Counterparty credit limits and exposures are monitored daily and internal triggers are put in place to guard against breach in limits. Credit exposures to issuer of bonds, advances etc. are monitored separately under the prudential norms for exposure to a single borrower as per the Bank's Corporate Credit Risk Policy or Investment Policy, as applicable. The counterparty exposure limits are reviewed at periodic intervals.

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Methodology used to assign economic capital and credit limits for counterparty credit exposures

The Bank currently does not assign economic capital for its counterparty credit exposures. The Bank has adopted a methodology of computing economic capital within the framework of Individual Capital Adequacy Assessment Process (ICAAP) and assesses the economic capital requirement within this framework. The Bank is adequately capitalized in terms of projected growth for the next three years and has sufficient capital buffer to account for Pillar II risks.

Policies for securing collateral and establishing credit reserves

The Bank has a policy framework through its Credit Risk Management policy and Collateral Management Policy which stipulates the eligible credit risk mitigants and management thereof. The Bank has adopted the Comprehensive Approach as suggested by RBI, which allows fuller offset of collateral against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral. Under this approach, the Bank takes eligible financial collateral on an account-by-account basis, to reduce the credit exposure to counterparty while calculating the capital requirements to take account of the risk mitigating effect of the collateral. The Bank also has a well-defined NPA management & recovery policy for establishing credit reserves on a prudential basis apart from being in consonance with the regulatory guidelines.

Policies with respect to wrong-way risk exposures

Wrong way risk associated with counterparty credit exposures can be of two types – General i.e. when the PD of counterparties is positively correlated with general market risk factors and Specific i.e. when the exposure to a particular counterparty and the PD of the counterparty providing credit risk mitigation for the exposure are highly correlated. The Bank currently does not have a complete policy framework to address the wrong way risk. In the interim, the general wrong way risk is taken care of through monitoring of concentration of counterparty credit exposures on account of derivatives. Also as per the credit risk management policy, collaterals whose values have a material positive correlation with the credit quality of the borrower is likely to provide little or no credit protection during stress, are not recognized for credit enhancement, thus mitigating any specific wrong way risk.

Impact of the amount of collateral the Bank would have to provide given a credit rating downgrade

The Bank currently assesses the liquidity impact and related costs of a possible downgrade as part of the bank-wide stress testing exercise. The Bank has already adopted Credit Value Adjustment (CVA) based on the regulatory guidelines on the asset side for capital computation purposes. The current regulatory guidelines do not require estimation of changes in collateral requirement in case of a likely rating downgrade of a Bank and the Bank also does not make such an assessment currently. However, the Bank is in the process of developing an internal methodology to estimate the changes in liabilities to counterparties in the event of its rating downgrade.

Quantitative Disclosures

(₹ in millions)

Particulars	IRS/CCS/FRA	Options
Gross Positive Fair Value of Contracts	1,01,498	9,437
Netting Benefits	-	-
Netted Current Credit Exposure	1,01,498	9,437
Collateral held (e.g. Cash, G-sec, etc.)	-	-
Net Derivatives Credit Exposure	1,01,498	9,437

Particulars	IRS/CCS/FRA	Options
Exposure amount (under CEM)	2,27,111	17,933
Notional value of Credit Derivative hedges	-	-
Credit derivative transactions that create exposures to CCR	-	-

XI. COMPOSITION OF CAPITAL

(₹ in millions)

Sr. No.	Particulars	Amount	Reference No.
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	174,918	A1 + A2
2	Retained earnings	374,455	B1+B2+B3+B4+B5 +B6-B7
3	Accumulated other comprehensive income (and other reserves)	-	
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**	**549,373**	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	3,689	
8	Goodwill (net of related tax liability)	-	
9	Intangibles (net of related tax liability)	-	
10	Deferred tax assets	-	
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitisation 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	367	
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 common 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)	-	

Sr. No.	Particulars	Amount	Reference No.
21	Deferred tax assets arising from temporary differences(amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	-	
23	*of which: significant investments in the common stock of financial entities*	-	
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)	-	
26a	*Of which:* Investments in the equity capital of the unconsolidated insurance subsidiaries	-	
26b	*of which:* Investments 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 consolidated with the bank	-	
26d	*of which:* Unamortized pension funds expenditures	-	
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**	4,056	
29	**Common Equity Tier 1 capital (CET 1)**	545,317	
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	35,000	
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)	35,000	C1
33	*Directly issued capital instruments subject to phase out from Additional Tier 1*	-	
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**	**35,000**	
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	165	

Sr. No.	Particulars	Amount	Reference No.
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, 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	*Of which:* Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-	
41b	*Of which:* Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-	
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**	**165**	
44	**Additional Tier 1 capital (AT1)**	**34,835**	
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44)**	**580,152**	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	65,800	C2
47	*Directly issued capital instruments subject to phase out from Tier 2*	57,860	C2
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	24,926	D1+D2+D3+D4
51	**Tier 2 capital before regulatory adjustments**	**148,586**	
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	1,013	
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 (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)	-	

