

## **BASEL III DISCLOSURES OF PT BANK MAYBANK INDONESIA TBK, MUMBAI BRANCH FOR THE YEAR ENDED DECEMBER 31, 2020**

### **A. Scope of Application:**

#### **Qualitative Disclosures**

The capital adequacy framework applies to PT Bank Maybank Indonesia Tbk, Mumbai Branch (MBI Mumbai). MBI Mumbai is a branch of PT Bank Maybank Indonesia Tbk incorporated in Indonesia and has branches in Indonesia and India. The group provides various banking services like Global Banking, SME Banking, Personal Banking, Treasury Services etc.

As at December 31, 2020, MBI Mumbai does not have any investment in subsidiaries/Joint Ventures and Associates, significant minority equity investment in insurance, financial and commercial entities.

### **B. Capital Structure:**

#### **Qualitative Disclosures**

Bank regulatory capital consists of two components – Tier 1 capital and Tier 2 capital. Both components of capital provide support for banking operations and protect depositors. As per Reserve Bank of India (RBI) guidelines, the composition of capital instruments for foreign banks in India would include the following elements:

#### **Tier 1 Capital:**

- Interest-free funds received from Head Office
- Statutory reserves kept in Indian books
- Remittable surplus retained in Indian books which is not repatriable so long as the bank functions in India
- Interest-free funds remitted from Head Office for acquisition of property

The common equity Tier I capital must be at least 5.5% of Risk Weighted Assets (RWA) for risks i.e. Credit Risk+ Market Risk + Operation Risk on ongoing basis and additional Tier I capital can be 1.5% taking total Tier I capital to 7%

#### **Tier 2 Capital:**

- General provisions and loss reserves:  
Reserves not attributable to the actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses are included in Tier 2 capital subject to a maximum of 1.25 per cent of the total risk-weighted assets. Such provisions and reserves include General Provisions on Standard Assets, Provisions held for Country Exposures and Provision for Unhedged Foreign Currency Exposure.
- In addition to the minimum Tier I capital of 5.5% the bank need to maintain a "Capital Conservation Buffer (CCB)" of 2.5% of RWA in the form of Common Equity Tier I capital. In terms of RBI guideline dated March 27<sup>th</sup> 2014 the implementation of CCB will start from June 30, 2016. Consequently the Basel III Capital regulation will be fully compliant by 01 April, 2021.

The broad components of the Bank's capital and its current position as on December 31, 2020 are as follows:

- Tier 1 capital comprises of Bank's eligible capital funds and reserves – Rs.164.77 Crores.

- Tier 2 capital comprises of Provision on standard advances and provision for country risk as per regulatory requirements. Accordingly, statutory Tier 2 capital for the Bank is Rs.0.28 Crores.
- Regulatory capital comprises of the minimum capital required in accordance with capital adequacy guidelines. As per RBI guidelines for Pillar I, the Bank's regulatory capital requirement was Rs.13.73 Crores taking a CRAR of 10.875% of the Risk Weighted Assets. The Bank has maintained a capital of Rs.165.05 Crores.

### Quantitative Disclosures

(Amount in Crores)

<b>Composition of Capital</b>	<b>As at December 31, 2020</b>
<b>Tier I Capital</b>	
Interest Free Funds from HO	208.88
Statutory Reserves	5.96
<b>Deductions</b>	
Balance in P&L as per audited financial statements	49.56
Intangible Assets	0.51
<b>Net Tier I Capital</b>	<b>164.77</b>
<b>Tier II Capital</b>	
General Provisions & Loss Reserves	0.28
<b>Total Eligible Capital Base (Tier I + Tier II)</b>	<b>165.05</b>

### C. Capital Adequacy:

#### Qualitative Disclosures

As part of the Bank's capital management program, sources and uses of capital are continuously assessed and monitored. The Bank deploys capital to support sustainable, long-term revenue and net income growth. Capital is managed using regulatory thresholds.

