

KOOKMIN BANK, GURUGRAM BRANCH

DISCLOSURE UNDER PILLAR-3 OF BASEL-3, FOR THE YEAR ENDED 31-03-2023

1. Scope of Application and capital adequacy

Table DF-1: Scope of Application

Name of the head of the banking group to which the framework applies: Kookmin Bank, Gurugram

(i) Qualitative Disclosures:

- a) List of group entities considered for consolidation

The Bank is operating through single branch in India, hence there is no consolidation requirement applicable to bank for accounting and regulatory purposes.

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

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

As on 31 March 2023, the bank has been operating through single branch in India, hence there is no group entities for group consolidation.

(ii) Quantitative Disclosures:

- c) List of group entities considered for consolidation

Name of the entity / country of incorporation (as indicated in (i)a. above)	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)

As on 31 March 2023, the bank has been operating through single branch in India, hence there are no group entities for group consolidation.

- d) The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted:

Name of the subsidiaries / country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Capital deficiencies
Not applicable.				

- e) The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk-weighted:

Name of the insurance entities / country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity / proportion of voting power	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
Not applicable.				

- f) Any restrictions or impediments on transfer of funds or regulatory capital within the banking group:
NIL

Table DF-2: Capital Adequacy

(1) Qualitative disclosures

a. Banks's approach to assessing the adequacy of its capital to support current and future activities.

The bank maintains a strong base of capital to comply with the local regulatory requirements and also to adequately support its current and future activities.

Capital requirements is assessed taking into account: business growth plans, capital fund available with bank after accounting for redeployment of projected internal accruals, minimum regulatory capital required, buffer above minimum capital required to take care of non-pillar risk, etc. The bank has adopted following approaches for the purpose of its capital adequacy assessment in line with the guidelines of Reserve Bank Of India.

- Credit Risk: - Standardized Approach
- Market Risk - Standardized Duration Approach
- Operational Risk - Basic Indicator Approach

2. Quantitative disclosures

Capital requirement for Credit risk, Market risk and Operational risk on 31-03-2023 is given below:

S No	Risk area	Rs. (in Million)
1	Credit RWA	5,596.15
1.1	Capital required	503.65
1.1(i)	for Portfolio subject to standardized approach	503.65
1.1(ii)	for securitization exposure	0
2	Market RWA (Standardized Duration Approach)	2,060.76
2.1	Capital required	185.47
2.1(i)	for interest rate risk	185.47
2.1(ii)	for foreign exchange (including gold) risk	0
2.1(iii)	for equity portion risk	0
3	Operational risk (Basic Indicator Approach)	695.25
3.1	Capital required	62.58
4.1(i)	Minimum Capital requirement at 9%	751.70
4.1(ii)	Minimum CRAR +CCB @11.50%	960.50
5	Total capital funds of the Bank	36,672.62
6	Total Risk weighted assets	8,352.16
7	Capital adequacy ratio	43.90%

Risk Exposure & Assessment

General qualitative disclosure requirement:

The bank has identified following risks as material to its nature of operations:

- Credit Risk (including credit concentration risk)
- Market Risk
- Liquidity Risk
- Interest rate Risk in the banking book
- Operational Risk

The risk management policies and procedures of the bank ensures that all type of risks are systematically identified, measured, analysed and actively managed. Risk management is the responsibility of every member of the management as well as part of job of each staff members of the bank. Individual risk management efforts are coordinated and supervised by the CEO. The HO has responsibility for coordination of overall risk management with respect to business of bank.

Risk Management Framework

The risk management framework aims to integrate the sound principles of risk management system and practices into overall functioning of the bank. The bank has created in its organizational structure a Risk Management Council (RMC) to oversee and discharge efficiently the risk management functions. The RMC is responsible for formulations of the policies and the procedures for the risk management of the branch, Supervision of the appropriateness of the execution of the risk management activities of the branch. Review of limit management as applicable to different types of risk to the Bank. The examination of the risk measurement results based on the process defined in the 'Risk Management Guidelines of Gurugram Branch'. The activities of the asset-liability management (ALM), including the decision on the interest rates and others of the like. The Council will oversee the implementation of an effective process for managing the Branch's interest rate, liquidity, and similar market risks relating to the Branch's balance sheet and associated activities, including the adoption from time to time of policies, risk limits and capital levels and other matters related to the risk management which the Manager of the branch recognizes to be necessary.

