BASEL- III DISCLOSURES – FOR THE YEAR ENDED 31st MARCH 2014

Table DF 1 – SCOPE OF APPLICATION

Qualitative Disclosures (a) List of group entities considered for consolidation	The Bank does not belong to any group
(b) List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation	Not Applicable
Quantitative Disclosures (c) List of group entities considered for consolidation	Not Applicable
(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
(e) The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk-weighted.	Not Applicable
(f) Any restrictions or impediments on transfer of funds or regulatory capital within the banking group	Not Applicable

Table DF 2 - CAPITAL ADEQUACY

Qualitative disclosures

Bank is already geared up to adopt global best practices while implementing risk management stipulations that are in conformity with the Basel II & Basel III framework.

Comprehensive risk management architecture is in place to address various issues concerning Basel II & Basel III. A quarterly review is carried out to assess the capital need of the Bank, keeping in view the anticipated growth in Risk Weighted Assets, Market Risk and Operational Risk.

Bank maintains capital as a cushion towards the risk of loss in value of exposure, businesses, etc., to protect the interest of stake holders, more particularly, depositors.

Bank has system in place for assessing the capital requirements based on current and future business activities and monitoring the same on an ongoing basis. The bank considers that capital availability is the central theme in the whole process and its computation is relatable to policy, strategy, business level/composition, and Supervisory concern and Disclosure issues. Towards this, bank has evolved a well laid down Internal Capital Adequacy Assessment Process (I-CAAP) framework and carries out capital calculation under Pillar-2 of Basel II and also of Basel-III at periodical intervals besides Pillar 1 Capital calculation. The bank has formulated Stress Testing policy to measure impact of adverse stress scenarios on the adequacy of capital at periodical intervals.

In line with RBI guidelines, the bank has adopted following approaches for implementation of New Capital Adequacy Framework.

- Standardised Approach for credit risk
- Basic Indicator Approach for operational risk
- Standardised Duration Approach for market risk

Though the bank is presently implementing the above Approach, it has started its preparation for moving towards advance approaches.

Capital requirements for credit risk:

	Amt. - ` Crores
- Portfolios subject to standardised approach @ 9%	4310.88
- Securitisation exposures	Nil

Capital requirements for market risk: Standardised duration approach

Capital Charge on account of General Market Risk	**Amt. - `/ Crores**
- Interest rate risk	175.54
- Foreign exchange risk (including gold)	0.77
- Equity risk	37.25

Capital requirements for operational risk:

	Amt. - ``/ Crores
Basic indicator approach	298.78

Total and Tier 1 capital ratio for the Bank:

Total Capital to Risk Weighted Assets Ratio as per Basel III	11.04%
Common Equity Tier I Capital to Risk Weighted Assets Ratio as per Basel III	7.27%
Tier I Capital to Risk Weighted Assets Ratio as per Basel III	7.62%

Table DF 3 - CREDIT RISK : GENERAL DISCLOSURES

Qualitative Disclosures

A. DEFINITIONS OF PAST DUE AND IMPAIRED:

The Bank follows the basic prudential guidelines issued by the RBI on classification of Non-Performing Asset (NPA) as under :

a) Interest and / or instalment of principal remain overdue for a period of more than 90 days in respect of a term loan.
b) The account remains 'out of order' if the outstanding balance remains continuously in excess of sanctioned limit / DP for more than 90 days and / or there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period, in respect of Overdraft/Cash Credit (OD/CC).
c) The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted.
d) The installment of principal or interest thereon remains overdue for two crop seasons for short duration crops.
e) The installment of principal or interest thereon remains overdue for one crop season for long duration crops.
f) The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of guidelines on securitization dated May 7, 2012.
g) In respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remains unpaid for a period of 90 days from the specified due date for repayment.

Here, `Overdue' mean any amount due to the Bank under any credit facility, if it is not paid on the due date fixed by the Bank.

Where the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter, the account is classified as Non-performing asset and ceases to generate income for the bank.

Besides above, Bank also follows the guidelines issued by RBI in respect of classification of assets under a) Restructured accounts, b) Project under implementation involving time overrun, c) Post shipment Suppliers' Credit. d) Export Project Finance, e) Take over Finance, f) Govt. guaranteed Advance, g) Advance under Rehabilitation approved by BFIR / TLI, h) Advances under Debt Waiver & Debt Relief Scheme 2009, i) Sale of Financial Assets to Securitization Company /Reconstruction Company, j) Purchase/ Sale of Non-Performing Financial Assets, k) Up-gradation of accounts, l) Accounts regularized near about the Balance Sheet date etc.

