

Basel III – Pillar 3 disclosures for the period ended Sep 30, 2024

Table DF – 1: Scope of Application

The disclosures and analysis provided herein below are in respect of the Mumbai Branch ('the Bank') of UBS AG which is incorporated in Switzerland with limited liability and Credit Suisse Finance (India) Private Limited ('CS Finance') a Non- Banking Finance Company. The Bank and CS Finance together constitute "the Consolidated Bank" in line with the Reserve Bank of India ("RBI") guidelines on the preparation of consolidated prudential returns. Also, the disclosures herein below are solely in the context of local regulatory requirements and guidelines prescribed by the Reserve Bank of India (RBI) under Pillar 3 - Market Discipline of the Basel III guidelines. The Pillar 3 disclosures are designed to complement the minimum capital requirements in Pillar 1 and the Supervisory Review and Evaluation Process in Pillar 2. The aim of Pillar 3 is to promote market discipline by allowing market participants access to information of risk exposures and risk management policies and process adopted by the bank. This is based on unaudited financials of UBS AG Mumbai Bank Branch for 30th September 2024.

For the purpose of consolidated prudential regulatory reporting, the Consolidated Bank includes unaudited results as at Sep 30, 2024 of the above mentioned NBFC as required by RBI in its circular on "Financial Regulation of Systemically Important NBFC's and Bank's relationship with them" vide circular ref. DBOD.No.FSD.BC.46/24.01.028/2006-07 dated December 12, 2006 read with "Guidelines for consolidated accounting and other quantitative methods to facilitate consolidated supervision" vide circular ref. DBOD. No. BP.BC. 72 /21.04.018/2001-02 dated February 25, 2003.

In December 2023, the Board of Directors of UBS Group AG (the BoD) approved the merger of UBS AG and Credit Suisse AG, and both entities entered into a definitive merger agreement. The merger has been completed on 31st May 2024. UBS AG has also obtained approval from RBI via letter dated 22nd May 2024 for establishing banking presence in India and to absorb and continue the operations of CS AG Mumbai Branch, upon the Parent Bank Merger coming into effect.

Presently, the Accounting Standard (AS) 21 on Consolidated Accounting is not applicable to the India operations of UBS AG since none of its Indian subsidiaries are owned by the Branch in Mumbai. The Bank does not have any interest in insurance entities.

References have been made in this submission to Global practices as the Bank in India is operating as branch of UBS AG.

(i) Qualitative Disclosure

a. List of entities considered for Consolidation

Name of the entity / Country of incorporation	Included under accounting scope of consolidation (yes / no)	Method of consolidation	Included under regulatory scope of consolidation (yes / no)	Method of consolidation	Reasons for difference in the method of consolidation	Reasons if consolidated under only one of the scopes of Consolidation
Credit Suisse Finance (India) Private Limited	No	NA	Yes	Line by line consolidation method as per AS-21	NA	As per the RBI circular number DBOD.No.FSD.BC.46/24.01.028/2006-07 dated December 12, 2006 the Branch need not prepare consolidated financial statements as per AS-21 for subsidiaries of Banks parent / group.

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

(Rs. in '000)

Name of the entity / country of incorporation	Principal 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)
Credit Suisse Securities (India) Private Limited	Registered as a stock broker, merchant banker, underwriter and portfolio manager.	18,166,091	Nil	Nil	19,783,600
Credit Suisse Services India Private Limited	Information Technology / Information Technology Enabled Services to Group companies.	11,498,789	-	NA	16,292,650
Credit Suisse Services AG Pune Branch	Information Technology / Services to Group companies.	NA	NA	NA	13,793,051
Credit Suisse Business Management (India) Private Limited	Business support services to UBS AG Trust entities situated outside India	181,261	-	NA	213,274
Credit Suisse Consulting (India) Private Limited	Consultancy services to Group companies	121,527	Nil	Nil	122,205
Credit Suisse Business Analytics (India) Private Limited	Information Technology/ Information Technology Enabled Services Group companies.	5,994,338	-	NA	7,604,057

Name of the entity / country of incorporation	Principal 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)
Credit Suisse Business Solutions (India) Private Limited	Information Technology/ Information Technology Enabled services to Group Companies	12,036,873	-	-	23,178,633
Credit Suisse Securities India Private Limited	Stock Broking Company	7,586,751	-	-	12,145,563
Credit Suisse (India) Private Limited	Investment Company	3,353,853	-	-	3,364,887

Note: The balances in the table above are based on audited financials of 31 March 2024.

(ii) Quantitative Disclosure

c. List of entities considered for Consolidation

(Rs. in '000)

Name of the entity / country of incorporation	Principal 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)
Credit Suisse Finance (India) Private Ltd.	NBFC	25,041,321	25,216,069

Note: The balances in the table above are based on INDAS framework audited financials of 31 March 2024.

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

Not applicable as there are no subsidiaries of the Bank.

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

As of Sep 30, 2024, the Bank does not have investment in any insurance entity.

f. Restrictions or impediments on transfer of funds or regulatory capital within the banking group

As per extant RBI guidelines.

Table DF – 2: Capital adequacy

The Bank needs to maintain sufficient capital to support business activities, in accordance with the regulatory requirements on a standalone and consolidated basis. Currently the main source of the Bank’s supply side of its capital is capital infusion by its Head Office and reserves. The Bank currently follows Standardized Approach for Credit Risk, Standardized Duration Approach for Market Risk and Basic Indicator Approach for Operational risk capital charge computation. CS Finance follows capital adequacy guidelines applicable to NBFCs. The Bank also assesses the capital adequacy using Internal Capital Adequacy Assessment Process (ICAAP) approach, as required by local regulation.

The Bank is supervised by the Local Management Committee (“LMC”) comprising of key senior management in the Bank. The LMC is supported by other committees for specific areas like the Asset Liability Management and Investment committee (“ALCO”), Risk Management Committee, Credit Committee, etc. The Branch management is supported by the Regional & Country Management of UBS AG on all governance and franchise issues. There are processes and policies in place to support activities planned in the Bank. Apart from local policies, the Bank also adheres to Global UBS policies and best practices.

As at Sep 30, 2024, the capital of the Bank, both on a standalone and consolidated basis, is higher than the minimum capital requirement as per Basel-III guidelines.

A summary of the Bank’s capital requirement for credit, market and operational risk and the capital adequacy ratio as on Sep 30, 2024 is presented below:

	(Rs in '000)	
Risk area	Standalone Sep 30, 2024	Consolidated Sep 30, 2024
Capital requirements for Credit Risk (A)	9,09,378	33,25,364
- for portfolio subject to standardised approach	9,09,378	33,25,364
- for securitisation exposures	-	-
Capital requirements for Market risk (B)	12,55,169	12,55,169
- for interest rate risk	6,36,419	6,36,419
- for foreign exchange risk (including gold)	6,18,750	6,18,750
- Equity risk	-	-
Capital requirements for Operational risk (C)	17,29,791	17,29,791
- Basic indicator approach	17,29,791	17,29,791
Total capital requirement (A+B+C)	38,94,339	63,10,324
CET1 CRAR	130.65%	122.09%
Tier 1 CRAR	130.65%	122.09%
Tier 2 CRAR	2.22%	1.43%
Total Capital adequacy ratio	132.87%	123.52%

Table DF – 3: Credit Risk

Definition

Credit risk can be defined as the risk to earnings or capital arising from an obligor's failure to meet the terms of any contract with the lender or otherwise fail to perform as agreed.

