AXIS BANK

DISCLOSURES UNDER BASEL III CAPITAL REGULATIONS (CONSOLIDATED) FOR THE YEAR ENDED 31st MARCH 2021

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 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
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
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 Capital USA LLC[1]/ USA	Yes	Consolidated in accordance with AS 21-Consolidated Financial Statements	Yes	Consolidated in accordance with AS 21-Consolidated Financial Statements	NA	NA

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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 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
Freecharge Payment Technologies Private 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

(1) Step-down subsidiary - Axis Capital Limited, a wholly owned subsidiary of the Bank owns 100% stake in Axis Capital USA LLC.

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 2021 is given below:

(₹ in millions)

Name of the Entity/ Country of Incorporation	Principal Activity of the Entity	Total Balance Sheet Equity*	Total Balance Sheet Assets
A.Treds Limited/ India	Setting up institutional mechanism to facilitate financing of trade receivables of MSME	650	199
Axis Asset Management Company Limited/ India	Asset Management company for Axis Mutual Fund	2,101	8,111
Axis Bank UK Limited/ UK	Retail Banking, Corporate Banking, Commercial Banking and Treasury Services	5,849 (USD 80)	19,612 (USD 268.25)
Axis Capital Limited/ India	Merchant Banking, Institutional Broking and Investment Banking Business	735	14,174
Axis Capital USA LLC/ USA	Broker/dealer for investments channeled to Indian equities	52 (USD .70)	42 (USD .58)
Axis Finance Limited/ India	Non-Banking Financial activities	4,823	1,13,639
Axis Mutual Fund Trustee Limited/ India	Trustee company for Axis Mutual Fund	1	8
Axis Securities Limited/ India	Marketing of Retail Asset Products, Credit Cards and Retail Broking	1,445	13,390
Axis Trustee Services Limited/India	Trusteeship services	15	796
Freecharge Payment Technologies Private Limited/India	Operating payment system for semi closed prepaid payment instrument	17,637	2,900

* 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 2021, 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) effective 1st October 2021. 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 2021 is 10.875% with minimum Common Equity Tier 1 (CET1) of 7.375% (including CCB of 1.875%)

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 2021 is presented below:

(₹ in millions)

Capital Requirements for various Risks	Amount
CREDIT RISK	
Capital requirements for Credit Risk	
- Portfolios subject to standardized approach	5,08,278
- Securitisation exposures	
MARKET RISK	
Capital requirements for Market Risk	
- Standardised duration approach	22,372
- Interest rate risk	15,461
- Foreign exchange risk (including gold)	1,072
- Equity risk	5,839
OPERATIONAL RISK	
Capital requirements for Operational risk	
- Basic indicator approach	58,845