Credit Risk

Credit risk is the risk of loss that may occur from the failure of any counterparty to abide by the terms and conditions of any financial contract with the Bank, principally the failure to make required payments as per the terms and conditions of the contract.

The Kookmin Bank Head Office formulates policies rules and procedure for all branches worldwide. The branch has put in place credit policy for local operations in line with Kookmin bank HO guidelines as well as RBI Circulars, guidelines, notifications and directives. The credit policy stipulates guidelines for adherence to prudential limits as well as outlines RBI directives in the form of Master Circulars/Directions. The Credit policy for local operations is reviewed periodically to abide by the RBI directions. The Bank also has an independent committee for evaluation of credit proposals.

Market Risk/ Liquidity Risk

Liquidity risk is the risk that the bank is unable to meet its obligations when they fall due without adversely affecting its financial condition. Branch maintain sufficiently high quality liquidity assets (HQLA) to ensure the compliance of RBI guidelines on Liquidity coverage ratio (LCR). Liquidity is also managed through the bank's

Liquidity policy to protect against adverse funding conditions and to support day-to-day operations while maintaining a diversified funding profile.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events. The objective of operational risk management at the Bank is to manage and control operational risk in a cost effective manner within targeted levels as defined in the risk appetite.

Operational Risk in the branch is managed through comprehensive HO rules and Kookmin Bank India internal policies and procedures to monitor transactions. The control framework is designed based on categorization of functions into operational department, treasury, back office comprising Operations, Credit department, Trade Finance Department, Finance and Accounting Department and Human Resource and General Administration Department. The risk policy is applicable across all the functions in the branch ensuring a clear accountability and responsibility for management and mitigation of operational risk, developing a common understanding of operational risk and helping the business and operation groups to improve internal controls.

Table DF-3: Credit Risk: General Disclosures for All Banks

Qualitative Disclosures

The bank is following standardized approach and the bank has an internal credit rating system that facilitates decision making by taking into account quantitative and qualitative aspects of the proposal for credit facilities. All Credit risk related aspects are governed by "Risk Management Guidelines of Gurugram Branch". The Guidelines outlines the type of products that can be offered, customer categories, target customer profile, credit approval process and limits. Bank has got approved credit procedures from H.O. and a comprehensive Credit Policy for its Operations, which broadly takes care of RBI guidelines on Risk Management Systems. Bank undertakes the revision of the credit Guidelines in view of the guidelines issued by the Head Office within the framework provided by RBI from time to time. Prudential exposure norms, industry exposure limits, loan review mechanism are some of the yardsticks used by the bank for overcoming credit risk. Loan loss provision is being monitored and provided for on a yearly basis.

Non-Performing Assets

Bank has adopted the definitions of 'past due' and 'impaired' (for accounting purposes) as defined by the regulatory authority for Income Recognition and Asset Classification. An account becomes Non Performing Asset if it remains overdue for a period as defined by the Reserve Bank of India. An impaired asset is an asset which has suffered a provision in accordance with the guidelines defined by the Reserve Bank of India on its becoming a Non Performing Asset.