The Bank has a process for assessing its overall capital adequacy in relation to the Bank's risk profile and strategy for growth to maintain a suitable capital adequacy. The process of capital planning and budgeting aims to ensure that the Bank has adequate capital to manage all identified risks. The Bank identifies, assesses and manages comprehensively all risks that it is exposed to through robust policies on various risks as adopted by bank, standard operating process, and control procedures. The bank also undertakes an annual capital planning and budgeting process. The bank has formalised and implemented a comprehensive Internal Capital Adequacy Assessment Process (ICAAP). The bank's ICAAP document sets the process for assessment of the adequacy of capital to support current and future projections and risks.

The Bank has adopted Standardised Approach for Credit Risk, Standardised Duration Approach for Market Risk and Basic Indicator Approach (BIA) for Operational Risk for computing its capital requirement.

The total Capital to Risk Weighted Assets Ratio (CRAR) as per Basel III guidelines works to 130.69% as on December 31, 2020 (as against minimum regulatory capital requirement of 10.875%). The Tier I CRAR stands at 130.6% as against RBI's prescription of 7%. The Bank has followed the RBI guidelines in force to arrive at the eligible capital, risk weighted assets and CRAR. Capital required for credit, market and operational risks given below is arrived at after multiplying the risk weighted assets by 10.875% which includes CCB

### Quantitative Disclosures

(Amount in Crores)

<b>Composition of Capital</b>	<b>As at December 31, 2020</b>
<b>Capital Requirements for Credit Risks</b>	
Portfolios subject to standardized approach	9.59
Securitization exposures	-
<b>Capital requirements for market risk Standardized duration approach</b>	
<input type="checkbox"/> Interest rate risk	0.19
<input type="checkbox"/> Foreign exchange risk (including Gold)	0.44
<input type="checkbox"/> Equity risk	-
<b>Capital requirements for operational risk</b>	
Basic indicator approach	3.51
<b>Total Capital ratio</b>	130.69%
<b>Tier I Capital ratio</b>	130.47%

### Credit Risk: General Disclosures for all Banks:

#### Qualitative Disclosures

Credit risk is the risk of loss resulting from the failure of a borrower or counter party to honour its financial or contractual obligations to the bank. Credit risk arises in the Bank's direct lending operations, and in its funding, investment and trading activities where counterparties have repayment or other obligations to the Bank.

The Bank measures and manages Credit Risk by adhering to the loan policy principles/ guidelines. A detailed overview of the Local loan policy has been undertaken and the key components of Bank's Local loan policy are as follows:

- To adhere to the RBI prudential requirements with respect to lending norms and ensure correcting any breaches to such prudential guidelines including Single borrower limits & Group Borrowing Limits.
- To maintain a diversified portfolio of assets and avoid undue concentration in exposure to a particular industry.

- Bank has clearly defined its lending limits and other stipulations to financing of unsecured exposures, priority sector, real estate, NBFCs, capital market exposures keeping the overall objectives of Bank and RBI guidelines.
- Bank also has a clear guideline on Substantial Exposure Limit and Off Balance Sheet Exposure Limit.
- The policy clearly defines the target market and focus industries.
- The policy also defines forbidden credit which is in line with group credit policy.
- The policy also defines the product to be funded and eligibility for each of these.
- All credit proposals are analyzed through borrower's historical financial statements and projections, which includes a thorough review of traditional methods of ratio analysis, balance sheet structure (liquidity, capitalization, and maturity schedule of liabilities), cash flow and FX exposure.
- Bank also monitor Unhedged Foreign Currency Exposure, Country Risk Exposure every quarterly as per RBI stipulation.
- All facilities are internally rated based on the internal rating scale of HO.
- As a matter of policy, all credit facilities are reviewed / renewed annually.
- For recognition of past due and impaired loans and advances, the Bank follows guidelines prescribed by Reserve Bank of India as contained in circular RBI/2015-16/97 DBR No BP.BC.6/21.04.141/2015-16 dated July 1, 2015 on "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances" and other circulars/notifications issued by RBI during the course of the year in this regard. The credit policy includes standard operating process for delivering credit.
- The bank ensures to refer to Credit Bureau data; RBI CRILC data, EDPMS exporter caution list & RBI published fraud data on CFR before approving all credit and ensure that the directors or companies name does not appear in the same.