Note: - Capital requirement has been computed at 9% of RWA

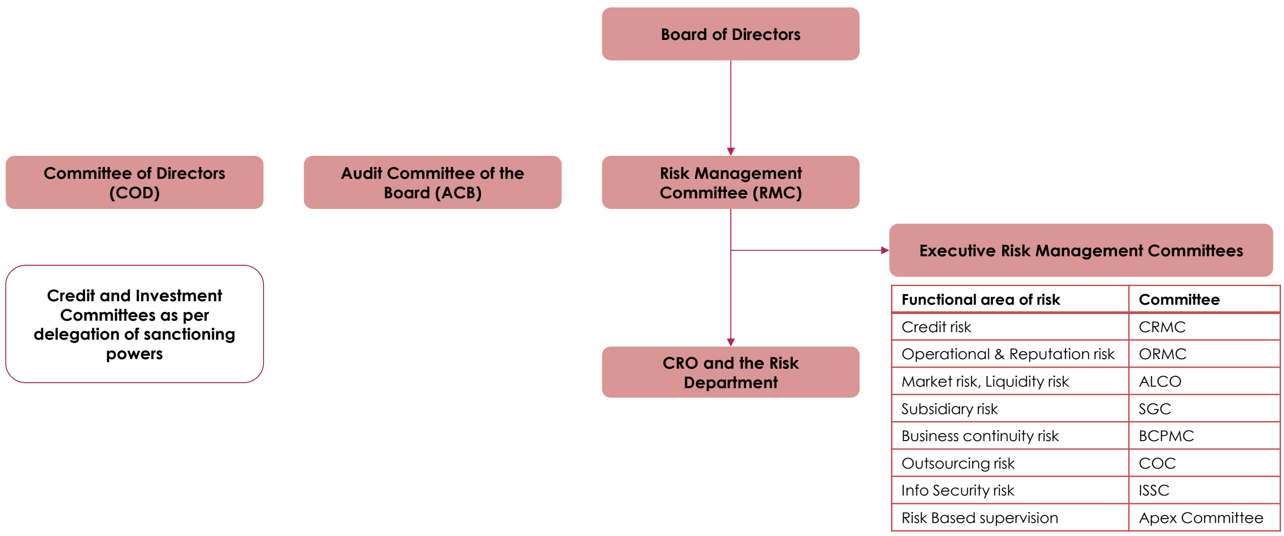
Capital Adequacy Ratios	Consolidated	Standalone
Common Equity Tier – 1 CRAR	15.55%	15.40%
Tier – 1 CRAR	16.60%	16.47%
Total CRAR	19.18%	19.12%

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:



Credit Risk Management Committee (CRMC)	Credit risk, counterparty risk
Asset Liability Management Committee (ALCO)	Liquidity risk, market risk
Operational Risk Management Committee (ORMC)	Operational risk, reputation risk, people risk, process risk, technology risk
Central Outsourcing Committee (COC)	Outsourcing risk, vendor risk
BCP & Crisis Management Committee (BCPMC)	Continuity risk
Apex Committee	Risk based supervision submissions
Subsidiary Management Committee (SMC)	Subsidiary governance
Information Security Systems Committee (ISSC)	Information security risk

The Bank has put in place policies relating to management of various kinds of risk (eg: credit risk, market risk, operational risk, information security risk, subsidiary risk and liquidity risk) 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.

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 as under:

- ‘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.

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, while also adhering to regulatory limits stipulated by RBI such as the Large Exposure Framework.
- Concentration by Industry: Industry analysis plays an important part in assessing the concentration risk within the loan portfolio. Limits are set for certain individual industries based on the outlook and risk profile of these industries.

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 Master Circular-Prudential norms on Income Recognition, Asset Classification & Provisioning norms pertaining to advances dated July 01, 2015.

A non-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.
- Advances against term deposits, NSCs eligible for surrender, IVPs, KVPs and life policies are not be treated as non-performing, provided adequate margin is available in the accounts.
- The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of guidelines on securitization dated February 1, 2006.
- In respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.
- In case of credit card account, if the minimum amount due, as mentioned in the statement, is not paid fully within 90 days from the print (payment) due date mentioned in the statement.
- In addition, an account may also be classified as NPA due to temporary deficiencies
    a. The outstanding in the account based on drawing power calculated from stock statements older than three months, would be deemed as irregular. A working capital borrowal account will become NPA if such irregular drawings are permitted in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory.
    b. An account where the regular/ ad hoc credit limits have not been reviewed/ renewed within 180 days from the due date/ date of ad hoc sanction will be treated as non-performing.
- Further, the account may also be classified as NPA due to DCCO criteria as per para 4.2.15 Projects under Implementation of Master circular on IRAC norms dated July 01, 2015.

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 a period of 12 months. A loss asset is one where loss has been identified by the Bank or internal or external auditors or during RBI inspection and the amount has not been written off fully.

Impairment of other assets

The carrying amounts of assets are reviewed at each balance sheet date to ascertain if there is an indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds the recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

CREDIT RISK EXPOSURES

Total Gross Credit Risk Exposure Including Geographic Distribution of Exposure – Position as on 31st March 2021

(₹ in millions)

	Domestic (Outstanding)	Overseas (Outstanding)	Total
Fund Based	91,66,778	5,28,437	96,95,215
Non Fund Based *	13,17,261	56,820	13,74,081
Total	**1,04,84,039**	**5,85,257**	**1,10,69,296**

* Non-fund based exposures are bank guarantees issued on behalf of constituents and acceptances and endorsements and other items for which the Bank is contingently liable.