Quantitative Disclosures

1. The total gross credit risk exposures of Advance Portfolio (31-03-2023)

- i) Fund Based- 10,611.76 INR million
- ii) Non Fund Based- 19.01 INR million
 - Fund based portfolio represents funded loans and advances
 - Non fund portfolio is guarantee given on behalf of constituents

The geographic distribution of exposures of Advance Portfolio (31-03-2023)

(Rs in Million)

Particulars	March 2023 -Domestic	March 2023- Overseas	March 2023- Total
Fund Based	10,611.76	0	10,611.76
Non Fund Based	19.01	0	19.01
Total	10,630.77	0	10,630.77

Fund-based Exposure – Industry wise distribution of gross advances and NPA exposures - (31-03-2023)

(Rs. in Million)

INDUSTRY	FB Gross Exposure	Gross NPA	Net NPA	Standard Advances
All Engineering	71.29	-	-	71.29
Drugs & Pharmaceuticals	700.16	-	-	700.16
Rubber, Plastic and their Products	505.87	-	-	505.87
Textile	330.00	-	-	330.00
Vehicles, Vehicle Parts and Transport Equipment's	100.24	-	-	100.24
Others (Trading)	114.38	-	-	114.38
Others - CRE	1,483.60	-	-	1,483.60
Others - NBFC	7,306.22	-	-	7,306.21
Others	19.01	-	-	19.01
Total	10,630.77	-	-	10,630.77

2. The residual contractual maturity break-down of assets

The maturity pattern of assets at 31-03-2023 is detailed in the table below.

(Rs in Million)

Inflows	Cash and Balances with RBI	Balances with other Banks	Investments	Loans & Advances	Fixed Assets	Other Assets
Day - 1	32.04	222.36	7,550.71	0.00	0.00	0.00
2-7 days	0.00	0.00	179.47	40.00	0.00	0.86
8-14 days	0.00	0.00	598.78	502.74	0.00	17.19
15-30 days	289.37	0.00	604.59	71.25	0.00	1.50
31D - 2 Months	455.17	0.00	951.01	915.32	0.00	31.15
2 - 3 Months	118.45	0.00	247.48	838.26	0.00	28.04
3 - 6 Months	86.97	40.00	795.61	1,830.72	0.00	70.09
6 - 12 Months	220.67	2.18	711.06	1,956.00	0.00	68.62
1 - 3 Year	19.03	73.82	1,856.35	4,004.17	0.00	199.31
3 - 5 Year	0.00	0.00	0.00	0.00	41.18	0.00
Over 5 Year	0.00	0.00	0.00	0.00	0.00	73.82
Total	1,221.7	338.36	13,495.06	10,262.03	41.18	490.57

3. Amount of non-performing loans (NPL's) (31-03-2023)

(Rs in Million)

NPL Classification	Gross NPL's	Net NPL's
Sub-standard	--	--
Doubtful	--	--
Doubtful 1	--	--
Doubtful 2	--	--
Doubtful 3	--	--
Loss	--	--
Total	--	--
NPL ratio	--	--

4. Movement of NPA's

(Rs in Million)

Particulars	Gross NPA's	Net NPA's
Opening balance at 01-04-2023	--	--
Addition during the period	--	--
Reduction during the period	--	--
Closing balance (31-03-2023)	--	--

5. Movement of Provision for NPA's

(Rs in Million)

Particulars	Amount
Opening balance at 01-04-2023	-
Provision made during the period	-
Write-off's during the period	-
Write-back of excess provision during the period	-
Closing balance (31-03-2023)	-

6. Amount of non-performing investments (NPA's) in securities, other government and other approved securities

(Rs in Million)

Particulars	Amount
Gross NPI's at 31-03-2023	-
Total provision held on NPI's	-
Net NPI's at 31-03-2023	-

7. Movement of provision for depreciation on investments

(Rs in Million)

Particulars	Amount
Opening balance at 01-04-2022	183.16
Provision/ depreciation/ (appreciation) made during the year	291.69
(Write-off) / (write-back) of excess provision during the year	--
Closing balance at 31-03-2023	474.85

Table DF-4 - Credit Risk: Disclosures for Portfolios Subject to the Standardized Approach

Qualitative Disclosures

Bank has decided to use the ratings of the following domestic/international credit rating agencies for the Credit Exposure of Indian Operations, in line with RBI guidelines:

Domestic

- i. Credit Rating Information Services of India Limited (CRISIL)
- ii. Credit Analysis and Research Limited (CARE)