**Monitoring Policy:** The Bank has clearly laid down the various monitoring it does on Macro Economic factors, industry analysis and account level analysis to pick up early warning signals. Bank uses various research agencies reports to keep a tab on Macroeconomic and industry level parameters. Quarterly analysis of financials is done to know the trend and covenant breaches. Other tools like stock and book debt audit, site visit etc. is also done as per stipulation in sanction. The bank also has a policy in place to monitor the Unhedged Foreign Currency Exposure as per RBI guidelines. The Risk department gives a quarterly update on Risk Management to Risk Management Committee.

**Delegation of Powers:** All approvals in the Bank are by a Committee approach. There are various levels of approval committee in Head Office. The committee has representation from Business, Risk, Credit and Finance.

## Quantitative Disclosures

(Amount in Crores)

Particulars	As at December 31, 2020
<b>Gross credit risk exposures :</b>	<b><u>144.99</u></b>
Fund based (Gross Advances)	137.68
Non fund based	7.31
<b>Geographic distribution of exposures Domestic Overseas</b>	
<b>Domestic :</b>	<b><u>144.99</u></b>
Fund based (Gross Advances)	137.68
Non fund based	7.31
<b>Overseas :</b>	
Fund based (Gross Advances)	-
Non fund based	-
<b>Industry wise distribution of exposures</b>	<b><u>144.99</u></b>
Farming of Animals	32.00
Other Food Products	17.78
Man-Made Fibers	20.00
Electric Products	24.00
Services	18.22
Other Wholesale Trades	32.00
Refined Petroleum Products	0.99

## Residual Contractual Maturity Breakdown of Assets (as at December 31, 2020)

(Amount in Crores)

Particulars	Loans & Advances	Investments	Deposits	Borrowings	F.C. Assets	F.C. Liabilities
Day - 1	0.00	51.47	13.20	0.00	10.39	10.42
2-7 Days	3.23	0.00	16.69	0.00	5.19	5.18
8-14 Days	4.19	0.00	19.48	0.00	3.46	3.45
15-30 Days	25.53	9.13	0.00	0.00	2.61	2.60
31 days - 2 months	21.20	0.00	0.00	0.00	1.77	5.43
above 2 months & upto 3 months	11.18	0.33	0.00	0.00	7.46	7.40
Over 3 Months and upto 6 months	2.92	0.00	0.00	0.00	5.74	5.73
Over 6 Months and upto 1 year	0.00	0.12	0.00	0.00	0.00	0.00
Over 1 Year and upto 3 years	0.00	0.92	13.86	0.00	0.00	0.00
Over 3 Year and upto 5 years	0.00	0.00	0.00	0.00	0.00	0.00
Over 5	0.00	2.50	0.00	0.00	3.65	0.00
<b>Total</b>	<b>68.23</b>	<b>64.48</b>	<b>63.23</b>	<b>0.00</b>	<b>40.27</b>	<b>40.21</b>

## Details of Non-Performing Assets

(Amount in Crores)