Credit Risk Management / Structure

Within UBS AG, the Group Risk Control ('GRC team') is responsible for managing UBS AG's portfolio of credit risk and establishes broad policies and guidelines governing UBS AG's credit risk appetite. The Bank has a dedicated Credit Risk Management (CRM) team reporting functionally to the Group Chief Risk Officer (Group CRO). Credit authority is delegated to specific senior GRC team personnel based on each person's knowledge, experience and capability. These delegations of credit authority are reviewed periodically. The Group CRO is responsible for developing the Group's risk management and control framework (including risk principles and risk appetite) for credit, market, country, treasury, model and sustainability and climate risks. This includes risk measurement and aggregation, portfolio controls, risk reporting, and taking decisions on transactions, positions, exposures, portfolio limits and allowances in accordance with the risk control authorities delegated to the Group CRO. All limits are applicable to the bank to the extent they are in conformity with Reserve Bank of India regulations.

Risk identification, measurement and monitoring

UBS AG Mumbai Branch utilizes an internal counterparty rating scale (ranging from AAA as the best to D as the worst for IB (Investment Banking) counterparties and rating scale of CR01-CR18, with CR18 being the worst for Wealth Management (WM) counterparties and applies this grading measure against all counterparties. The Bank takes a proactive approach to rating each of its counterparties and obligors and, as a result, internal ratings may deviate from those assigned by public rating agencies. All counterparties are assigned a credit rating as noted above. The intensity and depth of analysis is related to the amount, duration and level of risk being proposed together with the perceived credit quality of the counterparty/issuer/obligor in question. Analysis consists of a quantitative and qualitative portion and strives to be forward looking, concentrating on economic trends and financial fundamentals. In addition, analysts make use of peer analysis, industry comparisons and other quantitative tools, including a quantitative model-based rating system. All final ratings also require the consideration of qualitative factors relating to the company, its industry and management. In addition to the aforementioned analysis, all counterparty ratings are subject to the rating of the country in which they are domiciled. Analysis of key sovereign an economic issue for all jurisdictions is undertaken and these are considered when assigning the rating and risk appetite for individual counterparties. While this is the approach for IB counterparties, the credit rating is largely driven by (financial) collaterals pledged for WM counterparties.

Each credit facility is approved by the bank's CRM. CRM personnel in Mumbai Branch shall perform role of Maker and Checker to ensure 4-eye check at Mumbai Branch level

& approve transaction. If triggered/required, further/additional approval could be sought from senior Global CRM members. Each facility is covered by a legal agreement that is appropriate for the type of transaction. On a case-by-case basis, UBS AG mitigates its credit risk associated with lending and credit related activities. This may be accomplished by taking collateral or a security interest in assets and other means.

Country risk is the risk of a substantial, systemic loss of value in the financial assets of a country or group of countries, which may be caused by dislocations in the credit, equity, and/or currency markets. Country ratings are used to define our risk appetite regarding foreign countries. A country risk limit (i.e., maximum aggregate exposure) applies to exposures to counterparties or issuers of securities and financial investments in the given foreign country. We may limit the extension of credit, transactions in traded products or positions in securities based on a country risk ceiling even if our exposure to a counterparty is otherwise acceptable. UBS AG's major operating divisions all assume country risk in a variety of ways.

The Bank leverages the CRM team expertise and processes within UBS AG to manage credit exposures arising from business transactions. The Businesses would be responsible for managing transactions within specified counterparty credit limits like Single Borrower and Group Borrower limits as prescribed by RBI, in consultation with CRM team.

Credit risk management policy:

The credit risk management policies of the bank address the following:

- Credit risk management framework, organisation, mandate & fundamental credit risk taking principles.
- Counterparty / borrower/ issuer ratings
- Credit analysis & review frequency
- Credit exposure limits
- Credit limits for trading debt inventory in the secondary market
- Credit limit excess monitoring
- Management of problem assets
- Managing counterparty/borrower/issuer and country events
- Reporting of credit exposures of the bank
- Exposure norms to avoid credit risk concentrations: industry, sector, product and single/group borrower limits.
- Loans and advances
- External commercial borrowings & trade credits
- Sale of financial assets to securitisation companies/reconstruction companies
- Purchase/sale of non-performing financial assets
- UBS AG Mumbai Branch Credit Committee
 - Roles and responsibilities

The branch also complies with RBI's directives to ensure early recognition of financial distress in borrowers and taking prompt steps for resolution and fair recovery.

Definition of past due and impaired:

The Bank classifies its advances into performing and non-performing loans for accounting purposes in accordance with the extant RBI guidelines given below.

A non-performing asset (NPA) is defined as a loan or an advance where:

- i) interest and/or installment of principal remain overdue for more than 90 days in respect of a term loan. Any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the Bank;
- ii) if the interest due and charged during a quarter is not serviced fully within 90 days from the end of the quarter.
- iii) the account remains 'out of order' in respect of an overdraft/cash credit facility continuously for 90 days.
- iv) a bill purchased/discounted by the Bank remains overdue for a period of more than 90 days.
- v) interest and/or installment of principal in respect of an agricultural loan remains overdue for two crop seasons for short duration crops and one crop season for long duration crops.
- vi) In respect of a securitization transaction undertaken in terms of the RBI guidelines on securitisation, the amount of liquidity facility remains outstanding for more than 90 days;
- vii) In respect of derivative transactions, if the overdue receivables representing positive mark-to-market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.

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

Quantitative Disclosure

Gross Credit exposures:

Credit risk exposures include all exposures as per RBI guidelines on exposure norms. Bank's credit risk exposure as on Sep 30, 2024 primarily includes loans given to corporates, FX and derivative exposures and inventory positions held. The entire credit risk exposure of the Consolidated Bank as on Sep 30, 2024 is concentrated in India. This includes exposure to branches of foreign banks in India.

The following table provides details of Bank's fund based and non-fund based exposures as on Sep 30, 2024

Category	Standalone		Consolidated	
	Fund based ^{1,2}	Non-fund based ³	Fund based ^{1,2}	Non-fund based ³
Domestic	1,47,50,579	68,17,326	3,29,35,385	68,17,326
Overseas	-	-	-	-
Total	1,47,50,579	68,17,326	3,29,35,385	68,17,326

1. Represents loans (netoff collaterals), investment in non-SLR securities.

2. Excludes cash in hand, Nostro balances, balance with RBI and investment in government securities, Bank CD's and Other Assets.
3. Non Fund Based includes guarantees, fx and derivative transactions.

Industry-wise distribution of exposures as on Sep 30, 2024:

(Rs in '000)

Industry	Standalone		Consolidated	
	Fund based ^{1,2}	Non-fund based ³	Fund based ^{1,2}	Non-fund based ³
Banks	-	6,036,783	-	6,036,783
Electricity Generation - Private Sector	-	17,102	-	17,102
Electricity Distribution - Private Sector	-	763,441	-	763,441
Other Industries	5,466,197	-	23,651,003	-
Healthcare/ Diagnostics	9,163,501	-	9,163,501	-
Real Estate	120,882	-	120,882	-
Total	14,750,579	6,817,326	32,935,385	6,817,326

1. Represents loans (netoff collaterals), investment in non-SLR securities.
2. Excludes cash in hand, Nostro balances, balance with RBI and investment in government securities, Bank CD's and Other Assets.
3. Non Fund Based includes guarantees, fx and derivative transactions.

