Annexure 5: Basel III Pillar 3 Disclosures

1. Scope of Application

The Catholic Syrian Bank Ltd is a commercial bank formed on 26th November 1920 with Registered Office at Thrissur. In August 1969, the Bank was included in the Second Schedule to the Reserve Bank of India Act 1934.The bank has no subsidiaries.

2. Capital Structure

Qualitative Disclosures:

As per Basel III guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB) as on 31st March 2019. The minimum capital required to be maintained by the Bank (including CCB) for the period ended September 30, 2018 is 10.875% with minimum Common Equity Tier 1 (CET1) of 7.375% (including CCB of 1.875%).

Bank's capital structure consists of Tier 1 and Tier 2 capital. The major components of Tier 1 capital are equity share capital, equity share premium, statutory reserves, general reserves, special reserve (Section 36(i)(viii) of Income Tax Act) and capital reserves and revaluation reserves (after discounting). Tier 2 capital consists provision for standard assets. Bank has not issued any Upper Tier 2 bonds or perpetual debt or other innovative instruments.

Quantitative Disclosures:

The breakup of capital funds is as follows:

(Rs in million)

	As on 30.09.2018	As on 30.06.2018
Tier 1 Capital		
Paid up Share capital	810.14	810.14
Share Premium	6475.08	6475.08
Statutory Reserves	1467.56	1467.56
Capital Reserves	717.31	717.31
Special Reserve (36 (i) (viii))	237.62	237.62
Other eligible reserves	888.80	826.01
Revaluation Reserves after discounting	716.96	717.60
Total Tier 1 Capital (Gross)	11313.47	11251.32
Less: Debit balance in Profit and Loss account	3,640.52	3320.82
Less Deferred Tax Assets and Other Intangible Assets	1077.51	1002.86
Less un amortized portion of fraud	33.27	0.00
Total Tier 1 Capital (Net) [A]	**6,562.17**	**6,927.64**
Tier 2 Capital		
Provision for Standard Assets	333.28	330.28
Total Tier 2 Capital (Net) [B]	**330.28**	**330.28**
Total Eligible capital [A] + [B]	**6,895.45**	**7257.92**

3. Capital Adequacy

Qualitative Disclosures:

In accordance with the guidelines of RBI, the bank has adopted standardized approach for credit risk, basic indicator approach for operational risk and standardized duration approach for market risk for computing capital adequacy. Basel III Capital regulations are applicable to Banks in India from 1st April, 2013 and will be fully phased in by 31st March, 2019. Detailed guidelines on Basel III Capital Regulations and Guidelines on Composition of Capital Disclosure Requirements are issued by RBI and consolidated under the Master Circular – Basel III Capital Regulations July 2015.

The transitional arrangements for minimum Basel III capital ratios are given below.

Transitional Arrangements-Scheduled Commercial Banks (excluding LABs and RRBs)

(% of RWAs)

Minimum capital ratios	April 1, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019
Minimum Common Equity Tier 1 (CET1)	4.5	5	5.5	5.5	5.5	5.5	5.5
Capital conservation buffer (CCB)	-	-	-	0.625	1.25	1.875	2.5
Minimum CET1+ CCB	4.5	5	5.5	6.125	6.75	7.375	8
Minimum Tier 1 capital	6	6.5	7	7	7	7	7
Minimum Total Capital*	9	9	9	9	9	9	9
Minimum Total Capital +CCB	9	9	9	9.625	10.25	10.875	11.5
Phase-in of all deductions from CET1 (in %) #	20	40	60	80	100	100	100

* The difference between the minimum total capital requirement of 9% and the Tier 1 requirement can be met with Tier 2 and higher forms of capital;

The same transition approach will apply to deductions from Additional Tier 1 and Tier 2 capital.

Regulatory Capital Adequacy position (as per Basel II & Basel III norms as made applicable by RBI) is assessed periodically. Besides, the bank also assessed its own internal estimate of risk capital based on its Board approved ICAAP policy and Stress Testing Policy to cover the Pillar 2 risks. Risks are assumed in line with the Bank’s risk bearing capacity and capability in order to generate yields, taking risk-return frontier into account. This aims to ensure that risks that could jeopardize the Bank’s existence are avoided.