Distribution of Credit Risk Exposure by Industry Sector – Position as on 31st March 2021

(₹ in millions)

Industry Classification	Amount	
	Fund Based (Outstanding)	Non-Fund Based (Outstanding)
Banking and Finance	8,72,430	1,94,487
-of which Housing Finance Companies	1,58,006	8,021
Infrastructure (excluding Power)	3,51,602	1,86,355
-of which Roads, ports & airports	1,45,440	22,664
-of which Telecommunications	1,36,552	61,219
Chemicals and Chemical products	2,61,762	1,61,376
-of which Petro Chemicals	73,687	84,231
-of which Drugs and Pharmaceuticals	77,670	18,531
Engineering	1,34,264	2,45,936
Trade	2,89,178	36,385
NBFCs	2,95,098	4,674
Power Generation & Distribution	2,42,844	37,381
Commercial real estate$	2,39,650	10,688
Petroleum, Coal Products and Nuclear Fuels	1,24,572	1,03,255
Iron and Steel	1,20,790	59,404
Other metal and metal products	1,21,239	25,622
Food Processing	1,12,535	8,802
Textiles	1,11,146	9,739
Vehicles, Vehicle Parts and Transport Equipment	96,419	14,306
Cement and Cement Products	70,390	27,819
Rubber, Plastic and their Products	60,070	12,199
Professional services	64,994	3,117
Construction$	21,608	40,198
Shipping Transportation & Logistics	40,764	7,497
Computer Software	27,048	18,108

(₹ in millions)

Industry Classification	Amount	
	Fund Based (Outstanding)	Non-Fund Based (Outstanding)
Paper and Paper Products	31,468	4,454
Entertainment & Media	23,873	9,952
Edible oils and Vanaspati	12,233	20,360
Other Industries	2,72,885	47,437
Residual Exposures	56,96,353	84,530
-of which Other Assets	3,96,185	43,159
-of which Banking Book Investments	14,76,744	-
-of which Retail, Agriculture & Others*	38,23,424	41,371
Total	**96,95,215**	**13,74,081**

* includes Cash and Balances with RBI

$ includes LRD balance of ₹ 1,05,456 million

As on 31st March 2021, 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%

Residual Contractual Maturity Breakdown of Assets – Position as on 31st March 2021(1)

(₹ in millions)

Maturity Bucket	Cash	Balances with RBI	Balances with other banks(2)	Investments(3)	Advances	Fixed Assets	Other assets
1day	1,26,732	-	55,378	6,70,414	44,582	-	1,657
2 to 7 days	-	1,57,000	54,010	21,906	45,944	-	21,792
8 to 14 days	-	16,165	475	69,806	83,959	-	12,060
15 to 30 days	-	9,111	378	50,614	1,25,101	-	56,476
31 days to 2 months	-	10,911	2,353	54,223	1,53,790	-	14,970
Over 2 months and upto 3 months	-	6,854	90	33,052	2,23,629	1	9,915
Over 3 months and upto 6 months	-	12,378	2,271	79,862	3,75,927	-	58,818
Over 6 months and upto 12 months	-	25,572	5,481	1,16,514	5,26,327	5	71,348
Over 1 year and upto 3 years	-	7,758	1,448	4,24,145	13,24,408	82	1,90,461
Over 3 years and	-	2,848	-	59,317	7,72,123	-	93,049

(₹ in millions)

Maturity Bucket	Cash	Balances with RBI	Balances with other banks(2)	Investments(3)	Advances	Fixed Assets	Other assets
upto 5 years							
Over 5 years	-	1,42,757	-	6,97,638	26,75,924	43,191	2,89,128
Total	**1,26,732**	**3,91,354**	**1,21,884**	**22,77,491**	**63,51,714**	**43,279**	**8,19,674**