Maturity pattern of assets of the bank as at Sep 30, 2024:

(Rs in '000)

Maturity buckets	Cash & balances with RBI	Balances with banks & money at call and short notice	Investments	Loans & advances	Fixed assets #	Other assets	Total
Day 1	11,57,480	2,57,82,921	1,51,43,044	465	-	8,647	4,20,92,557
2 to 7 days	-	-	-	50,89,480	-	72,287	51,61,767
8 to 14 days	-	-	-	2,480	-	-4,938	-2,458
15 to 30 days	9,02,889	-	37,86,357	61,77,530	-	1,22,974	1,09,89,750
31 days and upto 2 months	97,217	-	3,88,867	22,83,658	-	93,276	28,63,018
More than 2 months and upto 3 months	13,630	-	54,519	6,975	-	2,280	77,404
3 to 6 months	6,870	-	27,478	17,050	-	17,539	68,937
6 months to 1 year	25,608	-	2,77,231	1,51,620	-	57,426	5,11,885
1 to 3 years	31,543	-	1,26,173	91,82,925	-	6,80,390	1,00,21,031
3 to 5 years	-	-	-	-	-	9,58,961	9,58,961
Above 5 years	5,104	-	20,417	-	45,100	22,05,958	22,76,579
Total	22,40,341	2,57,82,921	1,98,24,086	2,29,12,183	45,100	42,14,800	7,50,19,431

Consolidated maturity pattern of assets as at Sep 30, 2024*:

(Rs in '000)

Maturity buckets	Cash & balances with RBI	Balances with banks & money at call and short notice	Investments	Loans & advances	Fixed assets #	Other assets	Total
Day 1	11,57,480	2,82,61,913	1,51,43,044	5,49,637	-	18,333	4,51,30,407
2 to 7 days	-	-	-	50,89,480	-	72,287	51,61,767
8 to 14 days	-	-	-	8,90,630	-	3,028	8,93,658
15 to 30 days	9,02,889	-	37,86,357	83,57,440	-	1,27,448	1,31,74,134
31 days and upto 2 months	97,217	20,00,000	3,88,867	49,39,137	-	2,06,611	76,31,832
More than 2 months and upto 3 months	13,630	25,00,000	54,519	1,19,19,070	-	72,233	1,45,59,452
3 to 6 months	6,870	-	27,478	17,050	-	1,91,564	2,42,962
6 months to 1 year	25,608	-	2,77,231	1,51,620	-	1,28,618	5,83,077
1 to 3 years	31,543	-	1,26,173	91,82,925	-	8,43,061	1,01,83,702
3 to 5 years	-	-	-	-	-	9,59,913	9,59,913
Above 5 years	5,104	-	20,417	-	45,100	22,79,880	23,50,501
Total	22,40,341	3,27,61,913	1,98,24,086	4,10,96,989	45,100	49,02,976	10,08,71,405

* Consolidated Maturity Pattern includes assets of Credit Suisse Finance India Private Limited based on INDAS framework gross of ECL provision of INR 1,804 (in '000) which is classified under Other liabilities and provision and hence does not form part of Assets.

Fixed Assets comprises of Tangible and Intangible Fixed Assets.

For consolidated Bank, the disclosures pertaining to non-performing advances as at Sep 30, 2024 are as below:

Non-performing Advances (Gross)

(Rs in '000)

Category	Amount
Substandard	-
Doubtful 1	-
Doubtful 2	-
Doubtful 3	-

Non-performing Advances (Net)

(Rs in '000)

Category	Amount
Substandard	-
Doubtful 1	-
Doubtful 2	-
Doubtful 3	-

NPA ratios

Particulars	Ratio
Gross NPAs to gross advances	-
Net NPAs to net advances	-

Movement of NPAs (Gross)

(Rs in '000)

Particulars	Amount
Opening balance	-
Additions	-
Reductions	-
Closing balance	-

Major Industry-wise NPAs, provisions and write-off as of Sep 30, 2024

(Rs in '000)

Particulars	Gross NPA	Specific Provisions ¹	General Provision	Specific Provision during the year	Write-Off during the year
Other Industries	-	-	-	-	-

1. Specific provision relating to NPAs.

Geography-wise breakup of gross NPAs, specific provisions and general provisions as of Sep 30, 2024

(Rs in '000)

Particulars	Gross NPA	Specific Provisions ¹	General Provision
Domestic	-	-	-
Overseas	-	-	-

1. Specific provision relating to NPAs

Movement of provisions

(Rs in '000)

Particulars	Standalone ¹		Consolidated ^{1,2}	
	General Provision	Specific Provision for NPA	General Provision	Specific Provision for NPA
Opening balance	147,174	-	178,391	-
Provisions made during the period	60		60	
Write-off / Write-back of excess provisions	(20,071)		(49,484)	
Any other adjustments, including transfers between provisions				
Closing balance	127,163	-	128,967	-

¹ General Provision includes provision on standard assets, unhedged foreign currency exposure, country risk provision.

Movement of provision for depreciation / appreciation on investments (excluding NPI)

Particulars	(Rs in '000)	
	Standalone	Consolidated
Opening balance	69	69
Depreciation / (Appreciation) booked during the year	(251)	(251)
Write off	-	-
Write back of excess provision	-	-
Closing Depreciation / (Appreciation)	(183)	(183)

The Bank (both standalone and consolidated) does not have non-performing investments as on Sep 30, 2024.

NPIs and movement of provision for depreciation on NPI investments

Particulars	(Rs in '000)	
	Standalone	Consolidated
Amount of Non Performing Investments (Gross)	-	-
Amount of provision held for non performing investments	-	-
Amount of Non Performing Investments (Net)	-	-
Movement of provision for non performing investments		
- Opening balance	-	-
- Provisions made during the period	-	-
- Write-off	-	-
- Write-back of excess provisions	-	-
- Closing balance	-	-

Table DF – 4: Credit Risk Standardised Approach

Credit risk: Portfolios subject to the Standardised Approach

The exposures requiring measurement of credit risk as on Sep 30, 2024 are primarily loans, inventory exposures and FX and derivative transaction and balance with banks.

The exposure of the bank as on Sep 30, 2024 subject to the standardised approach by risk weights were as follows

Category	(Rs in '000)	
	Standalone	Consolidated
Less than 100% risk weight	52,392,831	5,96,88,130
100% risk weight	216,951	1,94,67,994
More than 100% risk weight	449,208	4,49,208
Deducted from capital	-	-
Total	53,058,990	79,605,332

- Excludes cash in hand and investments in AFS and HFT portfolio.

Table DF – 5: Credit risk mitigation ('CRM')

The bank has identified the forms of collateral in its Credit policy and will be decided on case to case basis, based on the characteristics of the Counterparty. The Bank uses Credit Risk Mitigation techniques for Capital computation as per Basel III guidelines. Bank reduces its credit exposure to counterparty with the value of eligible financial collateral to take into account risk mitigating effect of the collateral.

During the period ended Sep 2024, the Bank has accepted Units of Mutual funds / Debt Securities as collateral and has considered them for capital benefits in Capital adequacy calculations as per the RBI guidelines.

Quantitative Disclosure		(Rs in '000)
Nature and Category of exposures	Exposure	
Exposure covered by eligible financial collateral after application of haircuts	37,970,810	
Exposure covered by guarantees	9,100,000	

Table DF – 6: Securitisation

The bank has not securitized any asset for the year under review. The Bank invests in Pass through Certificates (PTC), which are reported as investments held in trading book.

Details of securitization exposures in the Banking and Trading Book

Banking Book	Nil
Trading Book	Nil

Securitization exposures retained /purchased

Nature	Exposure Type	Exposure
On Balance Sheet	-	-
Off Balance Sheet	-	-

Risk weight bands breakup of securitization exposures retained or purchased and the related capital charge:

Risk bands	Exposure	Capital Charge	RWA
< 100% risk weight	-	-	-
= 100% risk weight	-	-	-
> 100% risk weight	-	-	-

Table DF – 7: Market risk

The Bank in its day to day activity takes on market exposures which result in market risk. Market Risk is the risk of loss arising from adverse changes in interest rates, foreign exchange rates, equity prices & other relevant parameters such as market volatility. The Bank defines its market risk as potential change in the fair value of financial instruments in response to market movements. A typical transaction may be exposed to a number of different market risks.