Quantitative Disclosures:

a) Capital Requirement for Credit Risk – Standardized Approach

(Rs in Million)

Portfolios	Gross Exposure (Rs Mio)	Gross Exposure (Rs Mio)	Capital Requirement (Rs Mio)	Capital Requirement (Rs Mio)
	30.09.2018	30.06.2018	30.09.2018	30.06.2018
On Balance Sheet				
Cash & Balance with RBI	6,900.83	6617.42	0.00	0.00
Inter Bank Deposits	1,613.31	1459.10	18.73	28.18
Market Repo(CROMS)	0.00	0.00	0.00	0.00
Investments (HTM)	35,302.97	29145.56	63.89	39.04
Advances	92,401.02	89720.81	4,070.71	4,192.33
Fixed Assets & Other Assets	12,581.09	12522.24	670.87	606.73
Total	**148,799.22**	**139,465.13**	**4,824.20**	**4,866.28**
Off Balance Sheet				
Letter of Credit & Guarantees	2,475.78	2534.46	55.43	71.63
Undrawn Credit Commitments	7,596.39	10012.53	147.55	179.19
Forward Exchange Contracts	5,998.19	3809.83	12.66	4.59
Total	**16,070.36**	**16,356.81**	215.64	**255.41**
Total On & Off Balance Sheet	**164,869.58**	**155,821.94**	**5,039.84**	**5,121.69**

b) Capital Requirement for Market Risk – Standardized Duration Approach

(Rs in Million)

Type of Market Risk	Gross Exposure	Gross Exposure	Capital Requirement	Capital Requirement
	30.09.2018	30.06.2018	30.09.2018	30.06.2018
Interest Rate Risk	25,966.51	19274.64	542.00	509.53
Foreign Exchange Risk	120.00	120.00	10.80	10.80
Equity Risk	30.54	30.51	6.87	6.87
Total	**26,117.05**	**19,425.14**	**559.67**	**527.20**

c) Capital Requirement for Operational Risk – Basic Indicator Approach

(Rs in Million)

	As on 31.03.2018
Capital Requirement	649.56

Equivalent Risk Weighted Assets	8,119.45

d) Total Capital Requirement

(Rs in Million)

Type of Risk	Capital Requirement	Capital Requirement	Risk Weighted Assets	Risk Weighted Assets
	30.09.2018	30.06.2018	30.09.2018	30.06.2018
Credit Risk	5,039.78	5121.60	55,997.56	56,906.71
Market Risk	559.67	527.20	6,995.90	6589.95
Operational Risk	649.56	649.56	8,119.45	8,119.45
Total	**6,249.01**	**6,298.36**	**71,112.91**	**71616.11**
Total Net Tier 1 Capital			6,562.17	6,927.64
Tier 1 Capital Ratio			9.23%	9.67%
Tier 2 Capital Ratio			0.47%	0.46%
Total CRAR			**9.70%**	**10.13%**

4. Credit Risk: General Disclosure

Qualitative Disclosures

a) Definition of past due and impaired loans

Bank strictly adheres to RBI norms regarding definitions of past due and impaired loans, as under (in brief):
i) interest and or installment of principal remain overdue for a period of more than 90 days in respect of term loan accounts
ii) the account remains 'out of order' (the outstanding balance remains continuously in excess of the sanctioned limit/drawing power, in cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period) in respect of Overdraft/Cash credit accounts. If the interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter, the account is classified as NPA.
iii) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted
iv) the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops.
v) the instalment of principal or interest thereon remains overdue for one crop season for long duration crops.

b) Credit Risk Management Policy

The bank has in place a Credit Risk Management Policy which is reviewed periodically to bring in refinements triggered by evolving concepts and actual experience.