Particulars		Amount
1	<b>Amount of NPAs (Gross)</b>	17.78
	Substandard	-
	Doubtful 1	-
	Doubtful 2	-
	Doubtful 3	-
	Loss	17.78
2	Net NPAs	-
3	<b>NPA Ratios</b>	
	Net NPAs to Net Advances (%)	0.00%
	Gross NPAs to Gross Advances (%)	20.67%
4	<b>Movement of NPAs (Gross)</b>	
	Opening balance	17.78
	Additions during the year	-
	Reductions during the year	-
	Closing balance	17.78
5	<b>Movement of Net NPAs</b>	
	Opening balance	-
	Additions during the year	-
	Reductions during the year	-
	Closing balance	-
6	<b>Movement of provisions for NPAs (excluding provisions on standard assets)</b>	
	Opening balance	17.78
	Additions during the year	-
	Reductions during the year	-
	Closing balance	17.78
7	Amount of non-performing investments	-
8	Amount of provisions held for non-performing investments	-
9	<b>Movement of provisions for depreciation</b>	-
	Opening balance	-
	Additions during the year	-
	Reductions during the year	-
	Closing balance	-

**D. Credit Risk - Disclosures for Portfolios Subject to the Standardised Approach:**

**Qualitative Disclosures**

The Bank has adopted the standardized approach of the new Capital Adequacy Framework (NCAF) for computation of capital for credit risk. The Bank has assigned risk weights to different classes of assets as prescribed by RBI.

The bank takes External rating of approved rating agencies viz. CRISIL, CARE, ICRA, Acuite and India Ratings for calculating risk weights. Only those borrowers where bank facility is specifically rated are eligible for lower risk weights as per external rating. In case bank facility is not rated the borrowers are taken as unrated and accordingly a 150% risk weight assigned.

**Quantitative Disclosures**

(Amount in Crores)

Below 100 % Risk Weight	186.04
100 % Risk Weight	6.72
More than 100 % Risk Weight	43.91
<b>Total</b>	<b>236.67</b>

The above amounts represent net credit risk exposure and below 100% risk weight includes sovereign exposure of Rs.143.63 Crores at zero risk weight and Commitments cancellable unconditionally or that effectively provide for automatic cancellation due to deterioration of borrower's credit worthiness of Rs.51.67 Crores at zero risk weight.

**E. Credit Risk Mitigation - Disclosures for Standardised Approach:**

**Qualitative Disclosures**

The Bank's objective in securing collateral is to minimize losses and therefore is an important aspect of the Bank's credit risk mitigation strategy. Collateral refers to assets in which the Bank takes a legal interest in order to mitigate losses should a borrower counterparty default. The bank ensures that the taken collateral effectively mitigates substantial losses. The bank has ensured compliance with respect to the right to legally take control, liquidate or otherwise deal with collateral when required.

The Bank uses the "Comprehensive Approach" for collateral valuation. Under this approach, the Bank reduces its credit exposure to the counterparty when calculating the capital requirement to the extent to risk mitigation provided by the eligible collateral as specified in Basel III guidelines. The haircut adjustment as prescribed by the above guidelines is taken into account to adjust the volatility.

**Quantitative Disclosures**

- (a) For each separately disclosed credit risk portfolio the total exposure that is covered by eligible financial collateral after the application of haircuts:

(Amount in Crores)

Particulars	December 31, 2020
Total exposure covered by eligible financial collateral after application of applicable haircuts	Nil
Total exposure covered by guarantees/credit derivatives	Nil
Total	

- (b) The bank has not availed benefit of on or off balance sheet netting / guarantees / credit derivatives (wherever specifically permitted by RBI) as credit risk mitigant.

**F. Securitisation - Disclosure for Standardised Approach:**

The Bank does not have any securitization exposure.

**G. Market Risk in Trading Book**

**Qualitative Disclosures**

Market risk is the risk of loss from changes in market prices and rates (including interest rates, credit spreads, equity prices, foreign exchange rates and commodity prices), the correlations among them, and their levels of volatility.

The following portfolios are covered for measuring Market Risk:

- Securities held under Available for Sale (AFS) category.
- Securities held under Held for Trading (HFT) category.
- Derivatives entered into for trading.
- Open foreign exchange and gold position limits.

As on December 31, 2020, the bank only has investment in SLR Securities (Treasury Bills). There was no derivative transaction with corporate customers. The Bank does not take any trading position and do not have Trading book.