Market risk management framework

Fundamental to the Bank's business is the prudent taking of risk in line with Bank's strategic priorities. The primary objectives of risk management are to protect Bank's financial strength and reputation, while ensuring that capital is well deployed to support business activities and grow shareholder value. Bank's risk management framework is based on transparency, accountability and independent oversight.

The Bank devotes considerable resources to ensuring that market risk is comprehensively captured, accurately modeled and reported, and effectively managed. Trading and non-trading portfolio are managed at various organizational levels, from the overall risk positions at the Group level down to specific portfolios. The Bank uses market risk measurement and management methods designed to meet or exceed industry standards. These include general tools capable of calculating comparable exposures across Bank's many activities and focused tools that can model unique characteristics of certain instruments or portfolios. The tools are used for internal market risk management, internal market risk reporting and external disclosure purposes.

Market risk identification

The Bank bases its business operations on conscious, disciplined, intelligent and prudent risk taking. The Bank believes in independent risk management, compliance and audit processes with proper management accountability for the interests and concerns of its stakeholders. The Global Market Risk (GMR) group works in partnership with the business segments to identify market risks throughout UBS AG to refine and monitor market risk policies and procedures. Global Market risk group is also responsible for identifying exposures which may not be large within individual business segments, but which may be large for UBS AG in aggregate. The risk management techniques and policies are regularly reviewed to ensure they remain appropriate. Additionally, Bank's market risk exposures are reflected in our regulatory capital calculations. Risks associated with the trading activity are actively monitored and managed on a portfolio basis and is reflected in our various measures.

Market risk measurement

UBS AG uses various measurement techniques, both statistical and non-statistical, to measure and reflect all components and all aspects of market risk.

(i) Statistical measures

UBS AG's primary statistical risk measure is Value-At-Risk (VaR). VaR measures the potential loss in fair value of financial instruments due to adverse market movements over a defined time horizon at a specified confidence level. VaR as a concept is applicable for all financial risk types with valid regular price histories. Positions are aggregated by risk type rather than by product. For example, interest rate risk includes risk arising from interest rate, foreign exchange, equity and commodity options, money market and swap transactions and bonds. The use of VaR allows the comparison of risk in different businesses, such as fixed income and equity, and also provides a means of aggregating and netting a variety of positions within a portfolio to reflect actual correlations and offsets between different assets.

Historical financial market rates, prices and volatilities serve as the basis for the statistical VaR model underlying the potential loss estimation. The Bank uses a one-day holding period and a confidence level of 98% to model the risk in its trading portfolios for internal risk management purposes and a ten-day holding period and a confidence level of 99% for regulatory capital purposes. These assumptions are compliant with the standards published by the Basel Committee on Banking Standards (BCBS) and other related international standards for market risk management. For some purposes, such as back-testing, disclosure and benchmarking with competitors, the resulting VaR figures are calculated based on a one-day holding period level or scaled down from a longer holding period.

The Bank uses a historical simulation model for the majority of risk types and businesses within our trading portfolios. The model is based on the profit and loss distribution resulting from historical changes in market rates, prices and volatilities applied to evaluate the portfolio. Bank uses the same VaR model for risk management and regulatory capital purposes, except for the confidence level and holding period used. The Bank regularly review its VaR model to ensure that the model remains appropriate given evolving market conditions and the composition of bank's trading portfolio and in 2011 significantly enhanced its VaR methodology, including use of exponential weighting and expected shortfall equivalent measures, for both risk management VaR and regulatory VaR. The revised VaR methodology captured extreme events more completely and improved the responsiveness of the model to market volatility.

For risk management VaR, the Bank uses a one-day holding period and a 98% confidence level. This means there is a 1-in-50 chance of incurring a daily mark-to-market trading loss at least as large as the reported VaR.

(ii) Non-statistical measures

Non-statistical risk measures include net open positions, dollar values of basis points, credit spreads sensitivities, option sensitivities, market values and position concentrations and scenario analysis. These measures provide granular information on UBS AG's market risk exposure.

Scenario analysis complements statistical-based risk measures such as VaR and Economic Capital. For example, scenarios are customized with longer horizons than the ones used in statistical based risk measures to capture market liquidity. Scenarios are also customized to run against agreed limits where the materiality of stressed exposures warrants closer monitoring.

The Bank's scenario analysis also enhances periodic exposure reporting by providing a view of how risk could change under severe market conditions. For example, sensitivities are computed post a large market shock scenario. Scenarios are also used to capture the cross impacts between risk factors under stressed market conditions to complement basis risks captured by other risk measures. Scenarios are further used to assess the impact of more extreme parameters used by other risk measures. For example, market volatility and credit default parameters in risk-weighted asset models are stressed to assess capital requirements under extreme conditions.

Market risk monitoring

The Bank has a risk appetite framework that establishes key principles for managing its risks to ensure a balance of return and assumed risk, stability of earnings and appropriate capital levels. The key aspect of the Bank's risk appetite framework is a sound system of integrated risk limits to control overall risk taking capacity and serve as an essential decision-making tool for senior management.

Risk appetite is annually reviewed and determined by the Board, taking into account strategic and business planning, and enforced by a detailed framework of portfolio and position limits, guidelines and targets at both the Group and divisional levels as well as for certain legal entities. Risk appetite is defined in quantitative terms using risk limits and tolerance levels, capital ratios and scenario results.

At the local level, the Asset Liability Management Committee (ALCO) under supervision of the Local Management Committee is responsible for the overall management of risk limits and review of the risk reports at the Branch. The Market Risk Management group ensures that the market risks are effectively identified, measured, monitored and controlled, consistent with the Bank's business strategy and appetite for risk. For the Branch, Stress tests are done on a daily basis and monitored against stress limits. The market risk exposures and limits are discussed at the ALCO and RMC meetings.

Quantitative Disclosure		(Rs in '000)
Risk area	Standalone	Consolidated
	Sep 30, 2024	Sep 30, 2024
Capital requirements for Market risk (B)	1,255,169	1,255,169
- for interest rate risk	636,419	636,419
- for foreign exchange risk (including gold)	618,750	618,750
- Equity risk	-	-

Table DF – 8: Operational risk

Definition

Operational risk is the risk of gain or loss resulting from inadequate or failed internal processes, people or systems or from external events. This definition includes legal risk, which is the risk of loss resulting from failure to comply with laws and regulations as well as prudent ethical standards and contractual obligations. It also includes the exposure to litigation from all aspects of the firm's activities. The definition does not include strategic and reputational risk. However, it is recognized that some operational risks can lead to subsequent reputational issues.

Non-Financial Risk (NFR) Definition

Non-Financial Risk (NFR) is the risk of undue monetary loss and/or non-monetary adverse consequences to UBS, its clients or markets, resulting from:

Compliance risk: failure to comply with laws, rules and regulations, internal policies and procedures, and the firm's code of conduct and ethics.

Financial crime risk: failure to prevent financial crime.

Operational risk: inadequate or failed internal processes, people, systems, or from external events.

NFR can have a variety of drivers, including external and internal (people, process and control, and systems) as defined and listed in the NFR Root Cause Library. NFR impacts comprise regulatory risk (e.g., increased inspection scrutiny), reputational risk (e.g., loss of client confidence) and financial risk (e.g., legal settlements).

Non-financial risk (NFR) is an inherent part of the organization's activities and managing it, is the responsibility of all staff members. The firm's overall objective is to manage its businesses and associated NFR, balancing the interests of its clients, employees, suppliers, communities and investors, and protecting the safety and soundness, including the financial position and reputation of the firm. The global NFR Framework establishes the requirements for the management and control of NFR through the defined framework components related to Governance & Reporting, Controls & Assurance and NFR assessment & measurement. The framework establishes roles and responsibilities across all 3 lines of defense.

NFR Governance

The minimum governance standards for NFR management include the NFR definition, NFR taxonomy (i.e. systematic categorization of NFR at UBS), NFR appetite, (i.e. the amount of acceptable NFR exposure), and roles and responsibilities along the 3 lines of defense.