B. CREDIT RISK MANAGEMENT AND OBJECTIVES:

To effectively identify, assess, measure, and manage the credit risk exposure of the Bank, with a view to contain it within desired limits in relation to the risk appetite of the Bank and commensurate with the availability of Capital. In doing so, the Bank's Credit Risk philosophy aims at minimising risk and maintaining it within the levels which shall ensure safety of the Bank's financial resources, including stakeholders' equity and, at the same time, also ensure a steady and healthy financial growth.

STRATEGIC POLICY OF THE BANK - CREDIT RISK:

The Bank has a comprehensive and well defined Loan Policy which covers various aspects of strategic planning. The loan policy of the Bank is reviewed from time to time, depending on requirements of the changes in loan portfolio and general economic and market scenario. The loan policy is also subjected to a comprehensive review by the Board at least once a year. The loan policy of the Bank addresses, among other things:

- Exposure ceilings and prudential caps in different industry segments and borrower categories.
- Pricing based on risk profile linked to credit ratings and/or retail segments.
- Guidelines relating to procedures and systems for appraisal, sanction, and monitoring of loans and modes of dispensation of credit.
- Credit Rating framework.
- Inspection mechanism and compliance of regulatory and policy guidelines.

CREDIT RISK MANAGEMENT ARCHITECTURE:

- The organizational structure of the Bank for Credit Risk Management function has the Board of Directors at the Apex level that has the overall oversight of management of risks.

- The Risk Management Committee (RMC) which is the sub-committee of the Board headed by the Chairman & Managing Director devises the policy and strategy for integrated risk management including credit risk.

- At the operational level, the Credit Risk Management Committee (CRMC) manages the credit risk. The main function includes implementation of credit risk management policies approved by the Board, monitoring credit risk on a bank wide basis, recommending to the board for its approval all policies relating to credit risk management, prudential limits on credit exposures, portfolio management, loan products etc. There is a structured and standardized credit approval process including a comprehensive credit appraisal procedure. In order to assess the credit risk associated with any financing proposal, the Bank assesses a variety of risks relating to the borrower and the relevant industry.
- The Risk Management Department (RMD) headed by the General Manger, measures, controls and manages credit risk on bank wide basis within the limits set by the Board and enforces compliance with risk parameters set by Board/RMC/CRMC. The RMD is duly supported by Credit Risk Management Cell, Asset Liability Management Cell and Operations Risk Management Cell.
- The Inspection Department as well as Credit Monitoring Department headed by a General Manager monitor the quality of loan portfolio identifies problems and takes steps to correct deficiencies. Loan review / credit audit is undertaken by the Credit Audit function.

TOOLS USED FOR CREDIT RISK MANAGEMENT / MITIGATION

- Credit Approving Authority – Delegation of Powers. The Bank has a well-defined scheme of delegation of powers with a multi-tier risk based approving system, which is reviewed periodically and revised as and when necessary to meet the compulsions of business environment.
- Prudential Limits on various aspects of credit / investment like Single / Group borrower limits for various types of borrowers are in place.
- Risk Rating/Pricing - The bank has introduced rating models for various segments, which serve as a single point indicator of diverse risk factors of a counter party and support credit and pricing decisions.
- Credit Audit/Loan review mechanism is an effective tool for constantly evaluating the quality of loan book and to bring about qualitative improvements in credit administration
- Portfolio Management - to start with, the bank has introduced a simple portfolio-monitoring framework. Going forward the bank will be graduating to a more sophisticated Portfolio Management model.

RISK MEASUREMENT

At present Credit Risk is assessed through Risk rating at the individual level and through Risk

Weighting of the assets at the portfolio level and capital is maintained based on Risk Weights.

Total gross credit risk exposures

	Category	**Amt. - `/ Crores**
1	Fund Based Credit Exposures	57857.74
2	Non Fund Based Credit Exposures	3433.43

Geographic distribution of exposures

	Category	**Amt. - `/ Crores**
1	**Overseas** - Fund Based Credit Exposures	NIL
	- Non Fund Based Credit Exposures	NIL
2	**Domestic** - Fund Based Credit Exposures	57857.74
	- Non Fund Based Credit Exposures	3433.43