The Bank has detailed policies to monitor market risk covering ALM, FX Policy, Investment Policy, Stress Testing Policy and Intraday Liquidity Management Policy. The policies lay down the broad investment objectives, prudential exposures limits norms, and set up for considering investments, methods of follow up, accounting/auditing/control/reporting structure and systems and authority structure to put through the deal transaction.

The ALM policy defines bank's risk management approach for liquidity risk and interest rate risk management, defines maintenance of liquidity ratios, computation of Structural Liquidity report for various buckets. Policy also covers limits like Net Open Position and Aggregate Gap limit Policy defines computation and monitoring of interest rate risks as per RBI requirement, various parameters like, computation of Duration, calculating Economic value of Equity (EVE), Market value of equity (MVE), Earning at risk (EAR) etc. The Bank also monitors Stock Ratios as prescribed by RBI and Liquidity Coverage Ratio.

The ALCO (Asset Liability Committee) has responsibility of market risk management with active oversight by Global Risk Management from HO. The ALCO is responsible for defining and estimating the market risk inherent in all activities. The ALCO also takes investment decisions, does capital planning and budgeting, monitors exposure management, is responsible to ensure pricing achieves optimum usage of funds, cost of funds and liquidity objectives, reviews liquidity mismatch and suggests corrective action etc.

The middle office and back office are independent from front office. The middle office is responsible for preparing stress testing scenarios, providing inputs to pricing, performing revaluation and marking mark to market.

**Quantitative disclosures**



Capital required for Interest rate risk, equity position risk and Foreign Exchange Risk given below is arrived at after multiplying the risk weighted assets by 10.875% which includes CCB

(Amount in Crores)

Interest Rate Risk	0.19
Equity Position Risk	-
Foreign Exchange Risk	0.44
<b>Total</b>	<b>0.63</b>

## H. Operational Risk

### Qualitative disclosures

Operational risk is the risk of loss, whether direct or indirect, to which the Bank is exposed due to external events, human error, or the inadequacy or failure of processes, procedures, systems or controls. Operational risk, in some form, exists in each of the Bank's business and support activities and can result in financial loss, regulatory sanctions and damage to the Bank's reputation. Operational risk encompasses business process and change risk, technology failure, financial crime and legal and regulatory risk.

The governing principles and fundamental components of the Bank's operational risk management approach include:

- Adopting the three line of defence mechanism.
- Accountability in the individual business lines for management and control of the significant operational risks to which they are exposed.
- A well-defined internal control procedures
- The operations functions maintain a daily control function checklist to ensure day to day critical activities are monitored and completed.
- An effective organization structure through which operational risk is managed including:
  - Local Top Management responsible for sound corporate governance.
  - Oversight by head office.
  - Separation of duties between key functions.
  - Maker and checker at critical level of activities.
- The Bank's has a Business Continuity Management policy. As per the BCP policy the Bank has an alternate site where the critical activities can be carried out in case of a disruption. The critical activities are defined and organization matrix which will carry out BCP along with reporting line is clearly defined. The bank has done one BCP drill to ensure the process is smooth.
- The Bank also has a DR site at Chennai for all its critical IT systems like core banking, NEFT and RTGS etc. There is a DR document which clearly defines the threshold for downtime and minimum expected recovery time.

- Risk mitigation programs, which use insurance policies to transfer the risk of high severity losses e.g. cash or loss of fixed assets etc. Where feasible and appropriate.
- Integrating with the HO system of Incidence Management and Data Capture system to report RCSA, KRI, incidence, fraud reporting etc.

### **Approach for Operational Risk Capital Assessment**

As per RBI guidelines, the Bank has adopted Basic Indicator Approach (BIA) for assessing capital for Operational Risk. As per BIA, the capital requirement as on December 31, 2020 is INR 3.51 Crores.