Roles and responsibilities	
Group Board of Directors (BoD)	Fosters a sound risk culture and approves the overall risk appetite
Group Executive Board (GEB)	Instills a sound risk culture and implements the risk and control framework
1LoD: BD/GF/Entity	Identifies, assesses, measures and manages NFR
2LoD: GCRG	Challenges and oversees the 1LoD, ensuring NFR is understood, owned and managed
3LoD: GIA	Assesses risk management, control and governance effectiveness
Taxonomy Owners	Review the risks of the NFR taxonomy and the respective risk appetite

NFR Taxonomy

The NFR taxonomy is the systematic means to manage, control and report NFR exposure consistently across the firm by categorizing NFR into 19 NFR taxonomies across the compliance, financial crime and operational risk clusters. The NFR taxonomy is consistently used across the firm by the Risk Management functions in the Business Divisions (BD)/ Group Functions (GF)/ All Entities and Compliance and Operational Risk Control (C&ORC) Controllers to consolidate NFR related data (KPCi assessment, NFR issues, NFR events, etc.) and to support the articulation and assessment of the compliance, financial crime and operational risk profile (Firmwide Risk Appetite Statements and Assessments, RCSA, etc.)

NFR Appetite

The NFR appetite represents the level of NFR that the firm is willing to accept or intends to avoid in pursuit of its strategic objectives. The quantitative NFR appetite is set in line with the firm's Risk Appetite Framework. In addition to the quantitative NFR appetite, the amount of acceptable NFR exposure per risk of the NFR taxonomy is defined in the 19 Firmwide Risk Appetite Statements (FW RAS). Each FW RAS defines the inherent risk specific to UBS and the control environment to mitigate these risks as well as a corresponding set of risk indicators and thresholds as an early-warning system.

NFR Controls and Assurance

NFR controls are designed to prevent NFR from materializing, ensure UBS is operating within risk appetite and are regularly assessed for design and operating effectiveness. If the firm operates beyond risk appetite or NFR materializes (NFR event), the firm has to return within appetite. This can include remediating missing/deficient controls (NFR

issues), adjusting risk tolerance, adjusting the firm's risk profile or risk acceptance. Independent assurance is aimed at timely capturing heightened NFR.

NFR Issues

An NFR issue is an internal control deficiency which arises if a control is (i) missing, (ii) not adequately designed to mitigate a NFR, or (iii) is not properly executed to mitigate the NFR sustainably. In certain circumstances, the term 'control' does not solely relate to KPCs and can be applied in a broader sense - encompassing for example, missing or inadequately designed processes, policies or procedures (or similar deficiencies). Where deficiencies are identified and the risk associated with the deficiency has a material impact, an NFR issue must be raised. NFR issues establish transparency on control deficiencies and their risk impact and allow for prioritization of remediation work. They can be raised as part of the controls testing and assessment, annual risk assessments, following an NFR event, or through other parties (e.g., audit, regulators). BD/GF/Entity RM is responsible for the accuracy and completeness of the NFR issue portfolio, and the adequacy of the remediation of control deficiencies with appropriate 2LoD challenge and oversight.

NFR events

An NFR event is defined as the materialization of NFR resulting from inadequate or failed internal processes, people, and systems, or from external causes (deliberate, accidental or natural). This definition includes 'Legal events. NFR events provide a retrospective view of risk exposure and outline control deficiencies, while enabling for targeted remediation actions to protect the firm against further occurrences. These actions can include implementing new controls or enhancing existing controls. When an NFR event shows a control deficiency, raising an NFR issue must be considered. In addition, NFR events are a key input for NFR measurement/regulatory capital. If an NFR materializes, the Event Owner is responsible for timely reporting, appropriate escalation, stakeholder involvement (including appropriate 2LoD challenge and oversight), and appropriate and timely remediation.

Risk and Control Self-Assessment (RCSA/IRA)

The RCSA is executed annually by the GF, BD and specific SGE RM to provide an end-to-end/front-to-back view of the risks across the NFR taxonomy. The assessment is designed to provide a GF/BD/SGE view on the level of inherent risk, the strength of the control environment and the resulting residual risk. Mitigating actions are determined where necessary. The RCSA is currently performed as a two-way approach between the traditional RCSA and the Integrated Risk Assessment (IRA) for selected scopes. The IRA aims to further align and integrate the RCSA and the firmwide RAA by providing a detailed view of the firm's risk profile, which is updated in a timely, risk-based manner if and when early-warning systems (e.g. FW RAS indicators) highlight a potential change of the risk profile.

Dynamic Risk Assessment (DRA)

The DRA enables timely and independent 2LoD identification and response to changes of the firm's NFR profile and risk-based allocation of resources to GCRG control activities to mitigate NFR. Furthermore, it enables 2LoD to adequately challenge the 1LoD RCSA. It is performed annually by the BD/GF C&ORC Heads, who leverage

various inputs such as BD/GF (incl. GCRG) RCSAs, NFR Cockpit metrics and TO expertise to conduct a macro and micro risk assessment of their respective BD/GF. High risk business areas and responding control and assurance activities for the next year are determined as an outcome of the assessments.

Group NFR scenarios

Group NFR scenarios are utilized to meet FINMA regulatory requirements in the Loss Potential Analysis (LPA, Pillar 2). They can be further leveraged to support the model calibration for NFR measurement models (Pillar 1 and 2) and to provide input to the Group risk identification process for NFR. Further, scenarios can be used for NFR management processes by 1LoD and 2LoD to perform and support risk assessments. The Group NFR scenario team within GCRG Methodologies & Models guides the development of NFR scenarios, primarily focusing on material risks identified in the Group risk identification process for NFR. The developed NFR scenarios require involvement and approval from the relevant divisional 1LoD team as well as relevant 2LoD counterpart, i.e. divisionally and/or functionally.

NFR measurement/regulatory capital

The calculation of the requirement of regulatory capital for operational risk is underpinned by the NFR Framework and is based on the Advanced Measurement Approach (AMA). The modelled risks, called Units of Measure, are aligned to the NFR taxonomy. Based on the AMA, NFR Pillar 1 regulatory capital for operational risk is derived from aggregating annual operational risk losses over a 1-year time horizon at the 99.9% quantile. The allocation of operational risk RWA to the UBS BDs is based on a documented and approved approach and is regularly reviewed and updated. GCRG owns and manages the AMA process and calculations (GCRG Methodologies & Models), determining operational risk regulatory capital and the allocation of RWA to BDs. In addition to determining the regulatory capital for UBS Group AG and Switzerland AG, the NFR measurement framework further supports local Internal Capital Adequacy Assessment Procedures as required to meet local regulatory expectations.

Table DF – 9: Interest rate risk in banking book (IRRBB)

Treasury desk manages the interest rate risk arising from the banking book. For the period ended Sep 30, 2024, the Bank has primarily invested in Central / State Government bonds, corporate bonds, Pass through certificates and has interest rate swaps and forex transactions. The Bank, to manage the interest rate risk exposures arising from the asset-liability positions from the banking book would use Interest Rate Swaps and FCY Currency Swaps. These risk exposures are separate from the trading/market making positions.

Interest rate risk is measured in terms of DV01 (sensitivity to 1 basis point movement) and VaR (value at risk metric) by Market Risk Management group. The Interest Rate Risk in Banking Book (IRRBB) is calculated by the Bank in accordance with DBOD. No. BP.BC.59/ 21.04.098/ 2010-11 dated 4 November 2010. The change in the market value of equity after applying a 200 bps shock comes out to be Rs 19.59 crore as on 30th Sep 2024.