The Executive level committee – Credit Risk Management Committee (CRMC) which reports to Risk Management Committee (RMC) of the Board, is responsible for the management and mitigation of credit risk in the bank. Credit Risk Management Department and Credit Monitoring Department at Head Office level act as the secretariat of CRMC.

Credit approvals are subject to a well-established and time tested system of competencies, which act as a framework within which decision making individuals or committees are authorized to enter into lending transactions. Responsibility for the approval of loans is dependent on size, security and type of the loan.

Credit rating system is in force using various CRA formats, developed by the Bank to measure the risk involved in each borrower account. All borrowers with an aggregate credit limit of ₹ 25 lakh and above are subjected to borrower rating. Gold loans, Loans against Deposit Receipts, Housing Loans, Loans against NSC & Insurance policies and staff loans are subjected to portfolio rating. Limits above ₹ 2 crore are subject to Facility Rating in addition to borrower rating.

Operations in all credit exposures of ₹ 50 lakh and above are monitored on a monthly basis by Credit Monitoring department to detect delinquency signals at an early date and nurse the account.

Rating migration studies are conducted at regular intervals.

Pricing of corporate exposures is subjected to RAROC analysis based on bank's Board approved Risk Adjusted Return On Capital (RAROC) policy.

Both regulatory capital and economic capital requirements are assessed at the time of credit appraisal of corporate exposures.

Quantitative Disclosures

a) Gross Credit Risk Exposure – Banking Book

(Rs in Million)

	Loans	Loans	Investments	Investments
	30.09.2018	30.06.2018	30.09.2018	30.06.2018
Fund Based	92,401.02	89720.81	35,302.96	29145.56
Non Fund Based	2,475.78	2534.46	-	-
Total	**94,876.80**	**92,255.27**	**35,302.96**	**29,145.56**

b) Industry type distribution – Banking Book

(Rs in Million)

	Advances, Letter of Credit & Guarantees		Investments	
	30.09.2018	30.06.2018	30.09.2018	30.06.2018
Central Government			27,572.31	21407.77
State Governments			7,430.78	7437.91
Public Sector	304.35	320.42	299.87	299.88
Manufacturing Industries				
a) Cotton Textiles	4,749.90	3,826.15		
b) Other Textiles	298.32	10377.74		
c) Chemicals	442.37	2442.86		
d) All Engineering	722.52	3080.16		
e) Food Processing	2,640.59	313.91		
f) Other Industries	6,328.77	4571.88		
Agriculture	15,358.92	16836.84		
Residential Mortgage	2,972.49	3006.02		
Commercial Real Estate	3,492.11	3462.61		
Consumer Credit	16,252.48	16894.39		
Students	815.10	865.67		
Wholesale & Retail Trade	8,644.71	8259.92		
Banks	-	-		
RIDF, RHF, MSME Fund	-	-		
NBFCs	3,903.35	5188.00		
Own Staff	1,593.57	1600.00		
All Others	26,357.25	11208.70		
	94,876.80	**92,255.27**	**35,302.96**	**29,145.56**

c) **Residual Contractual Maturity breakdown of Assets as on 30.09.2018**

(Rs in Million)

	Cash &balance with Rbi	Balance with Banks and money at call and short notice	Advances	Investments	Fixed assets and other assets
Next Day	538.61	1142.83	100.94	9353.59	0.04
2-7 days	0.00	750.00	746.06	0.00	124.28
8-14 days	0.00	0.00	1063.44	998.22	0.31
15-30 days	0.00	235.45	2233.45	1916.24	109.19
31days-<2M	0.00	42.05	4100.19	1482.37	56.04
2M<3M	0.00	61.03	4986.18	0.00	57.51
3M-<6M	0.00	227.12	11164.90	75.16	84.69
6M-<1Y	0.00	160.58	18966.53	1968.09	129.88
1-<3Y	0.00	1821.50	34071.40	6747.58	1343.41
3-<5 Y	0.00	207.92	9279.91	1550.03	2272.92
> 5 Yr	0.00	3327.05	5688.02	30812.04	8402.84
Total	**538.61**	**7975.53**	**92401.02**	**54903.32**	**12581.09**

c) Disclosures regarding Non Performing Assets

(Rs in Million)