- iii. India Ratings and Research Private Limited (Formerly FITCH INDIA)
- iv. ICRA Limited (ICRA)
- v. Acuite Ratings and Research Ltd
- vi. Infomerics Valuation and Rating Pvt Limited

International

- i. Fitch
- ii. Moody's
- iii. Standard & Poor's

Quantitative Disclosures

The Bank computes risk weight on the basis of external rating assigned, both Long Term and Short Term, on the exposure availed by the borrower to calculate the CRAR of the branch. The amounts of exposure outstanding as on 31-03-2023 (under standardized approach) as per different risk weight are as under:

(Rs in Million)

Exposure category	Exposure (31-03-2023)
Less than 100% risk weight	33,051.85
100% risk weight	146.14
More than 100% risk weight	304.37

(Amount of exposures includes cash in hand, balance with RBI, investments, loans and advances, Fixed and other assets, off balance sheet items and forward contracts)

Table DF-5: Credit Risk Mitigation: Disclosures for Standardized Approaches

Qualitative Disclosures

Collection of collateral and valuation of property, is being determined by the policies and procedures laid out by Head Office.

The collaterals commonly used by the bank for risk mitigation are financial collaterals comprising of bank deposits and other categories comprising of movable and immovable assets/landed properties.

Banks credit priorities are being determined by Head Office taking Indian market realities and RBI Directives into consideration. Exposure limits to single and group borrowers/various industries are well defined and Industry review is being conducted for management review and risk mitigation. Funding strategies are in alignment with the Asset Liability Management position.

Table DF-6: Securitization Exposures: Disclosure for Standardized Approach

Qualitative Disclosures

Bank does not have any securitization exposure.

Quantitative Disclosures

Not applicable

Table DF-7: Market Risk in Trading Book

Qualitative Disclosures

Bank has adopted the Standardized Approach for computation of capital charge for market risk. The Forex transactions in Trading Risk were not undertaken during the period ended 31-03-2023.

Quantitative Disclosure

Not Applicable

Table DF-8: Operational Risk

Qualitative Disclosures

Capital charge for Operations Risk is computed as per the Basic Indicator Approach. The average of the gross Income, as defined in the New Capital Adequacy Framework guidelines, for the current period is considered for computing the capital charge. The required capital is Rs 695.52 Million.

Table DF-9: Interest Rate Risk in the Banking Book (IRRBB)

Qualitative Disclosures

Interest rate risk in Banking Book refers to the risk of loss in earning or economic value of the Bank's Banking Book as a consequences of movement in interest rates. Interest rate risk is managed through gap analysis and the same is being considered in the management of the Assets and Liabilities of the bank. ALM meeting is convened on periodic basis to review risks, market conditions and its impact on Balance Sheet.

Table DF-10: General Disclosure for Exposures Related to Counterparty Credit Risk

Qualitative Disclosures

Counterparty Credit Risk (CCR) Limits for the banking counterparties are assessed by our HO based on an internal model that considers the parameters viz. credit rating and net worth of counterparties, net worth of the Bank and business requirements. Capital for CCR exposure is assessed based on Standardized Approach.

Quantitative Disclosures

The Bank doesn't recognize bilateral netting. The Credit Equivalent amounts of derivatives that are subject to risk weighting are calculated as per the Current Exposure Method. The balance outstanding for forward contracts undertaken with Head office is as follows:

Rs in Million

Nature	Notional amount	Current Exposure
Foreign Exchange contracts	7,338.26	162.07