1. Intra-group adjustments are excluded
2. Including money at call and short notice
3. Listed equity shares have been considered at 50% haircut as per RBI regulations

Movement of NPAs (including NPIs) – Position as on 31st March 2021

(₹ in millions)

	Particulars	Amount
A.	**Amount of NPAs (Gross)**	**2,56,529**
	- Substandard	68,841
	- Doubtful 1	44,917
	- Doubtful 2	41,206
	- Doubtful 3	7,867
	- Loss	93,698
B.	**Net NPAs#**	**72,374**
C.	**NPA Ratios**	
	- Gross NPAs (including NPIs) to gross advances (%)	3.94%
	- Net NPAs (including NPIs) to net advances (%)	1.14%
D.	**Movement of NPAs (Gross)**	
	- Opening balance as on 1st April 2020	3,04,228
	- Additions	1,74,135
	- Reductions	(2,21,834)
	- Closing balance as on 31st March 2021	**2,56,529**

Net of balance outstanding in interest capitalization-restructured NPA accounts

Movement of Specific & General Provision – Position as on 31st March 2021

(₹ in millions)

Movement of Provisions	Specific Provisions	General Provisions
- Opening balance as on 1st April 2020	2,08,414	47,556
- Provision made in 2020-21(1)(2)	1,12,533	26,943
- Write-offs/Write-back of excess provision	(1,38,070)	-
- Closing balance as on 31st March 2021	**1,82,877**	**74,499**

1. Includes release of specific provision of ₹ 1,149 million on account of exchange rate fluctuation
2. Includes release in exchange rate fluctuation of ₹ 125 million in general provisions

Details of write-offs and recoveries that have been booked directly to the income statement – for the period ending 31st March 2021

(₹ in millions)

Write-offs that have been booked directly to the income statement	8,149
Recoveries that have been booked directly to the income statement	12,455

NPIs and Movement of Provision for Depreciation on Investments – Position as on 31st March 2021

(₹ in millions)

		Amount
A.	Amount of Non-Performing Investments	26,332
B.	Amount of Provision held for Non-performing investments	21,458
C.	Movement of provision for depreciation on investments	
	- Opening balance as on 1st April 2020	6,492
	- Provision made in 2020-21	13,564
	- Write-offs/Write-back of excess provision	(510)
	- Closing balance as on 31st March 2021	19,546

Breakup of NPA by major industries* – Position as on 31st March 2021

(₹ in millions)

	Amount	
Particulars	**Gross NPA**	**Specific Provision#**
Power Generation & Distribution	21,915	19,243
Infrastructure (excluding Power)	21,218	17,748
Commercial real estate	16,496	11,696
Trade	14,998	11,825
Chemicals and chemical products	12,898	8,110
Engineering	11,302	9,980
Petroleum, Coal Products and Nuclear Fuels	7,465	3,093
Banking and Finance	1,436	1,436
NBFCs	1,013	1,013
Iron and Steel	858	783
Retail, Agri & Other Industries	1,46,930	97,950
Total	**2,56,529**	**1,82,877**

* Based on top 10 industry wise gross credit exposure

Specific provisions include NPA and restructured provisions

General provision in Top 5 industries amounts to ₹ 14,529 million.

Major industries breakup of specific provision and write-off's for the period ending 31st March 2021

(₹ in millions)

Industry	Provision	Write-offs
Specific Provision in Top 5 industries	29,335	41,213

Geography wise Distribution of NPA and Provision – Position as on 31st March 2021

(₹ in millions)

Geography	Gross NPA	Specific Provision	General Provision
Domestic	2,26,140	1,61,555	70,851
Overseas	30,389	21,322	3,648
Total	**2,56,529**	**1,82,877**	**74,499**

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, Acuite Ratings and Infomerics 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, Acuite Ratings and Infomerics 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 2021

(₹ in millions)

Particulars	Amount
Below 100% risk weight	79,54,115
100% risk weight	20,80,672
More than 100% risk weight	10,30,158
Deduction from capital funds	4,351

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 deposits with banks, National Savings Certificate/Kisan Vikas Patra/Government securities/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 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 Exposure covered by eligible financial collateral as on 31st March 2021

(₹ in millions)

	Amount
Covered by:	
- Eligible financial collaterals after application of haircuts	7,25,082
- Guarantees/credit derivatives	2,09,475

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, Acuite Ratings and infomerics for its securitisation exposures.