	As on 30.09.2018	As on 30.06.2018
Amount of NPAs (Gross)		
Substandard	2179.26	1996.62
Doubtful 1	2166.76	2118.33
Doubtful 2	2336.55	2714.27
Doubtful 3	1202.93	784.54
Loss	70.51	71.68
Total Gross NPAs	7956.01	7685.44
Net NPAs	3993.64	4030.63
NPA Ratios		
Gross NPAs to Gross Advances	8.26%	8.23%
Net NPAs to Net Advances	4.32%	4.49%
Movement of provisions for NPAs		
Opening balance (as on 01-04-2018)	3446.41	3446.41
Provisions made during the period	545.10	204.85

Write-off	0.00	0
Write back of excess provisions	60.85	28.17
Closing balance	3930.66	3623.09
Write-offs that have been booked directly to the income statement	70.77	33.53
Recoveries that have been booked directly to the income statement	148.99	78.11

Major Industry breakup of NPA

	30.09.2018		30.06.2018	
Industry	Gross NPA	Specific Provision	Gross NPA	Specific Provision
NPA in top 5 Industries	2416.73	1549.09	2243.24	1319.52

	30.09.2018		30.06.2018	
Geography	Gross NPA	Specific Provision	Gross NPA	Specific Provision
Domestic	7956.01	3930.66	7685.44	3623.09
Overseas	0	0	0	0

Rs in million	30.09.2018	30.06.2018
Amount of Non-Performing Investments	174.81	176.61
Amount of provisions held for non performing investments	81.16	82.01
Movement of provisions Held for Non Performing Investments		
Opening balance (as on 01-04-2018)	97.60	97.60
Provisions made during the period		
Write-off & Write back of excess provisions/diminution	16.44	15.59
Closing balance	81.16	82.01

5. Credit Risk: Disclosures for portfolios subject to standardized approach
Qualitative Disclosures

In accordance with RBI guidelines, the bank has adopted standardized approach for computation of capital for credit risk.

Bank Loan Ratings of CRISIL, CARE, ICRA and India Ratings are considered for arriving at the capital requirement.

Bank extends external rating of other issues of the borrower to unrated claims only when the issue specific rating maps to Risk Weight higher than that of the unrated exposure.

Quantitative Disclosures

Risk weight wise classification of exposures

(Rs in Million)

	Gross Credit Exposure	Gross Credit Exposure	Capital Deductions	Capital Deductions	Exposure after Capital Deductions	Exposure after Capital Deductions
	(A)	(A)	(B)	(B)	(C) = (A) – (B)	(C) = (A) – (B)
	30.09.2018	30.06.2018	30.06.2018	30.06.2018	30.09.2018	30.06.2018
Advances, Letter of Credit & Guarantees						
Below 100% risk weight	56,362.35	52,673.04	0.00	0.00	56,362.35	52,673.04
100% risk weight	18,647.51	19,184.64	0.00	0.00	18,647.51	19,184.64
More than 100% risk weight	19,866.94	20,397.59	0.00	0.00	19,866.94	20,397.58
Total	**94,876.80**	**92,255.27**	**0.00**	**0.00**	**94,876.80**	**92,255.27**
Investments						
Below 100% risk weight	35,302.96	29,145.56		0.00	35,302.96	29,145.56
100% risk weight				0.00		-
More than 100% risk weight	-	-		0.00	-	-
Total	**35,302.96**	**29,145.56**		**0.00**	**35,302.96**	**29,145.56**

6. Credit Risk Mitigation: Disclosures for standardized approaches

Qualitative Disclosures

A Credit Risk Mitigation and Collateral Management Policy, addressing the Bank's approach towards the credit risk mitigants used for capital calculation is in place.