### **Information Technology Risk (including Cyber Security Risk)**

The information technology risk is an evolving and potentially threatening risk for banks now. With the recent cyber-attacks and personification by fraudsters this risk is becoming more critical to manage. MBI Mumbai is also exposed to this risk. However our operation is small and the public facing systems are less. The bank is not into retail banking and has a limited internet banking presence (mostly view rights used by the customer). Hence the likelihood of occurrence is lesser than big banks.

As the likelihood of the event is less and controls are adequate for the level of operation, although impact is high, as a conservative approach MANCO approved residual risk is taken as 0.25% of Tier I capital, which is INR 0.41 Crores.

## **I. Interest Rate Risk in the Banking Book (IRRBB):**

### **Qualitative Disclosures**

Interest Rate Risk in Banking Book (IRRBB) refers to the risk of loss in earnings or economic value of the Bank's Banking Book as a consequence of movement in interest rates. Interest rate risk arises from holding assets / liabilities and Off-Balance Sheet items with different principal amount, maturity dates or re-pricing dates thereby creating exposure to changes in levels of interest rates. The Bank actively manages its interest rate exposures with the objective of enhancing net interest income within established risk tolerances. Interest rate risk arising from the Bank's funding and investment activities is managed by local Asset Liability Committee (ALCO) in accordance with ALM (Asset Liability Management) policy approved by Head Office and active oversight by Head Office in the ALCO.

As a part of IRRBB assessment, the Bank has adopted the method indicated in the Basel Committee on Banking Supervision (BCBS) Paper "Principles for the Management and Supervision of Interest rate Risk" (July 2004) for computing the impact of the interest rate shock on the EVE which requires the mapping of assets and liabilities into different time buckets as specified by the Bank, in line with RBI requirement. As part of this exercise the Bank has adopted re-pricing Gap approach to calculate the impact on Net Interest Margin. The bank also has adopted Economic Value approach to calculate the impact on economic value.

The Bank also adopted comprehensive stress testing policy in line with the size of the Bank. A quarterly stress testing results are reported to Risk Management Committee. Stress testing is done on credit portfolio, credit concentration risk, liquidity risk, interest rate risk. The Bank also does various Scenario Analysis and assess the impact on its profitability and capital adequacy.

## Quantitative Disclosures

As required under Pillar III norms, the increase / decline in earnings and economic value for an upward rate shock of 200 basis points as on December 31, 2020, is as follows:

(Amount in Lakhs)	
Particulars	Amount
Impact on profit based on 200 bps change in interest rate	290.64
Impact on economy value of equity ( EVE) for 200 bps	15.62

**Table DF-11 : Composition of Capital**

Amount in Crores				
		As at December 31, 2020	Amounts Subject to Pre-Basel III Treatment	Ref No.
	<b>Common Equity Tier 1 capital: instruments and reserves</b>			
1	Directly issued qualifying common share capital plus related stock surplus (share premium) (Funds from Head Office)	208.88	-	a1
2	Retained earnings	(49.56)	-	d1
3	Accumulated other comprehensive income (and other reserves)	5.96	-	a2
	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	-	
4	Public sector capital injections grandfathered until January 1, 2018	-	-	
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	<b>165.29</b>	-	a1+d1+a2
	<b>Common Equity Tier 1 capital : regulatory adjustments</b>			
7	Prudential valuation adjustments	-	-	
8	Goodwill (net of related tax liability)	-	-	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	(0.51)	-	c1
10	Deferred tax assets	-	-	c2
11	Cash-flow hedge reserve	-	-	
12	Shortfall of provisions to expected losses	-	-	
13	Securitization 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-up capital on	-	-	