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Sr. No.	Particulars	Amount	Reference No.
56a	*of which:* Investments in the Tier 2 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	-	
57	**Total regulatory adjustments to Tier 2 capital**	**1,013**	
58	**Tier 2 capital (T2)**	**147,573**	
59	**Total capital (TC = T1 + T2) (45 + 58c)**	**727,725**	
60	**Total risk weighted assets (60a + 60b + 60c)**	**4,847,808**	
60a	*of which: total credit risk weighted assets*	4,064,922	
60b	*of which: total market risk weighted assets*	351,007	
60c	*of which: total operational risk weighted assets*	431,879	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	11.25%	
62	Tier 1 (as a percentage of risk weighted assets)	11.97%	
63	Total capital (as a percentage of risk weighted assets)	15.01%	
64	Institution specific buffer requirement(minimumCET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	6.75%	
65	*of which: capital conservation buffer requirement*	1.25%	
66	*of which: bank specific countercyclical buffer requirement*	-	
67	*of which: G-SIB buffer requirement*	-	
68	Common Equity Tier 1 available to meet buffers (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 financial entities	41,906	
73	Significant investments in the common stock of financial entities	-	
74	Mortgage servicing rights (net of related tax liability)	NA	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	50,730	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	24,926	

Sr. No.	Particulars	Amount	Reference No.
77	Cap on inclusion of provisions in Tier 2 under standardised approach	50,812	
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 arrangement (only applicable between March 31, 2017 and March 31, 2022)			
80	*Current cap on CET1 instruments subject to phase out arrangements*	-	
81	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	-	
82	*Current cap on AT1 instruments subject to phase out arrangements*	-	
83	*Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)*	-	
84	*Current cap on T2 instruments subject to phase out arrangements*	-	
85	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*	-	

* NA – Not Applicable

Notes to the Template

Row No. of the template	Particular	(Rs. in million)
10	Deferred tax assets associated with accumulated losses	-
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	-
	Total as indicated in row 10	-
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 the bank	-
	of which: Increase in Common Equity Tier 1 capital	-
	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	-
50	Eligible Provisions included in Tier 2 capital	24,926
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	24,926

XII. THE RECONCILIATION OF REGULATORY CAPITAL ITEMS AS ON 31ST MARCH 2017 IS GIVEN BELOW:

Step 1

(₹ in millions)

Sr. No.	Particulars	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
A	**Capital and Liabilities**		
I	Paid-up Capital	4,790	4,790
	Reserves & Surplus	559,013	559,013
	Minority Interest	613	613
	Total Capital	564,416	564,416
II	Deposits	4,149,827	4,149,827
	of which: Deposits from banks	160,165	160,165
	of which: Customer deposits	3,989,662	3,989,662
III	Borrowings	1,124,548	1,124,548
	i. Borrowings in India	552,930	552,930
	(a) From RBI	-	-
	(b) From banks	39,286	39,286
	(c) From other institutions & agencies	513,644	513,644
	ii. Borrowings Outside India	571,618	571,618
	of which: Capital Instruments	200,941	200,941
IV	Other liabilities & provisions	275,829	275,829
	Total	**6,114,620**	**6,114,620**
B	**Assets**		
I	Cash and balances with Reserve Bank of India	308,580	308,580
	Balance with banks and money at call and short notice	201,082	201,082
II	Investments	1,290,183	1,290,183
	of which:		
	Government securities	932,321	932,321
	Shares	13,262	13,262
	Debentures & Bonds	267,103	267,103
	Subsidiaries / Joint Ventures / Associates	-	-
	Others (Commercial Papers, Mutual Funds etc.)	77,497	77,497
III	Loans and advances	3,810,803	3,810,803
IV	Fixed assets	38,102	38,102
V	Other assets	465,870	465,870
	of which:		
	Goodwill and intangible assets	-	-
	Deferred tax assets (Net)	50,730	50,730
VI	Goodwill on consolidation	-	-
VII	Debit balance in Profit & Loss account	-	-
	Total Assets	**6,114,620**	**6,114,620**

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Step 2

(₹ in millions)

Sr. No.	Particulars	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference No.
A	**Capital and Liabilities**			
I	**Paid-up Capital**	**4,790**	**4,790**	A1
	Reserves & Surplus	559,013	559,013	-
	of which:			
	Statutory Reserve	115,071	115,071	B1
	Share Premium	170,128	170,128	A2
	Investment Reserve Account	-	-	D1
	General Reserve	3,864	3,864	B2
	Capital Reserve	18,655	18,655	B3
	Foreign Currency Translation Reserve	1,564	1,564	
	of which: considered under capital funds	-	1,173	B4
	Reserve Fund	916	916	B5
	Balance in Profit/Loss A/c	248,815	248,815	B6
	of which: Proposed dividend	-	14,039	B7
	Minority Interest	**613**	**613**	**-**
	of which: amount eligible for CET I	-	-	-
	Total Capital	**564,416**	**564,416**	-
II	**Deposits**	**4,149,827**	**4,149,827**	-
	of which:			
	Deposits from banks	160,165	160,165	-
	Customer deposits	3,989,662	3,989,662	-
III	**Borrowings**	**1,124,548**	**1,124,548**	-
	i. Borrowings in India	552,930	552,930	-
	(a) From RBI	-	-	-
	(b) From banks	39,286	39,286	-
	(c) From other institutions & agencies	513,644	513,644	-
	ii. Borrowings Outside India	571,618	571,618	-
	of which: Capital Instruments	200,941	200,941	
	of which:			
	(a) Eligible AT1 capital	-	35,000	C1
	(b) Eligible Tier 2 capital	-	123,660	C2
IV	**Other liabilities & provisions**	**275,829**	**275,829**	-
	of which:			
	Provision for Standard Advances	23,679	23,679	D2
	Provision for Unhedged Foreign Currency Exposure	1,214	1,214	D3
	Total	**6,114,620**	**6,114,620**	
B	**Assets**			
I	Cash and balances with Reserve Bank of India	308,580	308,580	-