Following items are considered for on and off balance sheet netting:

a) Deposits with specific lien to the facility
b) Subsidies received (for priority sector advances)
c) Claims received (for NPA accounts)

Of the eligible financial collaterals, the types of collateral taken by the bank are gold ornaments and bank's own deposit receipts. Gold ornaments are accepted as collateral by branches after due scrutiny and are marked to market value on a daily basis. Bank has made an assessment of market liquidity risk involved in liquidating gold ornaments and is considering a holding period of 21 days for advance against pledge of gold ornaments. In Pillar 1 capital adequacy computations, bank considers a haircut of 22% (after scaling up the standard supervisory haircut of 15% to a 21 day holding period). In addition to this, bank is maintaining extra capital for its gold loan portfolio in Pillar 2 capital computations.

The types of guarantees recognized for credit risk mitigation are guarantee by central government, state government, ECGC and banks (in the form of bills purchased/discounted under Letter of credit).

Collaterals other than financial collaterals that secure the credit portfolio of the bank are land & building, plant & machinery and current assets of the counter party. Land and Building includes commercial building, residential property and vacant land.

Quantitative Disclosures

a) Exposures Covered by Eligible Financial Collateral (After Haircuts)

(Rs in Million)

	30.09.2018	30.06.2018
Corporate	383.06	308.70
Regulatory Retail	17,600.97	15,655.99
Personal Loans	11,981.54	11,504.61
Total	**29,965.57**	**27,469.30**

b) Exposures Covered by Guarantee

(Rs in Million)

Covered by Guarantee	30.09.2018	30.06.2018
Corporate	779.22	865.83
Regulatory Retail	5,581.71	4,918.39
Total	**6,360.93**	**5,784.22**

7. Securitization

No exposure of the bank has been securitized.

8. Market Risk in the Trading Book

Qualitative Exposures

Bank has put in place Board approved Market Risk Management Policy, Investment Policy and Foreign Exchange Policy for effective management of market risk of the bank.

Bank's Integrated Treasury manages the trading book. Proprietary trading is done in government securities, equity shares and foreign exchange. Adherence to limits is reported on a monthly basis to the Executive level Asset Liability Committee (ALCO) and Risk Management Committee (RMC) of the Board.

Modified Duration and Value at Risk (weighted historic simulation approach) are the tools used to track market risk in the trading book for interest rate related instruments. For equity exposures bank uses Value at Risk and Portfolio Beta.

Stress tests are conducted on a daily basis on securities in the trading book.

Portfolios covered by standardized approach are government securities, other trustee securities, Non SLR bonds & debentures, Certificate of Deposits and Equity Shares.

Quantitative Disclosures

Capital Requirement for Market Risk

(Rs in Million)

Type of Market Risk	Gross Exposure (Rs mio)	Gross Exposure (Rs mio)	Capital Requirement (Rs mio)	Capital Requirement (Rs mio)
	30.09.2018	30.06.2018	30.09.2018	30.06.2018
Interest Rate Risk	25,966.51	19274.64	542.00	509.54
Foreign Exchange Risk	120.00	120.00	10.80	10.80
Equity Risk	30.54	30.51	6.87	6.86
Total	**26,117.05**	**19,425.14**	**559.67**	**527.20**

9. Operational Risk

Qualitative Disclosures

The Executive level committee - Operational Risk Management Committee (ORMC) which reports to Risk Management Committee (RMC) of the Board, is responsible for the management and mitigation of operational risk in the bank. The bank has framed Operational Risk Management Policy duly approved by the Board. Other policies approved by the board that deal with the different facets of operational risk are Inspection Policy, Human Resource Management Policy, IT Policy, Compliance Policy, Business Continuity & Disaster Recovery Plan and Outsourcing policy.

Bank has obtained Bankers' Indemnity Policy to cover the risk of cash in transit and cash and securities including gold ornaments kept at branches. Risk Based Internal Audit (RBIA) is operational at all the branches.

Bank is adopting Basic Indicator Approach for arriving at capital charge for operational risk in compliance with RBI guidelines and is in the process of building database for moving to Advanced Approaches.