	reported balance sheet)			
17	Reciprocal cross-holdings in common equity	-	-	
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 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 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 : Unamortised pension funds expenditures	-	-	
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-	
28	<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>(0.51)</b>	-	c1+c2
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>164.77</b>	-	
<b>Additional Tier 1 capital : instruments</b>				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	-	-	
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)	-	-	
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	<b>Additional Tier 1 capital before regulatory adjustments</b>	-	-	
<b>Additional Tier 1 capital: regulatory adjustments</b>				
37	Investments in own Additional Tier 1 instruments	-	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	
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	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-	-	
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-	-	
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-	
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	-	-	
44	<b>Additional Tier 1 capital (AT1)</b>	-	-	
44a	Additional Tier 1 capital reckoned for capital adequacy	-	-	
45	<b>Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44a)</b>	<b>164.77</b>		
<b>Tier 2 capital : instruments and provisions</b>				
46	Directly issued qualifying Tier 2 instruments	-	-	

	plus related stock surplus			
47	Directly issued capital instruments subject to phase out from Tier 2	-	-	
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 (Please refer to Note to Template Point 50)	0.28	-	b1
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>0.28</b>	-	
<b>Tier 2 capital: regulatory adjustments</b>				
52	Investments in own Tier 2 instruments	-	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	-	
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 insurance subsidiaries	-	-	
56b	of which : Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	-	-	
	Regulatory Adjustments Applied to Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	-	-	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	-	-	
58	<b>Tier 2 capital (T2)</b>	<b>0.28</b>	-	
58a	Tier 2 capital reckoned for capital adequacy	0.28	-	b1
58b	<b>Excess Additional Tier 1 capital reckoned as Tier 2 capital</b>		-	
58c	<b>Total Tier 2 capital admissible for capital adequacy (58a + 58b)</b>	<b>0.28</b>	-	
59	<b>Total capital (TC = T1 + Admissible T2) (45 + 58c)</b>	<b>165.05</b>	-	
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment	-	-	
60	<b>Total risk weighted assets (60a + 60b + 60c)</b>	<b>126.30</b>	-	
60a	of which : total credit risk weighted assets	88.21	-	
60b	of which : total market risk weighted assets	5.78	-	

60c	of which : total operational risk weighted assets	32.31	-	
<b>Capital ratios</b>				
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	130.47%	-	
62	Tier 1 (as a percentage of risk weighted assets)	130.47%	-	
63	Total capital (as a percentage of risk weighted assets)	130.69%	-	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	-	-	
65	of which : capital conservation buffer requirement	-	-	
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)	-	-	
<b>National minima (if different from Basel III)</b>				
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)	10.875%	-	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>				
72	Non-significant investments in the capital of other financial entities	-	-	
73	Significant investments in the common stock of financial entities	-	-	
74	Mortgage servicing rights (net of related tax liability)	N.A.	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	N.A.	-	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	-	-	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	-	-	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-	
<b>Capital instruments subject to phase-out arrangements (only applicable between June 30, 2017 and June 30, 2022)</b>				
-	Current cap on CET1 instruments subject to phase out arrangements	N.A.	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and	N.A.	-	

	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)	-	-	

<b>Note to the template</b>		
<b>Row No. of the template</b>	<b>Particular</b>	<b>Amount in Crores</b>
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 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	-
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference row 44 and admissible Additional between Additional Tier 1 capital as reported in Tier 1 capital as reported in 44a)	-
	of which : Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	0.28
50	Eligible Provisions included in Tier 2 capital	-
	Eligible Revaluation Reserves included in Tier 2 capital	0.28
	Total of row 50	-
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	-



## DF-12 Composition of Capital – Reconciliation Requirements

Step 1 The Scope of regulatory consolidation and accounting consolidation is identical accordingly the step 1 of the reconciliation is not required

Step 2 (Amount in Crores)