Sr. No.	Particulars	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Reference No.
	Balance with banks and money at call and short notice	201,082	201,082	-
II	**Investments**	**1,290,183**	**1,290,183**	-
	of which:			
	Government securities	932,321	932,321	-
	Shares	13,262	13,262	-
	Debentures & Bonds	267,103	267,103	-
	Subsidiaries / Joint Ventures / Associates	-	-	-
	Others (Commercial Papers, Mutual Funds etc.)	77,497	77,497	-
III	**Loans and advances**	**3,810,803**	**3,810,803**	-
	floating provision adjusted in loans & advances	33	33	D4
IV	**Fixed assets**	**38,102**	**38,102**	-
V	**Other assets**	**465,870**	**465,870**	-
	of which:			
	Goodwill and intangible assets	-	-	-
	Deferred tax assets (Net)	50,730	50,730	
VI	**Goodwill on consolidation**	**-**	**-**	-
VII	**Debit balance in Profit & Loss account**	**-**	**-**	-
	Total Assets	**6,114,620**	**6,114,620**	-

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XIII. MAIN FEATURES OF REGULATORY CAPITAL AS ON 31ST MARCH 2017

The main features of equity capital are given below:

Sr. No.	Particulars	Equity
1	Issuer	Axis Bank Ltd.
2	Unique identifier	ISIN: INE238A01026
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 Shares
8	Amount recognised in regulatory capital (as of most recent reporting date)	₹4,790 million
9	Par value of instrument	₹2 per share
10	Accounting classification	Shareholder's Equity
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	NA
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
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

Sr. No.	Particulars	Equity
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)	Perpetual Debt Instruments
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

*Various dates of issuance of equity are as follows:

8th December 1993, 2nd April 1994, 28th September 1994, 26th October 1994, 23rd October 1998, 31st December 2001, 28th March 2002, 30th March 2002, 28th March 2003, 21st March 2005, 25th April 2005, 27th July 2007, 24th September 2009, 20th October 2012, 4th February 2013.

The main features of Tier - 1 capital instruments are given below:

Sr. No.	Particulars	Series 26
1	Issuer	Axis Bank Ltd.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE238A08427
3	Governing law(s) of the instrument	Indian Laws
	Regulatory treatment	
4	Transitional Basel III rules	Additional Tier I
5	Post-transitional Basel III rules	Additional Tier I
6	Eligible at solo/group/ group & solo	Solo & Group
7	Instrument type	Perpetual Debt
8	Amount recognised in regulatory capital (₹ in million, as of most recent reporting date)	₹35,000 million
9	Par value of instrument	₹35,000 million and each bond of ₹1 million
10	Accounting classification	Liability
11	Original date of issuance	14th December 2016
12	Perpetual or dated	Perpetual
13	Original maturity date	No Maturity
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	Optional Call Date: 14th December 2021 Redemption at Par. Perpetual Bonds are also subject to "Tax call option" and "Regulatory call option"
16	Subsequent call dates, if applicable	14th December in each year commencing 14th December 2021

Sr. No.	Particulars	Series 26
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	8.75% p.a.
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Full discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	**Convertible or non-convertible**	Non-Convertible
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
29	If convertible, specify issuer of instrument it converts into	NA
30	**Write-down feature**	Yes
31	If write-down, write-down trigger(s)	There are two types of write down triggers: 1. Trigger Event means that the Bank's CET 1 Ratio is: (i) if calculated at any time prior to March 31, 2019, at or below 5.5%; or (ii) if calculated at any time from and including March 31, 2019, at or below 6.125%,(the "CET1 Trigger Event Threshold") 2. PONV Trigger, in respect of the Bank means the earlier of: (i) a decision that a principal write-down, without which the Bank would become non-viable, is necessary, as determined by the RBI; and (ii) 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 RBI.