10. Interest Rate Risk in the Banking Book

Qualitative Disclosures

The Executive Level Committee - Asset Liability Committee (ALCO) has the overall responsibility of managing the interest rate risk in the banking book of the bank. ALCO fixes the deposit and lending rates of the bank and directs the investment activities of the bank in line with its interest rate view. Limits are fixed from both Earnings and Economic Value Perspective in board approved Market Risk Management Policy and adherence monitored on a monthly basis. Interest Rate Risk from Earnings Perspective is measured through Earnings at Risk (EaR) approach (which computes the impact on NII of various interest rate changes) on a monthly basis. Interest Rate Risk from Economic Value Perspective is measured using Modified Duration Gap Approach on a monthly basis.

The Risk Management Committee of the Board oversees the ALM process of the bank and reviews the decisions taken by the ALCO.

Key Assumptions for IRRB calculations

a) Bulk of the advance portfolio to re-price within 12 months.

b) Maturity of deposits considered after adjusting empirically observed premature closure rates.

c) Core portion of Savings Bank Deposits slotted in 7 to 10 year time bucket.

d) Core portion of Current Deposits slotted in 10 to 15 year's time bucket for Modified Duration Gap Analysis (For Earnings at Risk Analysis, Current Deposits are treated as interest non sensitive).

Quantitative Disclosures

Interest Rate Risk – Earnings Perspective

(Rs in Million)

1 Year Change in Market Rates (Parallel Shift)	Impact as on 30.09.2018	Impact as on 30.06.2018
+200 basis points	-418.22	-437.08
-200 basis points	+418.22	+437.08

Interest Rate Risk – Economic Value Perspective

(Rs in Million)

1 Year Change in Market Rates (Parallel Shift)	Impact as on 30.09.2018	Impact as on 30.06.2018
+200 basis points	+750.43	+864.94
-200 basis points	-750.43	-864.94

11. **Counterparty Credit Risk**

Counterparty Credit Risk (CCR) is the risk that the counterparty to a transaction could default before final settlement of the transaction's cash flows. An economic loss would occur if the transaction or portfolio of transactions with the counterparty has a positive economic value for the Bank at the time of default. Unlike exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss whereby the market value for many different types of transactions can be positive or negative to either counterparty. The market value is uncertain and can vary over time with the movement in underlying market factors.

Capital is maintained on the exposure to CCR as per regulatory guidelines on Capital adequacy computation. The exposure is calculated using Current Exposure Method.
The MTM on client exposures are monitored periodically. The Bank does not recognize bilateral netting for capital computation.

(Rs in Million)

	Notional Amount 30.09.2018	Credit Equivalent 30.09.2018	Notional Amount 30.06.2018	Credit Equivalent 30.06.2018
Forward Exchange Contracts	5,998.19	191.14	3,809.41	106.26

Leverage Ratio frame work

Definition and minimum requirement

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage

Leverage Ratio =Capital Measure/ Exposure Measure

The public disclosure requirements of leverage ratio will begin from January 1, 2015 and the Basel Committee will monitor the impact of these disclosure requirements. Accordingly, banks operating in India are required to make disclosure of the leverage ratio and its components from April 1, 2015 on a quarterly basis and according to the disclosure templates as indicated in paragraph 16.7 along with Pillar 3 disclosures.

Table 1- Summary comparison of accounting assets Vs. leverage ratio exposure method

	Item	(Rs. in Million)
1	Total consolidated assets as per published financial statements	168,399.57
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	
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)	3,611.66
7	Other adjustments	
8	Leverage ratio exposure	172,011.23

Table 2 – Leverage ratio common disclosure template

	Item	Leverage ratio framework
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	168,399.57
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	168,399.57
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	71.20
5	Add-on amounts for PFE associated with all derivatives transactions	119.93
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)	191.14
	Securities financing transaction exposures	
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)	
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	3,420.52
18	(Adjustments for conversion to credit equivalent amounts)	
19	Off-balance sheet items (sum of lines 17 and 18)	3,611.66
	Capital and total exposures	
20	Tier 1 capital	6,562.17
21	Total exposures (sum of lines 3, 11, 16 and 19)	172,011.23
	Leverage ratio	
22	**Basel III leverage ratio**	**3.81%**