INDUSTRY TYPE DISTRIBUTION OF EXPOSURES

Amt. - `/ Crores

INDUSTRY	**FUNDED**	**NON FUND**	**TOTAL**
A.MINING & QUARRYING	837.53	107.98	945.51
A.1 COAL/HARD LIGNITE/PEAT	2.04	86.19	88.23
A.2 MINING OTHERS	835.49	21.79	857.28
B.FOOD PROCESSING	1176.84	26.43	1203.27
B.1 SUGAR	187.80	18.37	206.16
B.2 EDIBLE OILS & VANASPATI	112.57	0.57	113.14
B.3 TEA	0.28	0.00	0.28
B.4 COFFEE	0.00	0.00	0.00
B.5 FOOD PROC.- OTHERS	876.19	7.49	883.68
C.BEVERAGES & TOBACCO	484.77	18.04	502.81
C.1 TABACCO & TOBACCO PROD.	0.59	0.00	0.59
C.2 BEVERAGES & TOBACCO-OTHERS	484.18	18.04	502.22
D.TEXTILES	1412.67	58.35	1471.02
D.1 COTTON	633.38	43.20	676.58
D.1.1 SPINNING	570.63	32.70	603.33
D.2 JUTE	2.93	0.00	2.93
D.2.1 SPINNING	1.17	0.00	1.17
D.3 HANDICRAFT/KHADI (NPS)	21.12	0.08	21.20

D.3.1 SPINNING	3.07	0.00	3.07
D.4 SILK	39.97	5.11	45.08
D.4.1 SPINNING	31.24	0.59	31.83
D.5 WOOLEN	40.30	0.07	40.37
D.5.1 SPINNING	27.30	0.05	27.35
D.6 TEXTILE-OTHERS	674.98	9.89	684.87
E.LEATHER & LEATHER PRODUCTS	136.02	3.46	139.48
F.WOOD & WOOD PRODUCTS	93.19	3.19	96.38
G.PAPER & PAPER PRODUCTS	102.27	1.29	103.56
H.PETRO./COAL/NUCLEAR FUELS	60.81	0.29	61.10
I.CHEMICALS & CHEMICAL PROD.	520.11	17.12	537.23
I.1 FERTILISERS	135.86	0.00	135.86
I.2 DRUGS AND PHARMA.	266.17	6.04	272.21
I.3 PETRO-CHEMICALS	64.59	6.62	71.21
I.4 CHEMICALS & CHEMICAL PROD.- O	53.48	4.47	57.94
J.RUBBER,PLASTIC & ITS PROD.	196.54	20.57	217.10
K.GLASS & GLASSWARE	12.11	0.31	12.42
L.CEMENT AND CEMENT PROD.	252.13	14.36	266.48
M.BASIC METAL & METAL PROD.	2433.65	195.70	2629.35
M.1 IRON & STEEL	1662.38	35.65	1698.03
M.2 OTHER METAL & METAL PROD.	771.27	160.05	931.32
N.ALL ENGINEERING	672.24	135.53	807.77
N.1 ELECTRONICS	61.66	9.35	71.01
N.2 ALL ENGG. - OTHERS	610.58	126.18	736.75
O.VEHCLES/V.PARTS/TPT.EQPM.	300.00	127.40	427.40
P.GEMS & JEWELLARY	67.88	225.43	293.30
Q.CONSTRUCTIONS	828.69	329.55	1158.24
R.INFRASTRUCTURE	18164.82	895.95	19060.78
R.1 TRANSPORT	1740.74	338.94	2079.68
R.1.1 -RAILWAYS	45.82	43.80	89.61
R.1.2 -ROADWAYS	1256.47	275.27	1531.74
R.1.4 -WATERWAYS	18.36	0.47	18.83
R.1.5 -OTHERS	420.10	19.40	439.50
R.2 ENERGY	12459.97	468.96	12928.93
R.2.1 -ELEC(GEN/TRMN/DTB)	12433.73	468.96	12902.69
R.2.2 -OIL (STRG/PIPELINES)	26.23	0.01	26.24
R.2.3 -GAS/LNG STRG/PIPELINE	0.01	0.00	0.01
R.3 TELECOMMUNICATION	334.34	8.44	342.78
R.4 INFRA-OTHERS	3629.77	79.62	3709.39
R.4.1 -WATER SANITATION	1042.60	13.71	1056.32
R.4.2 -SOCIAL & COMM.	2587.17	65.90	2653.07
S.OTHER INDUSTRIES	185.62	29.78	215.40

T.RESIDUARY	29919.88	1222.70	31142.58
T.a EDUCATION LOAN	231.79	0.34	232.13
T.b AVIATION SECTOR	870.89	0.19	871.08
Grand Total	**57857.74**	**3433.43**	**61291.17**

Significant Exposure

Industry where the Total Exposure is more than 5% of Total Fund based and Non-fund based exposure:

Amt. - `/ Crores

S.No.	Industry	Exposure
1	Infrastructure	19060.78
2	Residuary	31142.58

RESIDUAL CONTRACTUAL MATURITY BREAKDOWN OF ASSETS

Amt. - `/ Crores

Maturity Pattern's (Time Buckets)	Loans & Advances	Investments (Book Value)	Foreign Currency		Deposits	Borrowings
			Liabilities	Assets		
Next 1 Day	547.63	0.39	30.18	221.23	584.18	0.00
2 Days To 7 Days	1044.21	346.32	0.74	17.80	1547.94	380.00
8 Days To 14 Days	1473.68	292.94	5.08	24.86	2016.91	0.00
15 Days To 28 Days	2270.23	480.30	12.12	50.09	3564.36	0.00
29 Days To 3 Months	6617.49	4076.32	29.91	191.97	11947.63	40.00
Over 3 Months To 6 Months	3844.42	36.69	32.33	73.03	10739.15	200.04
Over 6 Months To 1 Year	7320.15	899.81	94.68	0.00	27745.45	0.00
Over 1 Year To 3 Years	14495.39	2417.71	92.77	0.00	13121.22	150.00
Over 3 Years To 5 Years	9011.54	5874.52	8.70	0.00	4321.80	100.00
Over 5 Years	10614.33	13869.11	0.00	0.00	9141.52	1435.00
GRAND TOTAL	57239.07	28294.11	306.51	578.98	84730.17	2305.04

Amount of NPAs (Gross)

	Category	Amt. - `/ Crores
1	Substandard	1494.81
2	Doubtful 1	672.15
3	Doubtful 2	346.99
4	Doubtful 3	13.33

5	Loss	26.24

Net NPAs

	Amt. - `/ Crores
Net NPAs	1918.60

NPA Ratios

	Category	Percent
1	Gross NPAs to Gross advances	4.41%
2	Net NPAs to Net advances	3.35%

Movement of NPAs (Gross)

	Amt. - `/ Crores
Opening Balance	1536.90
Additions	1619.61
Reductions	602.99
Closing Balance	2553.52

Movement of Provisions for NPAs

	Amt. - `/ Crores
Opening Balance	412.56
Provisions made during the period	564.68
Write-off	
Write-back of excess provisions	358.57
Closing Balance	618.67

Amount of Non-Performing Investments

	Amt. - `/ Crores
Amount of Non-Performing Investments	59.04

Amount of provisions held for non-performing investments

	Amt. - `/ Crores
Provisions held for non-performing investments	33.45

Movement of provisions for depreciation on investments

	Amt. - `/ Crores
Opening Balance	22.73
Provisions made during the period	9.55
Write-off	Nil
Write-back of excess provisions	13.23
Closing Balance	19.05

Table DF 4 - CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

Qualitative Disclosures

1. The Bank has approved using the general rating of the following credit rating agencies for risk weighting under the standardized approach for CRAR calculations CRISIL, ICRA, India Rating, SMERA, BRICKWORK and CARE for domestic claims and S&P, FITCH and Moody's for claims on non-resident corporates, foreign banks and foreign sovereigns.

The ratings of all these agencies are being used for all exposures subjected to rating for risk weighting purposes under the standardized approach for CRAR calculations under Basel-II as defined by RBI.

3. The process used to transfer public issue ratings on to comparable assets in the banking book is as per regulatory requirements of RBI. The public ratings published by the rating agencies on their website are used for this purpose. Only, ratings which are in force as per monthly bulletin of the concerned rating agency and which have been reviewed at least once during the previous 15 months are used.

4. For all the exposures on a particular counterparty, bank uses the rating of only one agency, even though these exposures are rated by more than one with exception being where each of the exposures is rated by only one of the approved rating agencies.

5. To be eligible for risk-weighting purposes, it is ensured that the external credit assessment takes into account and reflects the entire amount of credit risk exposure the bank has with regard to all payments owed to it i.e., both principal and interest. External assessments for one entity within a corporate group is not used to risk weight other entities within the same group.

6. For assets that have contractual maturity less than or equal to one year, short term ratings are used while for other assets, long term ratings are used. For Cash Credit exposures long term ratings are taken.

7. Where an issuer has a long-term exposure with an external long term rating that warrants a risk weight of 150%, all unrated claims on the same counterparty, whether short-term or long-term, also receive a 150% risk weight, except in cases where credit risk mitigation techniques are used for such claims. Similar is the case with short-term rating.