Table DF-11: Composition of Capital

Common Equity Tier 1 capital: instruments and reserves		Rs in Million	Ref No
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	3,558.63	
2	Retained earnings	55.68	
3	Accumulated other comprehensive income	0	
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies¹)</i>	0	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0	
6	Common Equity Tier 1 capital before regulatory adjustments	3,614.30	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	0	
8	Goodwill (net of related tax liability)	0	
9	Intangibles (net of related tax liability)	0	
10	Deferred tax assets	33.48	
11	Cash-flow hedge reserve	0	
12	Shortfall of provisions to expected losses	0	
13	Securitisation gain on sale	0	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0	
15	Defined-benefit pension fund net assets	0	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	0	
17	Reciprocal cross-holdings in common equity	0	
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)	0	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of	0	

	eligible short positions (amount above 10% threshold)		
20	Mortgage servicing rights (amount above 10% threshold)	0	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0	
22	Amount exceeding the 15% threshold	0	
23	of which: significant investments in the common stock of financial entities	0	
24	of which: mortgage servicing rights	0	
25	of which: deferred tax assets arising from temporary differences	0	
26	National specific regulatory adjustments (26a+26b+26c+26d)	0	
26a	<i>of which:</i> Investments in the equity capital of the unconsolidated insurance subsidiaries		
26b	<i>of which:</i> Investments in the equity capital of unconsolidated non-financial subsidiaries		
26c	<i>of which:</i> Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank		
26d	<i>of which:</i> Unamortised pension funds expenditures Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment <i>of which:</i> For example: filtering out of unrealised losses on AFS debt securities (not relevant in Indian context)	0	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	0	
28	Total regulatory adjustments to Common equity Tier 1	0	
29	Common Equity Tier 1 capital (CET1)	3,614.30	
Additional Tier 1 capital: instruments		0	
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	0	
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	0	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	0	
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	0	
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)	0	
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	0	
36	Additional Tier 1 capital before regulatory adjustments	0	
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	0	

38	Reciprocal cross-holdings in Additional Tier 1 instruments	0	
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)	0	
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) ¹	0	
41	National specific regulatory adjustments (41a+41b)	0	
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	0	
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	0	
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	0	
	<i>of which:</i> e.g. existing adjustments which are deducted from Tier 1 at 50%]	0	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	0	
43	Total regulatory adjustments to Additional Tier 1 capital	0	
44	Additional Tier 1 capital (AT1)	0	
44a	Additional Tier 1 capital reckoned for capital adequacy	0	
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)	3,614.30	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0	
47	Directly issued capital instruments subject to phase out from Tier 2	0	
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)	0	
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	0	
50	Provisions	52.96	
51	Tier 2 capital before regulatory adjustments	52.96	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	0	
53	Reciprocal cross-holdings in Tier 2 instruments	0	
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)	0	
55	Significant investments ¹³ in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0	
56	National specific regulatory adjustments (56a+56b)	0	

57	Total regulatory adjustments to Tier 2 capital	0	
58	Tier 2 capital (T2)	52.96	
58a	Tier 2 capital reckoned for capital adequacy	52.96	
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	0.00	
58c	Total Tier 2 capital admissible for capital adequacy (58a + 58b)	52.96	
59	Total capital (TC = T1 + T2) (45 + 58c)	3,667.26	
60	Total risk weighted assets (60a + 60b + 60c)	8,352.16	
60a	<i>of which: total credit risk weighted assets</i>	5,596.15	
60b	<i>of which: total market risk weighted assets</i>	2,060.76	
60c	<i>of which: total operational risk weighted assets</i>	695.25	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	43.27%	
62	Tier 1 (as a percentage of risk weighted assets)	43.27%	
63	Total capital (as a percentage of risk weighted assets)	43.91%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	8.00%	
65	<i>of which: capital conservation buffer requirement</i>	2.50%	
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.00%	
67	<i>of which: G-SIB buffer requirement</i>	0.00%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	35.29%	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III min)	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	0	
73	Significant investments in the common stock of financial entities	0	
74	Mortgage servicing rights (net of related tax liability)	0	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	33.28	
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)	52.60	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	69.94	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	0	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	0	

Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	0
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0
82	Current cap on AT1 instruments subject to phase out	0