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

Credit Risk Management (CRM):

Responsible for approving all global counterparty and issuers limits and for establishing any discretionary or more prudent limits than what is prescribed by the Reserve Bank of India for Industry, Sector, Product and Single/Group Counterparty/Borrower/Issuer of the Branch. CRM is responsible for approving each credit facility extended to borrowers of the Bank. Credit Control are responsible for monitoring and managing any exposure excesses for counterparty and issuer limits set in accordance with global CRM policy (i.e. the global credit limits set for each counterparty and issuer). CRM are responsible for performing periodical credit reviews and for internally rating all counterparties in accordance with global CRM policy and for assigning all local asset classifications used for local regulatory reporting purposes.

All credit exposure is approved, either by approval of an individual transaction/facility (e.g., lending facilities), or under a system of credit limits (e.g., OTC derivatives). All credit limits must be approved by the appropriate CRM authority holder based on the size and duration of the exposure and the rating of the counterparty/borrower/issuer. Credit exposure is monitored daily to ensure it does not exceed the approved credit limit. These credit limits are set either on a potential exposure basis or on a notional exposure basis. Potential exposure means the possible future value that would be lost upon default of the counterparty on a particular future date, and is taken as a high percentile of a distribution of possible exposures computed by our internal exposure models. The use of a universal measurement unit of pre-settlement credit risk (i.e. "Potential Exposure" or "PE") allows CRM to reallocate limits between different credit limit types (i.e. product types) of a counterparty/borrower or within the relevant supported entities of a counterparty/borrower group. Secondary debt inventory positions are subject to separate limits that are set at the issuer level.

Economic Capital

The Counterparty ERC component measures the credit risk arising from OTC trading counterparties including when the counterparty is a sovereign country.

The Total Counterparty ERC is evaluated including four credit risk types:

EC Default Risk Capital: the Default component measures the default risk for the UBS AG's counterparties to OTC derivative contracts.

It is defined as the 99th percentile of the loss distribution minus the average loss due to defaults over a 1-year time horizon, taking into account systematic risk and unsystematic risk.

This default risk is evaluated using the Credit Risk+ EC Spread Risk: the Spread Risk component measures the losses due to change in fair value due to spread widening.

It is defined the 99th percentile worst loss in fair value over 1-year time horizon due to adverse credit spread movements. In principle, the credit spread is evaluated as credit spread DV01 multiply by the worst case credit spread move for a rating class.

EC Credit Migration Risk: the Migration Risk component measures the credit rating migration risk beyond one year for the counterparty portfolio.

It is the 99th percentile worst loss in fair value over 1-year time horizon due to adverse rating migration. In principle, the migration credit spread is evaluated as credit spread DV01 multiply by the worst case migration for a rating class.

ERC for Default assets: $ERC = \text{Max} (0, Z \times [\text{Notional} - \text{Current Provision}])$ where: $Z = 20\%$ if the transaction rating is Senior Secured, and $Z = 35\%$ otherwise.

Wrong-way exposures

Correlation risk arises when UBS AG enters into a financial transaction where market rates are correlated to the financial health of the counterparty. In a wrong-way trading situation, our exposure to the counterparty increases while the counterparty's financial health and its ability to pay on the transaction diminishes. Capturing wrong-way risk requires the establishment of basic assumptions regarding correlations for a given trading product. UBS AG has multiple processes that allow it to capture and estimate wrong-way risk.

Concentration Risk

As per Credit Policy, the Bank's concentration risk is monitored via i). Single/group borrowing limits applicable to all counterparties excl. banks; ii). Cap on exposures to individual industries/sectors; iii). Cap on exposure to NBFCs; iv). Cap on exposure to Capital Markets. These are monitored/tracked on a daily basis within the Bank.

Counterparty/Borrower/Issuer Rating Policy

UBS AG uses the S&P style letter grading (i.e. AAA to D) for its counterparty/borrower/issuer rating system for IB counterparties and rating scale of CR01-CR18, with CR18 being the worst for PB counterparties. For local regulatory reporting and accounting purposes of the Bank, CRM also assign local rating classifications in accordance with the prescribed asset classification definitions. Due to the different methodologies used between the UBS AG and local asset classifications, UBS AG avoids the use of a ratings mapping and instead individually classify each in-scope asset at the time of reporting in accordance with the local definitions so as to ensure the accuracy of the local asset classifications.

Descriptions of the rating processes

All counterparties that UBS AG is exposed to are assigned an internal credit rating. At the time of initial credit approval and review, relevant quantitative data (such as financial statements and financial projections) and qualitative factors relating to the counterparty are used by CRM in the models and result in the assignment of a credit rating or PD, which measures the counterparty's risk of default over a one-year period.

Where rating models are used, the models are an integral part of the rating process, and the outputs from the models are complemented with other relevant information by credit officers via a robust model-override framework where information not captured by the models is taken into account by experienced credit officers. In addition to the information captured by the rating models, credit officers make use of peer analysis, industry comparisons, external ratings and research and the judgment of credit experts to complement the model ratings. This analysis emphasizes a forward looking approach, concentrating on economic trends and financial fundamentals. Where rating models are not used the assignment of credit ratings is based on a well-established expert judgment based process which captures key factors specific to the type of counterparty. While this is the approach for IB counterparties, the credit rating is largely driven by (financial) collaterals pledged for PB counterparties.

Use of internal ratings

Internal ratings play an essential role in the decision-making and the credit approval processes. The portfolio credit quality is set in terms of the proportion of investment and non-investment grade exposures. Investment/non-investment grade is determined by the internal rating assigned to a counterparty.

Internal counterparty ratings (and associated PDs), transaction ratings (and associated LGDs) and CCF for loan commitments are inputs to risk-weighted assets and Economic Risk Capital (ERC) calculations. Model outputs are the basis for risk-adjusted-pricing or assignment of credit competency levels.

The internal ratings are also integrated into the risk management reporting infrastructure and are reviewed in senior risk management committees. These committees include the Chief Executive Officer, Chief Credit Officer (CCO), Regional CCO, RPSC and Capital Allocation Risk Management Committee (CARMC).

To ensure ratings are assigned in a robust and consistent basis, the Credit Risk Review Function (CRR) performs periodic portfolio reviews which cover, amongst other things:

- accuracy and consistency of assigned counterparty/transaction ratings
- transparency of rating justifications (both the counterparty rating and transaction rating);
- quality of the underlying credit analysis and credit process;
- adherence to UBS AG policies, guidelines, procedures, and documentation checklists.

The CRR function is an independent control function and reports functionally to Board of Directors Risk Committee.

Credit Rating downgrade

Credit Risk Management (CRM) has a Watchlist process to closely monitor counterparties that have a higher risk of not performing to expectations, in instances like a credit rating downgrade. The Watchlist serves to identify counterparties where there are negative factors requiring enhanced monitoring, that are not severe enough to indicate impairment. The Watchlist is reviewed each month in the Surveillance/Watchlist meeting. The meeting is attended by the Chief Credit Officer (CCO), Credit officers, Recovery Management International, CRM approvers and the responsible Front Office personnel. Each name is discussed and the Chief Credit Officer and Recovery Management International will determine if any names on the Watch List should be transferred to Recovery Management International for their direct management.

When a counterparty or transaction is added to the Watchlist, documentation and static data should be reviewed and updated as follows:

- The relevant credit officer is required to review all relevant security documentation (ISDA, CSA, loan docs, etc.) and refer any potential shortcomings to Legal & Compliance Department (LCD).
- Credit Control updates the static data in INSIGHT (Global credit risk system) to flag as watchlist and add relevant comments as requested by the credit officers.