All transfers of assets under securitisation were effected on true sale basis. However, in the year ended 31st March 2021 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 2021 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 2021 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	2,949	-
	- Priority Sector (auto pool & micro finance)	28,606	-
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	31,555	985
	Below 100% risk weight	31,555	985
	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 volatility risk in the option book. 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.
- Put in place non-statistical measures/limits on positions, gaps, stop loss, duration and option Greeks etc.
- 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, Aggregate Gap Limit, Net Open Position, daylight limits allocated across various currencies and Individual Gap Limits across currencies and maturities. Tenor wise duration limits have been set up for different categories within a portfolio. Issuer wise concentration limits are introduced in case of security 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 portfolio. 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 means 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 predicted through behavioral analysis - (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 daily 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 domestic scheduled commercial banks, foreign banks, primary dealers, co-operative banks, small finance banks and payment 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 also 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 'Customer Suitability & Appropriateness Policy for Derivative Products to guard against mis-selling. The corporate credit policy of the bank evaluates 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, Shanghai and GIFT city branch (International Banking Unit). 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 2021

(₹ in millions)

Type	Amount of Capital Required
Interest rate risk	15,461
Foreign exchange risk (including gold)	1,072
Equity position risk	5,839

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 and framework for 'identification, assessment, monitoring and mitigation of risk. 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 Information Security Systems Committee (ISSC).

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 information 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 2021.

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, the 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 2021 are given below:

Earnings Perspective

(₹ in millions)

Currency	Interest Rate Shock	
	+200bps	**-200bps**
INR	25,046	(25,046)
USD	370	(370)
Residual	213	(213)
Total	**25,629**	**(25,629)**

Economic Value Perspective

(₹ in millions)

Currency	Interest Rate Shock	
	+200bps	**-200bps**
INR	(32,159)	32,159
USD	(7,476)	7,476
Residual	1,531	(1,531)
Total	**(38,104)**	**38,104**

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.

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/FUTURES	Options
Gross Positive Fair Value of Contracts	1,08,336	3,403
Netting Benefits	-	-
Netted Current Credit Exposure	1,08,336	3,403
Collateral held (e.g. Cash, G-sec, etc.)	-	-
Net Derivatives Credit Exposure	1,08,336	3,403
Exposure amount (under CEM)	3,13,452	10,373
Notional value of Credit Derivative hedges	-	-
Credit derivative transactions that create exposures to CCR	-	-

AXIS BANK

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)	5,18,847	A1 + A2
2	Retained earnings	5,03,972	B1+B2+B3+B4+ B5+B6
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**	**10,22,819**	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	1,264	
8	Goodwill (net of related tax liability)	2,892	B7
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	52	
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)		
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**	4,208	
29	**Common Equity Tier 1 capital (CET 1)**	10,18,611	
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	70,000	
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)	70,000	C1
33	*Directly issued capital instruments subject to phase out from Additional Tier 1*		

(₹ in millions)

Sr.No.	Particulars	Amount	Reference No.
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**	**70,000**	
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments		
38	Reciprocal cross-holdings in Additional Tier 1 instruments	1,481	
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**	**1,481**	
44	**Additional Tier 1 capital (AT1)**	**68,519**	
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44)**	**10,87,130**	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	1,09,400	C2
47	*Directly issued capital instruments subject to phase out from Tier 2*	5,000	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	55,737	D1+D2+D3
51	**Tier 2 capital before regulatory adjustments**	**1,70,137**	
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments	1,199	
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)		
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**	**1,199**	
58	**Tier 2 capital (T2)**	**1,68,938**	
59	**Total capital (TC = T1 + T2) (45 + 58c)**	**12,56,068**	
60	**Total risk weighted assets (60a + 60b + 60c)**	**65,49,939**	
60a	*of which: total credit risk weighted assets*	56,47,533	
60b	*of which: total market risk weighted assets*	2,48,575	
60c	*of which: total operational risk weighted assets*	6,53,831	
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	15.55%	
62	Tier 1 (as a percentage of risk weighted assets)	16.60%	
63	Total capital (as a percentage of risk weighted assets)	19.18%	