	Particulars	Balance sheet as in financial statements As at December 31, 2020	Balance sheet under regulatory scope of consolidation As at December 31, 2020	Ref No
A	Capital & Liabilities			
I	Paid-up Capital	208.88	208.88	a1
	Reserves & Surplus	5.96	5.96	
	<i>Of which: Statutory Reserve</i>	5.96	5.96	a2
	Minority Interest	NA	NA	
	Total Capital	214.84	214.84	
II	Deposits	63.23	63.23	
	<i>of which: Deposits from banks</i>	3.48	3.48	
	<i>of which: Customer deposits</i>	59.75	59.75	
III	Borrowings	-	-	
	<i>of which: From RBI</i>	-	-	
	<i>of which: From banks</i>	-	-	
	<i>of which: From other institutions &amp; agencies</i>	-	-	
	<i>of which: Others (Borrowing outside India)</i>	-	-	
	<i>of which: Capital instruments</i>	-	-	
IV	Other liabilities & provisions	4.62	4.62	
	<i>Of which: Provision for Standard Assets and Country Risk</i>	0.28	0.28	b1
	<b>Total</b>	<b>282.69</b>	<b>282.69</b>	
<b>Assets</b>				
I	Cash and balances with Reserve Bank of India	79.16	79.16	
	Balance with banks and money at call and short notice	10.51	10.51	
II	Investments:	64.48	64.48	
	<i>of which: Government securities</i>	64.48	64.48	
	<i>of which: Other approved securities of which: Shares</i>	-	-	
	<i>of which: Debentures &amp; Bonds</i>	-	-	
	<i>of which: Subsidiaries/Joint Ventures/Associates</i>	-	-	
	<i>of which: Others (Commercial Papers, Mutual Funds etc.)</i>	-	-	
III	Loans and advances	68.23	68.23	
	<i>of which: Loans and advances to banks</i>	0.00	0.00	
	<i>of which: Loans and advances to customers</i>	68.23	68.23	
IV	Fixed assets	1.71	1.71	
	<i>Of which: Intangible (Software)</i>	0.51	0.51	c1
V	Other assets	9.04	9.04	
	<i>of which: Goodwill and intangible assets</i>	-	-	
	<i>of which: Deferred tax assets</i>	-	-	c2
VI	Goodwill on consolidation	-	-	
VII	Debit balance in Profit & Loss account	49.56	49.56	d1
	<b>Total Assets</b>	<b>282.69</b>	<b>282.69</b>	

**DF 13 - Main Features of Regulatory Capital Instruments**

As of December 31, 2020, there were no regulatory capital instruments issued by Bank MBI – Mumbai Branch

**DF 14 - Full Terms and Conditions of Regulatory Capital Instruments**

As of December 31, 2020, there were no regulatory capital instruments issued by Bank MBI – Mumbai Branch

**DF - 16 Equities – Disclosure for Banking Book Positions**

MBI has not taken any position in Equities.

## LEVERAGE RATIO DISCLOSURES

**Table DF – 17: Summary Comparison of Accounting Assets vs. Leverage Ratio Exposure Measure**

		Amount in Lakhs
	<b>Particulars</b>	<b>Amount</b>
1	Total consolidated assets as per published financial statements	19,094.06
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	87.25
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	921.66
7	Other adjustments	
	<b>Leverage ratio exposure</b>	<b>20,102.97</b>

**Table DF – 18: Leverage ratio common disclosure template as on December 31, 2020**

		Amount in Lakhs	
No.	Item	Solo	Consolidated
<b>On-balance sheet exposures</b>			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	14,087.00	
2	(Asset amounts deducted in determining Basel III Tier1 capital)	5,007.06	
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	<b>19,094.06</b>	
<b>On-balance sheet exposures</b>			
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	31.15	
5	Add-on amounts for PFE associated with all derivatives transactions	56.10	
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)	<b>87.25</b>	

<b>Securities financing transaction exposures</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	
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)	-	
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	921.66	
18	(Adjustments for conversion to credit equivalent amounts)		
19	Off-balance sheet items (sum of lines 17 and 18)	921.66	
<b>Capital and total exposures</b>			
20	Tier 1 capital	16,477.16	
21	Total exposures (sum of lines 3, 11, 16 and 19)	20,102.97	
<b>Leverage ratio</b>			
<b>22</b>	<b>Basel III leverage ratio</b>	<b>81.96%</b>	