Sr. No.	Particulars	Series 26
32	If write-down, full or partial	Fully or Partially
33	If write-down, permanent or temporary	In case of pre specified trigger-Permanent or Temporary In case of PONV Trigger - only Permanent.
34	If temporary write-down, description of write-up mechanism	The instrument may be written-up (increase) back to its original value in future depending upon the conditions prescribed in the terms and conditions of the instrument.
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares and subordinated to the claims of all depositors and general creditors & subordinated debt (other than subordinated debt qualifying as Additional Tier1 Capital) of the Bank.
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

The main features of Upper Tier - 2 capital instruments are given below:

Sr. No.	Particulars	$60 Million Subordinated Notes
1	Issuer	Axis Bank Ltd.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS0308100667
3	Governing law(s) of the instrument	English laws and Indian laws
	Regulatory treatment	
4	Transitional Basel III rules	Tier 2
5	Post-transitional Basel III rules	Ineligible
6	Eligible at solo/group/ group & solo	Solo & Group
7	Instrument type	Upper Tier II
8	Amount recognised in regulatory capital (₹ in million, as of most recent reporting date)	₹3,891 million
9	Par value of instrument	$ 60 Million and $ 0.1 Million per note and integral multiples of $ 1,000 in excess thereof, up to and including $ 199,000
10	Accounting classification	Liability

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Sr. No.	Particulars	$60 Million Subordinated Notes
11	Original date of issuance	28th Jun 2007
12	Perpetual or dated	Dated
13	Original maturity date	The Interest Payment Date falling in or nearest to June 2022
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	Optional Call Date: The Interest Payment Date falling in or nearest to 28 June 2017 Contingent call dates: NA Redemption At Par
16	Subsequent call dates, if applicable	Each interest payment date from and including the interest payment date falling in or nearest to 28 June 2017, up to and including the interest payment date falling in or nearest to 28 Dec 2021
	Coupons / dividends	
17	Fixed or floating dividend / coupon	Fixed to floating
18	Coupon rate and any related index	7.125 % p.a, payable semiannually from issue date till the first call option date and if issue is not called then floating rate provision applicable from & including 28 June 2017 to but excluding the maturity date. Reference rate : 6Month $ LIBOR, Margin : 2.45% p.a.
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Partially discretionary
21	Existence of step up or other incentive to redeem	Yes
22	Noncumulative or cumulative	Non-cumulative
23	**Convertible or non-convertible**	Non-Convertible
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
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)	The claims of the holders of Subordinated Notes and any relative Receipts and Coupons pursuant

Sr. No.	Particulars	$60 Million Subordinated Notes
		thereto will be subordinated in right of payment to the claims of all other creditors (other than claims of holders of Subordinated Indebtedness ranking equal to or lower than the claims of the holders of Subordinated Notes and any relative Receipts and Coupons, if any) of the Issuer.
36	Non-compliant transitioned features	Yes
37	If yes, specify non-compliant features	No Basel III Loss Absorbency

The main features of Subordinated debt capital instruments are given below:

Sr. No.	Particulars	SERIES 16	SERIES 17	SERIES 18	SERIES 19	SERIES 20	SERIES 21	SERIES 22	SERIES 23	SERIES 24	SERIES 25
1	Issuer	Axis Bank Ltd	Axis Bank Ltd	Axis Bank Ltd	Axis Bank Ltd	Axis Bank Ltd	Axis Bank Ltd	Axis Bank Ltd	Axis Bank Ltd	Axis Bank Ltd	Axis Bank Ltd
2	Unique identifier	INE238A08294	INE238A08302	INE238A08310	INE238A08328	INE238A08336	INE238A08344	INE238A08369	INE238A08377	INE238A08393	INE238A08419
3	Governing law(s) of the instrument	Indian Laws	Indian Laws	Indian Laws	Indian Laws	Indian Laws	Indian Laws	Indian Laws	Indian Laws	Indian Laws	Indian Laws
	Regulatory treatment										
	Transitional Basel III rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Tier 2	Tier 2	Tier 2	Tier 2
6	Eligible at solo/group/ group & solo	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group
7	Instrument type	Tier 2 Instrument	Tier 2 Instrument	Tier 2 Instrument	Tier 2 Instrument	Tier 2 Instrument	Tier 2 Instrument	Tier 2 Instrument	Tier 2 Instrument	Tier 2 Instrument	Tier 2 Instrument
8	Amount recognized in regulatory capital	₹ 3,000 Mn	₹400Mn	₹8,000Mn	₹12,000Mn	₹15,400Mn	₹25,000Mn	₹8,500Mn	₹15,000Mn	₹24,300Mn	₹18,000Mn
9	Par value of instrument	₹15,000 million and each debenture of ₹ 1 million	₹ 2,000 million and each debenture of ₹ 1 million	₹ 20,000 million and each debenture of ₹ 1 million	₹ 15,000 million and each debenture of ₹ 1 million	₹ 19,250 million and each debenture of ₹ 1 million	₹ 25,000 million and each debenture of ₹ 1 million	₹ 8,500 million including ₹ 500 million of Green Shoe Option and each debenture of ₹ 1 million	₹ 15,000 million and each debenture of ₹ 1 million	₹ 24,300 million and each debenture of ₹ 1 million	₹ 18,000 million and each debenture of ₹ 1 million
10	Accounting classification	Liability	Liability	Liability	Liability	Liability	Liability	Liability	Liability	Liability	Liability
11	Original date of issuance	7^{th} Nov 2008	28^{th} Mar 2009	16^{th} Jun 2009	1^{st} Dec 2011	20^{th} Mar 2012	31^{st} Dec 2012	12^{th} Feb 2015	30^{th} Sep 2015	27^{th} May 2016	23^{rd} Nov 2016
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	7^{th} Nov 2018	28^{th} Mar 2019	16^{th} Jun 2019	1^{st} Dec 2021	20^{th} Mar 2022	31^{st} Dec 2022	12^{th} Feb 2025	30^{th} Sep 2025	27^{th} May 2026	23^{rd} Nov 2026
14	Issuer call	No	No	No	No	No	No	No	No	No	No