AXIS BANK

(₹ in millions)

Sr.No.	Particulars	Amount	Reference No.
64	Institution specific buffer requirement(minimumCET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	7.375%	
65	*of which: capital conservation buffer requirement*	1.875%	
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)	5.046%	
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	33,182	
73	Significant investments in the common stock of financial entities	324	
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	76,159	
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)	43,197	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	70,594	
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*	*NA*	
81	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	*NA*	
82	*Current cap on AT1 instruments subject to phase out arrangements*	*NA*	
83	*Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)*	*NA*	
84	*Current cap on T2 instruments subject to phase out arrangements*	*11,572*	
85	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*	*NA*	

* NA – Not Applicable

Notes to the Template

Row No.	Particular	Rs in millions
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	43,197
	Eligible Reserves included in Tier 2 capital	12,540
	Total of row 50	55,737

XIII. MAIN FEATURES OF REGULATORY CAPITAL AS ON 31st March 2021

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)	₹6,127 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, 18th December 2017, 29th May 2019, 26th September 2019,11th August 2020.

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

Sr. No.	Particulars	Series 26	Series 28
1	Issuer	Axis Bank Ltd.	Axis Bank Ltd.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE238A08427	INE238A08443
3	Governing law(s) of the instrument	Indian Laws	Indian Laws
	Regulatory treatment		
4	Transitional Basel III rules	NA	NA
5	Post-transitional Basel III rules	Additional Tier I	Additional Tier I
6	Eligible at solo/group/ group & solo	Solo & Group	Solo & Group
7	Instrument type	Perpetual Debt	Perpetual Debt
8	Amount recognised in regulatory capital	₹ 35,000 million	₹ 35,000 million
9	Par value of instrument	₹ 35,000 million and each bond of ₹ 1 million	₹ 35,000 million and each bond of ₹ 1 million
10	Accounting classification	Liability	Liability
11	Original date of issuance	14th December 2016	28th June 2017
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No Maturity	No Maturity
14	Issuer call subject to prior supervisory approval	Yes	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"	Optional Call Date: 28th June 2022 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	28th June in each year commencing 28th June 2022

Sr. No.	Particulars	Series 26	Series 28
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	8.75% p.a.	8.75% p.a.
19	Existence of a dividend stopper	Yes	Yes
20	Fully discretionary, partially discretionary or mandatory	Full discretionary	Full Discretionary
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative
23	**Convertible or non-convertible**	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	**Write-down feature**	Yes	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 October 1, 2021, at or below 5.5%; or (ii) if calculated at any time from and including October 1, 2021, 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	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 October 1, 2021, at or below 5.5%; or (ii) if calculated at any time from and including October 1, 2021, 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

Sr. No.	Particulars	Series 26	Series 28
		become non-viable, as determined by the RBI.	support, without which the Bank would have become non-viable, as determined by the RBI.
32	If write-down, full or partial	Fully or Partially	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.	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.	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.	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	No
37	If yes, specify non-compliant features	NA	NA