Securing Collateral

Where collateral is to be used as a form of credit risk mitigation for a counterparty, it is the responsibility of Credit Risk Management to define and approve the appropriate credit terms for the collateral arrangement. The terms of any collateral arrangement should take into account:

- The appetite for credit risk that UBS AG has for the counterparty

- The use of an agreed strategy for managing the collateral arrangement with the counterparty and for the particular situation
- The counterparty's ability to post collateral
- UBS AG's collateral policy requirements

From a credit risk management standpoint, the risk elements that should be considered when deciding to establish a collateralized arrangement include:

- The level of unsecured thresholds which should be approved
- Upfront collateral requirements
- Frequency of valuations and collateral calls
- The characteristics of the assets to be posted as collateral (e.g. quality, liquidity) and the haircuts for that collateral
- Creditworthiness of the counterparty
- Level of risk of the underlying transactions
- The standard collateral terms.

Quantitative Disclosure

Counterparty credit risk for the bank:

(Rs in '000)

Particulars	30 Sep 2024*
Gross Positive Fair value of contracts	6,243,859
Less: Netting Benefits	- 3,290,073
Netted current credit exposure	2,953,787
Less Collateral held	-
Net Derivatives Credit exposure (A)	2,953,787
Potential Future Exposure (B)	7,384,329
Exposure at default or Exposure under CRM (A + B)	10,338,116
Notional value of Credit derivative hedges	-
Distribution of current credit exposure by types of credit exposure	-

*After application of Bilateral Netting of Derivatives

Table DF – 11: Composition of Capital

			(Rs in '000)	Ref No.
Common Equity Tier 1 capital: instruments and reserves				
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	4,42,15,305		a1+a2+b1
2	Retained earnings	1,08,89,667		c3
3	Accumulated other comprehensive income (and other reserves)	1,68,62,807		b2+c2
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)			
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)			

6	Common Equity Tier 1 capital before regulatory adjustments	7,19,67,779		
Common Equity Tier 1 capital: regulatory adjustments				
7	Prudential valuation adjustments	-		
8	Goodwill (net of related tax liability)	-		
9	Intangibles (net of related tax liability)	51,487		d1
10	<u>Deferred tax assets</u>	1,67,432		d2
11	Cash-flow hedge reserve			
12	Shortfall of provisions to expected losses			
13	Securitisation gain on sale			
14	Gains and losses due to changes in own credit risk on fair valued liabilities			
15	Defined-benefit pension fund net assets			
16	Investments in own shares (if not already netted off paid-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	<u>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)</u>			
20	<u>Mortgage servicing rights⁴(amount above 10% threshold)</u>			
21	<u>Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)</u>			
22	<u>Amount exceeding the 15% threshold</u>			
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	<u>National specific regulatory adjustments (26a+26b+26c+26d)</u>			
26a	of which: Investments in the equity capital of unconsolidated insurance subsidiaries			
26b	<u>of which: Investments in the equity capital of unconsolidated non-financial subsidiaries</u>			
26c	<u>of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank</u>			
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions			
28	Total regulatory adjustments to Common equity Tier 1	2,18,919		
29	Common Equity Tier 1 capital (CET1)	7,17,48,860		

Additional Tier 1 capital: instruments			
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	Additional Tier 1 capital before regulatory adjustments	-	
Additional Tier 1 capital: regulatory adjustments			
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	<u>Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)</u>	-	
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	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	-	
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44)	7,17,48,860	
Tier 2 capital: instruments and provisions			
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	<u>Provisions</u>	8,78,997		c1+c4+c5
51	Tier 2 capital before regulatory adjustments	-		
Tier 2 capital: regulatory adjustments				
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	<u>Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)</u>	-		
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	-		
57	Total regulatory adjustments to Tier 2 capital	-		
58	Tier 2 capital (T2)	8,78,997		
58a	Tier 2 capital reckoned for capital adequacy ¹⁴	8,78,997		
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital			
58c	Total Tier 2 capital admissible for capital adequacy (58a + 58b)	8,42,742		
59	Total capital (TC = T1 + T2) (45 + 58)	7,25,91,601		
60	Total risk weighted assets (60a + 60b + 60c)	5,04,82,590		
60a	of which: total credit risk weighted assets	2,66,02,909		
60b	of which: total market risk weighted assets	1,00,41,350		
60c	of which: total operational risk weighted assets	1,38,38,332		
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	142.13%		

62	Tier 1 (as a percentage of risk weighted assets)	142.13%	
63	Total capital (as a percentage of risk weighted assets)	143.80%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements plus higher of G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	9.000%	
65	of which: capital conservation buffer requirement	2.500%	
66	of which: bank specific countercyclical buffer requirement		
67	of which: higher of G-SIB buffer requirement	1.00%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	136.63%	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities	-	
73	Significant investments in the common stock of financial entities	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
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)	8,78,967	c4+c5
77	Cap on inclusion of provisions in Tier 2 under standardised approach *	8,42,742	60a * 1.25%
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	-	

Notes to the template		
Row No. of the template	Particular	(Rs. In '000)
10	Deferred tax assets associated with accumulated losses	-
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	1,67,432
	Total as indicated in row 10	1,67,432
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)	-
	(ii)	-
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	
50	Eligible Provisions included in Tier 2 capital	8,78,967
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	8,78,967
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)	

* Investment Fluctuation Reserve of UBS AG Mumbai Bank Branch of INR 7,50,000 (in thousand) as on 30th September 2024 is considered in Tier II capital and is not subject to the limit of 1.25% of risk weighted asset.

Table DF – 12: Composition of Capital – Reconciliation Requirements

Table DF-12: Composition of Capital- Reconciliation Requirements				
(Rs. in '000)				
		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation**	
		As on reporting date	As on reporting date	
A	Capital & Liabilities			
	i.	Paid-up Capital	3,22,50,000	3,33,00,131
		Reserves & Surplus	1,95,04,160	4,41,54,762
		Minority Interest	-	-
		Total Capital	5,17,54,160	7,74,54,893
	ii.	Deposits	2,27,12,469	2,27,12,469
		of which: Deposits from banks	-	-
		of which: Customer deposits	2,27,12,469	2,27,12,469
		of which: Other deposits (pl. specify)	-	-
	iii.	Borrowings	-	-
		of which: From RBI	-	-
		of which: From banks	-	-
		of which: From other institutions & agencies	-	-
		of which: Others (including Foreign Bank outside India and Commercial Paper)	-	-
		of which: Capital instruments	-	-
	iv.	Other liabilities & provisions	5,52,798	7,04,266
	Total		7,50,19,427	10,08,71,628
B	Assets			
	i.	Cash and balances with Reserve Bank of India	92,37,080	10,819,164
		Balance with banks and money at call and short notice	2,57,82,921	17,648,729
	ii.	Investments:	1,98,24,085	28,173,202
		of which: Government securities	1,94,74,485	27,706,271
		of which: Other approved securities	-	-
		of which: Shares	-	-
		of which: Debentures & Bonds	3,49,600	466,931
		of which: Subsidiaries / Joint Ventures / Associates	-	-
		of which: Others (Commercial Papers, Mutual Funds etc.)	-	-
	iii.	Loans and advances	4,15,27,729	41,067,046
		of which: Loans and advances to banks	-	-
		of which: Loans and advances to customers	4,15,27,729	41,067,046
	iv.	Fixed assets	3,299	3,952
	v.	Other assets	44,96,515	8,971,826
		of which: Goodwill and intangible assets	51,487	70,778
		of which: Deferred tax assets	1,67,432	196,125
vi.	Goodwill on consolidation	-	-	
vii.	Debit balance in Profit & Loss account	-	-	
Total Assets		7,50,19,427	10,08,71,628	