Sr. No.	Particulars	SERIES 16	SERIES 17	SERIES 18	SERIES 19	SERIES 20	SERIES 21	SERIES 22	SERIES 23	SERIES 24	SERIES 25
	subject to prior supervisory approval										
15	Optional call date, contingent call dates and redemption amount	No	No	No	No	No	No	No	No	No	No
16	Subsequent call dates, if applicable	No	No	No	No	No	No	No	No	No	No
	Coupons / dividend										
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	11.75% p.a. payable annually	9.95% p.a. payable annually	9.15% p.a. payable annually	9.73% p.a. payable annually	9.30% p.a. payable annually	9.15% p.a. payable annually	8.45% p.a. payable annually	8.5% p.a. payable annually	8.50% p.a. payable annually	7.84% p.a. payable annually
19	Existence of a dividend stopper	No	No	No	No	No	No	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Partially discretionary									
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No	No	No	No
22	Noncumulative or cumulative	Non-cumulative									
23	**Convertible or non-convertible**	Non-Convertible									
24	If convertible, conversion	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Sr. No.	Particulars	SERIES 16	SERIES 17	SERIES 18	SERIES 19	SERIES 20	SERIES 21	SERIES 22	SERIES 23	SERIES 24	SERIES 25
	trigger(s)										
25	If convertible, fully or partially	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
30	Write-down feature	No	No	No	No	No	No	Yes			
31	If write-down, write-down trigger(s)	NA	NA	NA	NA	NA	NA	PONV Trigger			
32	If write-down, full or partial	NA	NA	NA	NA	NA	NA	Fully or Partially			
33	If write-down, permanent or temporary	NA	NA	NA	NA	NA	NA	Permanent			
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately	Pari-passu among themselves and with other subordinated indebtedness of UTI Bank Ltd., and subordinate to the claims of all other unsecured creditors and depositors of UTI Bank Ltd., as regards repayment of principal and interest by the Issuer.			Pari-passu among themselves and subordinate to the claims of all other unsecured creditors and depositors of Axis Bank Ltd., as regards repayment of principal and interest by the Issuer.		The claims of debenture holder(s) shall be (i) Senior to the claims of investors in instruments eligible for inclusion in Tier I capital of the Bank and (ii) Subordinate to the claims of all depositors and general creditors of the Bank.				

Sr. No.	Particulars	SERIES 16	SERIES 17	SERIES 18	SERIES 19	SERIES 20	SERIES 21	SERIES 22	SERIES 23	SERIES 24	SERIES 25
	senior to instrument)										
36	Non-compliant transitioned features	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
37	If yes, specify non-compliant features	No Basel III Loss Absorbency						NA			

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XIV. FULL TERMS & CONDITIONS OF REGULATORY CAPITAL INSTRUMENTS

The full terms and conditions of all instruments included in the regulatory capital are as below:

Sr. No.	Capital Type	Instruments	Full Terms and Conditions (Term Sheets & Offer Circular)
1	**Equity**	Equity	Click Here
2	**Upper Tier 2**	$ 60 million Subordinated Notes	Click Here
3	**Subordinated Debts**	Series – 16	Click Here
4		Series – 17	Click Here
5		Series – 18	Click Here
6		Series – 19	Click Here
7		Series – 20	Click Here
8		Series – 21	Click Here
9		Series – 22	Click Here
10		Series – 23	Click Here
11		Series – 24	Click Here
12		Series – 25	Click Here
13	**Tier 1**	Series – 26	Click Here

XV. Disclosure on Remuneration

Qualitative disclosures

a. Information relating to the bodies that oversee remuneration:

- Name, composition and mandate of the main body overseeing remuneration:

The Nomination and Remuneration Committee of the Board oversees the framing, review and implementation of the compensation policy of the Bank on behalf of the Board. The Committee works in close co-ordination with the Risk Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks.

As at 31 March, 2017, the Nomination and Remuneration Committee comprises of the following Non-Executive Directors:
1. Shri Prasad R. Menon - Chairman
2. Shri V. R. Kaundinya
3. Shri RohitBhagat
4. Shri RakeshMakhija

In respect of Remuneration/HR matters, the Nomination and Remuneration Committee of the Board, functions with the following main objectives:

a. Review and recommend to the Board for approval, the overall remuneration framework and associated policy of the Bank (including remuneration policy for Directors and key managerial personnel) including the level and structure of fixed pay, variable pay, perquisites, bonus pool, stock-based compensation and any other form of compensation as may be included from time to time to all the employees of the Bank including the Managing Director & CEO (MD & CEO), other Whole-Time Directors (WTD) and senior managers one level below the Board.

b. Review and recommend to the Board for approval, the total increase in manpower cost budget of the Bank as a whole, at an aggregate level, for the next year.

c. Recommend to the Board the compensation payable to the Chairman of the Bank.

d. Review the Code of Conduct and HR strategy, policy and performance appraisal process within the Bank, as well as any fundamental changes in organisation structure which could have wide ranging or high risk implications.