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

Sr. No.	Particulars	SERIES 19	SERIES 20	SERIES 21	SERIES 22	SERIES 23	SERIES 24	SERIES 25	SERIES 27
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
2	Unique identifier	INE238A08328	INE238A08336	INE238A08344	INE238A08369	INE238A08377	INE238A08393	INE238A08419	INE238A08435
3	Governing law(s) of the instrument	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	NA	NA	NA	NA	NA
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible	Tier 2	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
7	Instrument type	Tier 2 Instrument							
8	Amount recognized in regulatory capital (In Million)	NIL	NIL	₹ 5,000	₹ 510	₹ 15,000	₹ 24,300	₹ 18,000	₹ 50,000
9	Par value of instrument	₹ 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	₹ 50000 million and each debenture of ₹ 1 million
10	Accounting classification	Liability	Liability	Liability	Liability	Liability	Liability	Liability	Liability
11	Original date of issuance	1st Dec 2011	20th Mar 2012	31st Dec 2012	12th Feb 2015	30th Sep 2015	27th May 2016	23rd Nov 2016	15th June 2017
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	1st Dec 2021	20th Mar 2022	31st Dec 2022	12th Feb 2025	30th Sep 2025	27th May 2026	23rd Nov 2026	15th June 2027

14	Issuer call subject to prior supervisory approval	No	No	No	No	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	No	No	No	No	No	No	No	No
16	Subsequent call dates, if applicable	No	No	No	No	No	No	No	No
	Coupons / dividend								
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	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	7.66% p.a. payable annually
19	Existence of a dividend stopper	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
22	Noncumulative or cumulative	Partially discretionary							
23	**Convertible or non-convertible**	Non-Convertible							
24	If convertible, conversion trigger(s)	NA	NA	NA	NA	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA	NA	NA	NA	NA

27	If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	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
30	Write-down feature	No	No	No	Yes				
31	If write-down, write-down trigger(s)	NA	NA	NA	PONV Trigger				
32	If write-down, full or partial	NA	NA	NA	Fully or Partially				
33	If write-down, permanent or temporary	NA	NA	NA	Permanent				
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	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.					
36	Non-compliant transitioned features	Yes	Yes	Yes	No	No	No	No	No
37	If yes, specify non-compliant features				NA				

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
5	**Subordinate Debts**	Series – 19	Click Here
6		Series – 20	Click Here
7		Series – 21	Click Here
8		Series – 22	Click Here
9		Series – 23	Click Here
10		Series – 24	Click Here
11		Series – 25	Click Here
12		Series – 27	Click Here
13	**Tier 1**	Series – 26	Click Here
14		Series – 28	Click Here

XV. 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.

AXIS BANK

XVI. COMPARISION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURE MEASURE

(₹ in millions)

	Item	Amount
1	Total consolidated assets as per published financial statements	1,01,03,253
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purpose but outside the scope of regulatory consolidation	-
3	Adjustments for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	2,15,393
5	Adjustment for securities financing transactions(i.e. repos and similar secured lending)	11,399
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	13,92,820
7	Other adjustments	(4,375)
8	**Leverage ratio exposure**	**1,17,18,490**

XVII. LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

(₹ in millions)

	Item	Leverage ratio framework
	On-balance sheet exposures	
1	On-balance sheet items(excluding derivatives and SFTs, but including collateral)	98,37,822
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(4,375)
3	**Total on-balance sheet exposures(excluding derivatives and SFTs)(sum of lines 1 and 2)**	**98,33,447**
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	1,11,740
5	Add-on amounts for PFE associated with all derivatives transactions	2,12,085
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)**	**3,23,825**
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	1,57,000
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR Exposure for SFT Assets	11,399
15	Agent transaction exposures	-
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	**1,68,399**

	Item	Leverage ratio framework
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	41,56,309
18	(Adjustments for conversion to credit equivalent amounts)	(27,63,490)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**13,92,819**
Capital and total exposures		
20	**Tier I capital**	**10,87,130**
21	**Total exposures (sum of lines 3,11,16 and 19)**	**1,17,18,490**
Leverage Ratio		
22	**Basel III leverage ratio**	**9.28%**

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

(₹ in millions)

	Item	Amount
1	Total consolidated assets as per published financial statements	1,01,03,253
2	Replacement cost associated with all derivatives transactions, i.e. net of eligible cash variation margin	(1,08,431)
3	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	(1,57,000)
4	Adjustment for entities outside the scope of regulatory consolidation	-
5	**On-balance sheet items(excluding derivatives and SFTs, but including collateral)**	**98,37,822**