Notes to the Template

Sno.	Particular	INR' Million
10	Deferred tax assets associated with accumulated losses	
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	33.28
	Total as indicated in row 10	33.28
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	0
	of which: Increase in Common Equity Tier 1 capital	0
	of which: Increase in Additional Tier 1 capital	0
	of which: Increase in Tier 2 capital	0
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	0
	(i) Increase in Common Equity Tier 1 capital	0
	(ii) Increase in risk weighted assets	0
50	Eligible Provisions included in Tier 2 capital	52.96
	Eligible Revaluation Reserves included in Tier 2 capital	0
	Total of row 50	52.96
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)	0

DF-12 Composition of Capital-Reconciliation requirements

Step 1

As on the reporting date, there is no consolidation done by Gurugram Branch of Kookmin Bank and hence the branch is not required to undertake the step 1.

Step 2

Rs in Million

Sr. No.	Particulars	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref No.
		As on 31-03-2023		
1	Capital & Liabilities			
1	Paid-up Capital	3,558.63		A
	Of which amount eligible for CET-I	3,558.63		
	Of which amount eligible for AT-I	-		
	Reserves & Surplus	74.81		B
	Of which Statutory Reserve	29.01		
	Of which Investment Fluctuation Reserve	7.04		
	Of which balance in profit & Loss A/c	38.17		
	Minority Interest	-		
	Total Capital	3,633.44		
	2	Deposits		18,627.10
Of which: Deposits from banks				
Of which: Customer deposits				
Of which: Other deposits				
3	Borrowings	2,748.25		
	Of which: From RBI	-		
	Of which: From banks	1,350.00		
	Of which: From other institutions & agencies	-		
	Of which: Others (HO)	1,398.25-		
5	of which: Capital instruments	-		
	Other liabilities & provisions	338.78		
	of which: DTLs related to goodwill	-		
	Of which: DTLs related to intangible assets	-		
	Total Liabilities	21,714.13		
	Total of capital and liabilities	25,347.56		
	Assets			
1	Cash and balances with Reserve Bank of India	1,221.70		
	Balance with banks and money at call and short notice	277.58		
2	Investments	13,020.21		
	Of which: Government securities	10,433.65		
	of which: Other approved securities	-		
	of which: Shares	-		

	of which: Debentures & Bonds	2,586.57	
	of which: Subsidiaries/Joint Ventures/Associates	-	
	Of which: Others (SIDBI, NABARD, NHB)	-	
	Loans and advances	10,262.03	
3	Of which: Loans and advances to banks	-	
	Of which: Loans and advances to customers	10,262.03	
4	Fixed assets	41.18	
5	Other assets	524.05	
	Out of which: Goodwill and other intangible assets	-	
	Out of which: Deferred tax assets	33.48	
6	Goodwill on consolidation	-	
7	Debit balance in Profit & Loss account	-	
	Total Assets	25,347.56	

Extract of Basel III common disclosure template (with added column) — Table DF-II

STEP3

Rs in Million

Tier-I & Tier-2 Capital: Instruments and Provisions			
		Component of regulatory capital/amount reported by bank	source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2
1	Directly issued qualifying common share (and equivalent for non-joint stock companies)	3,558.63	A
2	Retained earnings	55.68	B
	Total	3,614.30	

Note: out of Rs 74.81 Million, only Rs 55.68 Million is considered for Tier 1 capital

DF-13 - Main features of Regulatory Capital Instruments

The bank has not issued any Regulatory Capital Instruments forming part of Capital Funds. The Capital Funds of the bank mainly consist of interest free funds received from Head Office, Reserves & Surplus and General Provisions on Standard Assets.

DF-14 - Full Terms & Conditions of Regulatory Capital Instruments

The bank has not issued any Regulatory Capital Instruments forming part of Capital Funds. The Capital Funds of the bank mainly consist of interest free funds received from Head Office, Reserves & Surplus and General Provisions on Standard Assets.

DF-15 - Disclosure Requirements for Remuneration

In accordance with the requirements of the RBI circular DBOD No BC. 72/29.67.001/2011-12 dated 13 January 2012; the Bank has a letter from its head office, which states that the compensation policies in India including that for the CEO are in line with the FSB requirement.