e. Review and recommend to the Board for approval, the talent management and succession policy and process in the Bank for ensuring business continuity, especially at the level of MD & CEO, the other WTDs, senior managers one level below the Board and other key roles and their progression to the Board.

f. Review and recommend to the Board for approval: the creation of new positions one level below MD &CEO appointments, promotions and exits of senior managers one level below the MD & CEO

g. Set the goals, objectives and performance benchmarks for the Bank and for MD & CEO, the other WTDs for the financial year and over the medium to long term.

h. Review the performance of the MD & CEO and other WTDs at the end of each year.

i. Review organisation health through feedback from employee surveys conducted on a regular basis.

j. Perform such other duties as may be required to be done under any law, statute, rules, regulations etc. enacted by Government of India, Reserve Bank of India or by any other regulatory or statutory body.

- External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process:

  The Nomination and Remuneration Committee has commissioned McLagan Aon Hewitt, a globally renowned compensation benchmarking firm, to conduct market benchmarking of employee compensation. The Bank participates in the salary benchmarking survey conducted by Aon Hewitt every year. Aon Hewitt collects data from multiple private sector peer banks across functions, levels and roles which is then used by the Bank to assess market competitiveness of remuneration offered to Bank employees.

- A description of the scope of the Bank's remuneration policy, including the extent to which it is applicable to foreign subsidiaries and branches:

  The Committee monitors the remuneration policy for both domestic and overseas branches of the Bank on behalf of the Board. However, it does not oversee the compensation policy for subsidiaries of the Bank.

- A description of the type of employees covered and number of such employees:

  Employees are categorised into following three categories from remuneration structure and administration standpoint:

  Category 1: MD & CEO and WTDs
  This category includes 4 employees.

  Category 2
  All the employees in the Grade of Vice President and above engaged in the functions of Risk Control and Compliance. This category includes 31 employees.

  Category 3: Other Staff
  'Other Staff' has been defined as a "group of employees who pose a material risk". This category includes all the employees of the Bank in the grade of Executive Vice President (EVP) and above and also few other key business roles in case they are below the grade of Executive Vice President. This category includes 35 employees.

b. Information relating to the design and structure of remuneration processes:

- An overview of the key features and objectives of remuneration policy:

  The compensation philosophy of the Bank aims to attract, retain and motivate professionals in order to enable the Bank to attain its strategic objectives and develop a strong performance culture in the competitive environment in which it operates. To achieve this, the following principles are adopted:

- Affordability: Pay to reflect productivity improvements to retain cost-income competitiveness
- Maintain competitiveness on fixed pay in talent market
- Pay for performance to drive meritocracy through variable pay
- Employee Stock Options for long-term value creation
- Benefits and perquisites to remain aligned with market practices and provide flexibility

Apart from the above, the compensation structure for MD & CEO and WTDs is aligned to RBI's guidelines for sound compensation practices (effective FY 2012-13) and addresses the general principles of:

- Effective and independent governance and monitoring of compensation
- Alignment of compensation with prudent risk-taking through well designed and consistent compensation structures
- Clear and timely disclosure to facilitate supervisory oversight by all stakeholders

Accordingly, the compensation policy for MD & CEO and WTDs seeks to:

a) Ensure that the compensation, in terms of structure and total amount, is in line with the best practices, as well as competitive vis-à-vis that of peer banks
b) Establish the linkage of compensation with individual performance as well as achievement of the corporate objectives of the Bank
c) Include a significant variable pay component tied to the achievement of pre-established objectives in line with Bank's scorecard while ensuring that the compensation is aligned with prudent risk taking
d) Encourage attainment of long term shareholder returns through inclusion of equity linked long-term incentives as part of compensation

Compensation is structured in terms of fixed pay, variable pay and employee stock options (for selective employees), with the last two being highly contingent on employee performance. The compensation policy of the Bank is approved by the Nomination and Remuneration Committee. Additional approval from Shareholders and RBI is obtained specifically for compensation of MD & CEO and WTDs.

- Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made:

  The Nomination and Remuneration committee reviews the Bank's remuneration policy every year. There were no major changes made in the remuneration policy during the year.

- A discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee:

  The Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee and is guided by the individual employee performance. The remuneration is determined on the basis of relevant risk measures included in the Balanced Scorecard / key deliverables of staff in these functions. The parameters reviewed for performance based rewards are independent of performance of the business area they oversee and commensurate with their individual role in the Bank. Additionally, the ratio of fixed and variable compensation is weighed towards fixed compensation.

c. Description of the ways in which current and future risks are taken into account in the remuneration processes:

- An overview of the key risks that the Bank takes into account when implementing remuneration measures:

  The business activity of the Bank is undertaken within the limits of the following risk measures to achieve the financial plan:

  - NPA - net slippage
  - Ration of Risk-weighted Assets to Total Assets
  - Liquidity Coverage Ratio

- An overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure:

  The Bank has a robust system of measuring and reviewing these risks. The risk parameters are a part of the Balanced Scorecard used for setting of performance objectives and for measuring performance which includes, besides financial performance, adherence to internal processes, compliance and people perspectives. Weightage is placed on not only financial or quantitative achievement of objectives but also on qualitative aspects detailing how the objectives were achieved.