		(Rs. in '000)		
		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation**	Reference No
		As on reporting date	As on reporting date	
A	Capital & Liabilities			
	i. Paid-up Capital	3,22,50,000	3,33,00,131	
	of which:			
	Funds from HO	3,22,50,000	3,22,50,000	a1
	Equity Share Capital	-	10,50,131	a2
	Reserves & Surplus	1,95,04,160	4,41,54,761	a3
	of which:			
	Share Premium	-	1,09,15,174	b1
	Statutory Reserves	-	27,18,026	b2
	Investment Reserve	53,29,030	53,29,030	c1
	Other Revenue Reserves	1,05,26,271	1,06,01,569	
	of which:			
	Investment Reserve Account	7,50,000	7,50,000	c5
	Remittable surplus retained in India for CRAR purposes	97,76,271	97,76,271	c2
	Impairment Reserve	-	75,299	
	Surplus- Unallocated & Carried Over	29,52,826	1,08,89,667	c3
	Other Surplus funds	6,96,033	37,01,295	
	Operating Surplus (in current year)	-	-	
	Minority Interest	-	-	
	Total Capital	5,17,54,160	7,74,54,893	
	ii. Deposits	2,27,12,469	2,27,12,469	
	of which: Deposits from banks	-	-	
	of which: Customer deposits	2,27,12,469	2,27,12,469	
	of which: Other deposits (pl. specify)	-	-	
	iii. Borrowings	-	-	
	of which: From RBI	-	-	
	of which: From banks	-	-	
of which: From other institutions & agencies	-	-		
of which: Others (Including Foreign Bank outside India and Commercial paper)	-	-		
of which: Capital instruments	-	-		
iv. Other liabilities & provisions	5,52,798	7,04,266		
of which: General Provisions and loss	1,27,163	1,28,967	c4	

		Reserves			
		Total	7,50,19,427	10,08,71,628	
B	Assets				
	i.	Cash and balances with Reserve Bank of India	22,40,340	92,37,080	
		Balance with banks and money at call and short notice	2,57,82,921	2,57,82,921	
	ii.	Investments:	1,98,24,085	1,98,24,085	
		of which: Government securities	1,94,74,485	1,94,74,485	
		of which: Other approved securities	-	-	
		of which: Shares	-	-	
		of which: Debentures & Bonds	3,49,600	3,49,600	
		of which: Subsidiaries / Joint Ventures / Associates	-	-	
		of which: Others (Commercial Papers, Mutual Funds etc.)	-	-	
	iii.	Loans and advances	2,29,12,183	4,15,27,729	
		of which: Loans and advances to banks	-	-	
		of which: Loans and advances to customers	2,29,12,183	4,15,27,729	
	iv.	Fixed assets	3,299	3,299	
	v.	Other assets	42,56,599	44,96,515	
		of which: Goodwill and intangible assets	41,801	51,487	d1
		Deferred tax assets	1,58,482	1,67,432	d2
	vi.	Goodwill on consolidation	-	-	
	vii.	Debit balance in Profit & Loss account	-	-	
	Total Assets		7,50,19,427	10,08,71,628	

** Financials of Credit Suisse Finance India Private Limited is based on INDAS framework gross of ECL provision of INR 1,804 (in thousand) which is classified under Other liabilities and provision.

Table DF – 13: Main Features of Regulatory Capital Instruments

A. Main features of Equity Capital (Common Equity Tier 1) are given below

Sr No.	Particulars	Equity	
1	Issuer	Credit Suisse Finance (India) Private Limited	
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	ISIN - INE996L01018 (created on 26-Sep-24)	
3	Governing law(s) of the instrument	Indian Laws	
Regulatory treatment			
4	Transitional Basel III rules	Common Equity Tier 1	
5	Post-transitional Basel III rules	Common Equity Tier 1	
6	Eligible at solo / group / group & solo	Solo and group	
7	Instrument type	Equity Shares	
8	Amount recognised in regulatory capital (Rs. in thousand, as of most recent reporting date)	22,819,680	
9	Par value of instrument	Rs 100/-	
10	Accounting classification	Shareholders' equity	
11	Date of issuance	Date of Issuance	Number of Shares issued
		15-07-2008	285,184 shares
		26-10-2009	8,749,457 shares
		12-04-2010	1,466,670 shares
	Total	10,501,311 shares	
12	Perpetual or dated	Perpetual	
13	Original maturity date	no maturity	
14	Issuer call subject to prior supervisory approval	NA	
15	Optional call date, contingent call dates and redemption amount	NA	
16	Subsequent call dates, if applicable	NA	
Coupons / dividends			
17	Fixed or floating dividend / coupon	Floating	
18	Coupon rate and any related index	NA	
19	Existence of a dividend stopper	No	
20	Fully discretionary, partially discretionary or mandatory	NA	
21	Existence of step up or other incentive to redeem	NA	

Sr No.	Particulars	Equity
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA
36	Non-compliant transitioned features	No
37	If Yes, specify non-complaint features	NA

Table DF – 14: Full Terms and Conditions of Regulatory Capital Instruments

Instruments	Full Terms and Conditions
Credit Suisse Finance (India) Private Limited	
Equity Share Capital	The Company has only one class of equity shares having a face value of Rs 100 per share. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Table DF – 15: Disclosure Requirements for Remuneration

The Bank’s compensation policies including that of CEO’s, is in conformity with the Financial Stability Board principles and standards. In accordance with the requirements of the RBI Circular No. DBOD No.BC.23/29.67/001/2019-20 dated 4 November 2019, the Regional Office of the Bank has submitted a declaration to RBI confirming the aforesaid matter. Accordingly, no disclosure is required to be made in this regard.

Table DF 16 - Equities – Disclosure for Banking Book Positions.

The Bank has not traded any equities during the reporting period.

Leverage Ratio

The Basel III leverage ratio is defined as the capital measure (Tier-1 capital of the risk based capital framework) divided by the exposure measure. As per RBI guidelines, disclosures required for leverage ratio for the Bank at the consolidated level at Sep 30, 2024 is as follows:

				(Rs in ‘000)
Particulars	30-Sep-24	30-Jun-24	31-Mar-24	31-Dec-23
Tier I Capital	717,488	727,299	69,810,920	70,177,894
Exposure Measure	1,069,278	1,062,951	114,156,510	113,164,650
Leverage Ratio	67.10%	68.42%	61.15%	62.01%

Table DF 17 - Summary comparison of accounting assets vs. leverage ratio exposure measure.

	Item	(Rs. in '000)
1	Total consolidated assets as per published financial statements **	10,08,71,628
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	2,623,304
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	13,91,877
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	13,84,604
7	Other adjustments	(6,56,480)
8	Leverage ratio exposure	10,69,27,893

** Financials of Credit Suisse Finance India Private Limited is based on INDAS framework.

Reconciliation of total published balance sheet size and on balance sheet exposure.

	Item	(Rs. in '000)
1	Total consolidated assets as per published financial statements **	10,08,71,628
2	Replacement cost associated with all derivative transactions i.e net of eligible cash variation margin	(18,48,711)
3	Gross SFT Assets	(3,90,86,272)
4	Other Adjustments	(13,65,120)
5	On-balance sheet exposure under leverage ratio (excluding derivative and SFT)	10,08,71,628

** Financials of Credit Suisse Finance India Private Limited is based on INDAS framework.

Table DF 18 – Leverage ratio common disclosure template

		(Rs. in '000)
	Item	Leverage ratio framework
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	58,780,758
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(209,233)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	58,571,525
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	2,589,097
5	Add-on amounts for PFE associated with all derivatives transactions	3,904,518
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)	6,493,615
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	39,086,272
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	1,391,877
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	40,478,149
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	6,090,422
18	(Adjustments for conversion to credit equivalent amounts)	(4,705,818)
19	Off-balance sheet items (sum of lines 17 and 18)	1,384,604
Capital and total exposures		
20	Tier 1 capital	7,17,488
21	Total exposures (sum of lines 3, 11, 16 and 19)	1,069,279
Leverage ratio		
22	Basel III leverage ratio	61.15%