- A discussion of the ways in which these measures affect remuneration:

  The relevant risk measures are included in the scorecards of MD & CEO and WTDs. Inclusion of the above mentioned measures ensures that performance parameters are aligned to risk measures at the time of performance evaluation. The Nomination and Remuneration Committee takes into consideration all the above aspects while assessing organisational and individual performance and making compensation related recommendations to the Board.

- A discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration:

  During FY 2016-17, the risk measures were reviewed and no major changes were made to the performance parameters in the Balanced Scorecards.

d. Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration:

The Bank's performance management and compensation philosophies are structured to support the achievement of the Bank's on-going business objectives by rewarding achievement of objectives linked directly to its strategic business priorities. These strategic priorities are cascaded through annualised objectives to the employees.

The Bank follows the Balanced Scorecard approach in designing its performance management system. Adequate attention is given to the robust goal setting process to ensure alignment of individual objectives to support the achievement of business strategy, financial and non-financial goals across and through the organisation. The nonfinancial goals for employees includes customer service, process improvement, adherence to risk and compliance norms, self-capability development and behaviours such as integrity and team management.

- An overview of main performance metrics for Bank, top level business lines and individuals:

  The Bank follows a Balanced Scorecard approach for measuring performance for the Bank, top business lines and individuals. The approach broadly comprises financial, customer, internal processes, compliance and people perspectives and includes parameters on revenue and profitability, business growth, customer initiatives, operational efficiencies, regulatory compliance, risk management and people management.

- A discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance:

  Performance appraisals are conducted annually and initiated by the employee with self-appraisal. The immediate supervisor reviews the appraisal ratings in a joint consultation meeting with the employee and assigns the performance rating. The final ratings are discussed by a Moderation Committee comprising of senior officials of the Bank. Both relative and absolute individual performances are considered for the moderation process. Individual fixed pay increases, variable pay and ESOPs are linked to the final performance ratings. In addition, the fixed pay increase is also influenced by an employee's position in the salary range.

- A discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak:

  In cases where the performance metrics are weak or not well defined to measure the performance effectively, the Bank uses discretion to reward such employees. The remuneration is then influenced by the performance of previous years and supervisor reviews.

  Whilst determining fixed and variable remuneration, relevant risk measures are included in scorecards of senior employees. Identified risk parameters that are taken into account are as under:

  - NPA - net slippage
  - Ration of Risk-weighted Assets to Total Assets
  - Liquidity Coverage Ratio

  As a prudent measure, a portion of variable pay if it exceeds a certain threshold is deferred and is paid proportionately over a period of 3 years. The deferred variable pay amount of reference year would be held back in case of any misrepresentation or gross inaccuracy resulting in a wrong risk assessment.

e. Description of the ways in which the Bank seeks to adjust remuneration to take account of the longer term performance:

- A discussion of the Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance:

The deferral of the Variable Pay for the three categories of employees as stated earlier is given below:

Category 1: MD & CEO and WTDs

Variable Pay will not exceed 70% of the Fixed Pay
To ensure that risk measures do not focus only on achieving short term goals, variable payout is deferred. If the variable pay exceeds 40% of fixed pay, 45% of the variable pay to be deferred proportionately over a period of three years.

Category 2: All the employees in the Grade of Vice President and above engaged in the functions of Risk Control and Compliance

- Variable Pay will be paid on the basis of laid down risk control, compliance and process improvement parameters in the balanced scorecard / key deliverables of staff in this function
- The parameters will be independent of performance of the business area they oversee and will commensurate with their key role in the Bank
- The ratio of fixed and variable compensation will be weighed towards fixed compensation
- Percentage of variable pay to be capped at 70% of fixed pay
-Appropriate deferral structure as approved by the Nomination and Remuneration Committee will be applicable to this category of employees

Category 3: Other Staff

-Variable Pay will be paid on the basis of performance against key deliverables and overall business performance for the financial year
-Percentage of variable pay to be capped at 70% of fixed pay
- Appropriate deferral structure as approved by the Nomination and Remuneration Committee will be applicable to this category of employees

- A discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements:

  The deferred portion of the variable pay may be delayed in the event of an enquiry determining gross negligence or breach of integrity. The deferred portion is withheld by the Bank till the completion of such enquiries, if any. As a result, no claw back arrangements are made on the deferred portion of the variable pay.

f. Description of the different forms of variable remuneration that the Bank utilizes and the rationale for using these different forms:

- An overview of the forms of variable remuneration offered:

  - Variable Pay: Variable Pay is linked to corporate performance, business performance and individual performance and ensures differential pay based on the performance levels of employees

  - Employee Stock Options (ESOPs): ESOPs are given to selective set of employees at senior levels based on their level of performance and role. ESOP scheme has an inbuilt deferred vesting design which helps in directing long term performance orientation among employees

- A discussion of the use of different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance:

  Variable pay in the form of performance based bonus is paid out annually and is linked to performance achievement against balanced performance measures and aligned with the principles of meritocracy. The proportion of variable pay in total pay shall be higher at senior management levels. The payment of all forms of variable pay is governed by the affordability of the Bank and based on profitability and cost income ratios. At senior management levels (and for certain employees with potential to cause material impact on risk exposure), a portion of variable compensation may be paid out in a deferred manner in order to drive prudent behaviour as well as long term & sustainable performance orientation. Long term variable pay is administered in the form of ESOPs with an objective of enabling employee participation in the business as an active stakeholder and to usher in an 'owner-manager' culture. The quantum of grant of stock options is determined and approved by the Nomination and Remuneration Committee, in terms of the said Regulations and in line with best practices, subject to the approval of RBI. The current ESOP design has an inbuilt deferral intended to spread and manage risk.

Quantitative disclosures

The quantitative disclosures pertaining to the MD & CEO, Whole Time Directors and other risk takers for the year ended 31stMarch 2017 and 31stMarch 2016 are given below. Other risk takers include all employees in the grade of Executive Vice President (EVP) and above and also cover certain select roles in case they are below the grade of EVP.

		31st March 2017
a.	i) Number of meetings held by the Remuneration Committee (main body overseeing remuneration) during the financial year	7
	ii) Remuneration paid to its members (sitting fees)	₹13,50,000
b.	Number of employees having received a variable remuneration award during the financial year	38[1]
c.	Number and total amount of sign-on awards made during the financial year	NA
d.	Number and total amount of guaranteed bonus awarded during the financial year, if any	NA
e.	Details of severance pay, in addition to accrued benefits, if any	NA
f.	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	₹10 millions
g.	Total amount of deferred remuneration paid out in the financial year	₹7 millions
h.	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred, different forms used	Fixed: ₹382 millions[2] Variable: ₹112 millions[1] Deferred - NIL Non-deferred: ₹112 millions[1] Number of stock options granted during the financial year:34,91,000
i.	Total amount of outstanding deferred remuneration and retained remuneration	NA

	exposed to ex post explicit and/or implicit adjustments	
j.	Total amount of reductions during the financial year due to ex- post explicit adjustments	NA
k.	Total amount of reductions during the financial year due to ex- post implicit adjustments	NA

1. Pertains to FY 2015-16 paid to MD & CEO, WTDs and other risk takers (previous year pertains to FY 2014-15)
2. Fixed Remuneration includes basic salary, fixed allowance, leave fare concession, house rent allowance, super annuation allowance, certain other allowances and contribution towards provident fund.

XVI. EQUITIES – DISCLOSURE FOR BANKING BOOK POSITIONS

The risk oversight relating to the equity portfolio is part of the overall independent risk management structure of the Bank and is subjected to the risk management processes and policies approved by the Bank.

In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held for Trading ('HFT');
- Available for Sale ('AFS'); and
- Held to Maturity ('HTM').

Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified as AFS securities.

Investments that the Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries/joint ventures are categorized as HTM in accordance with the RBI guidelines. All other investments are classified as AFS securities.

Equity investments carried under the HTM category are carried at acquisition cost. Realised gains on investments under the HTM category are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account.

The Bank does not have any equity under the Banking Book.

XVII. COMPARISION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURE MEASURE AS ON 31ST March 2017

(₹ in millions)

Particulars	**Amount**
Total consolidated assets as per published financial statements	6,114,620
Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purpose but outside the scope of regulatory consolidation	-
Adjustments for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
Adjustments for derivative financial instruments	150,649
Adjustment for securities financing transactions(i.e. repos and similar secured lending)	-

Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	839,662
Other adjustments	(532)
Leverage ratio exposure	**7,104,399**

XVIII. LEVERAGE RATIO COMMON DISCLOSURE TEMPLATEAS ON 31ST MARCH 2017

(₹ in millions)

	Particulars	Leverage ratio framework
	On-balance sheet exposures	
1	On-balance sheet items(excluding derivatives and SFTs, but including collateral)	5,877,003
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(532)
3	**Total on-balance sheet exposures(excluding derivatives and SFTs)(sum of lines 1 and 2)**	**5,876,471**
	Derivative Exposures	
4	Replacement cost associated with all *derivatives* transactions (i.e. net of eligible cash variation margin)	110,935
5	Add-on amounts for PFE associated with *all* derivatives transactions	134,109
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)**	**245,044**
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	143,222
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR Exposure for SFT Assets	-
15	Agent transaction exposures	-
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	**143,222**
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	2,461,873
18	(Adjustments for conversion to credit equivalent amounts)	(1,622,211)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**839,662**
	Capital and total exposures	
20	**Tier 1 capital**	**580,152**
21	**Total exposures (sum of lines 3,11,16 and 19)**	**7,104,399**
	Leverage Ratio	
22	**Basel III leverage ratio**	**8.17%**

XIX. RECONCILIATION OF TOTAL PUBLISHED BALANCE SHEET SIZE AND ON BALANCE SHEET EXPOSURE

(₹in millions)

Sr. No.	Particulars	Amount
1	Total consolidated assets as per published financial statements	6,114,620
2	Replacement cost associated with all derivatives transactions, i.e. net of eligible cash variation margin	(94,395)
3	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	(143,222)
4	Adjustment for entities outside the scope of regulatory consolidation	-
5	**On-balance sheet items(excluding derivatives and SFTs, but including collateral)**	**5,877,003**