8. The long-term ratings assigned by the approved rating agencies are directly mapped to the risk weights under the Standardised Approach for long-term exposures. On the contrary, the *unrated short-term* claim on counter-party attracts a risk weight of at least one level higher than the risk weight applicable to the rated short-term claim on that counter-party. Issue-specific short-term ratings are used to derive risk weights for claims arising from the rated facility against banks and a corporate's short-term rating is not used to support a risk weight for an unrated long-term claim.

9. If there are two ratings accorded by eligible credit rating agencies, which map into different risk weights, the higher risk weight is applied. If there are three or more ratings accorded by eligible credit rating agencies with different risk weights, the ratings corresponding to the two lowest risk weights are referred to and the higher of those two risk weights are applied, i.e., the second lowest risk weight.

10. The RW of the investment claim is based on specific rating by a chosen credit rating agency, where the claim is not an investment in a specific assessed issue:

i) the rating applicable to the specific debt (where the rating maps into a risk weight lower than that which applies to an unrated claim) is applied to the bank’s un-assessed claim only if this claim ranks *pari-passu* or senior to the specific rated debt in all respects and the maturity of the un-assessed claim is not later than the maturity of the rated claim**, e**xcept where the rated claim is a short term obligation.

ii) if either the issuer or single issue has been assigned a rating which maps into a risk weight equal to or higher than that which applies to unrated claims, an unrated claim on the same counterparty, is assigned the same risk weight as is applicable to the rated exposure, if this claim ranks *pari-passu* or junior to the rated exposure in all respects.

Exposure amounts after risk mitigation subject to the standardized approach

Amt. - `/ Crores

Risk Weight Category	**Rated Exposure**	**Un-Rated Exposure**	**Exposure After Credit Risk Mitigation**
Below 100 % risk weight	10509.08	21754.30	32263.37
100 % risk weight	5765.27	14377.32	20142.59

More than 100 % risk weight	4582.26	1539.32	6121.57
Deducted	0.00	0.00	0.00
TOTAL	**20856.61**	**37670.94**	**58527.53**

Table DF 5 - CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

Qualitative Disclosures

1. Credit Risk Mitigation is a proactive management tool designed to enhance revenue growth, while protecting an entity's earnings from loss. Banks employ various methods and techniques to reduce the impact of the credit risks they are exposed to in their daily operations. Some of the credit risk mitigation techniques are permitted to be used by the supervisor for reducing the capital charge after adjustment for value, currency mismatch and maturity mismatch. Various Credit Risk Mitigants (CRM) recognized under the New Capital Adequacy Framework (Basel II) and Basel III are as follows:

- → Collateralised transactions
- → On-balance-sheet-netting
- → Guarantees

2. **Eligible financial collateral**:

All collaterals are not recognised as credit risk mitigants under the Standardised Approach. The following are the financial collaterals recognized:

i. Cash and Deposits including deposits in foreign currency.
ii. Gold: benchmarked to 99.99% purity.
iii. Securities issued by Central and State Governments
iv. Kisan Vikas Patra and National Savings Certificates
v. Life insurance policies
vi. Debt securities -Rated subject to conditions.
vii. Debt securities not rated issued by banks subject to conditions
viii. Units of mutual funds subject to conditions
ix. Re-securitisations, irrespective of any credit ratings, are not eligible financial collateral.

There are certain additional standards for availing capital relief for collateralized transactions, which have direct bearing on the management of collaterals, and these aspects are taken into account during Collateral Management.

3. On-balance-sheet-netting

On-balance sheet netting is confined to loans/advances (treated as exposure) and deposits (treated as collateral), where Bank has legally enforceable netting arrangements, involving specific lien with proof of documentation and which are managed on a net basis.

4. Guarantees Where guarantees are direct, explicit, irrevocable and unconditional, bank takes account of such credit protection in calculating capital requirements. The range of eligible guarantors / counter guarantors as per Basel III includes:

i. Sovereigns, sovereign entities (including BIS, IMF, European Central Bank and European Community as well as those MDBs, ECGC and CGTSI, CRGFTLIH), banks and primary dealers with a lower risk weight than the counterparty;
ii. Other entities that are externally rated except when credit protection is provided to a securitisation exposure. This would include credit protection provided by parent, subsidiary and affiliate companies when they have a lower risk weight than the obligor.
iii. When credit protection is provided to a securitisation exposure, other entities that currently are externally rated BBB- or better and that were externally rated A- or better at the time the credit protection was provided. This would include credit protection provided by parent, subsidiary and affiliate companies when they have a lower risk weight than the obligor.

The Bank accepts all types of collaterals against exposures. However, for Basel-III norms, the eligible collaterals are considered and given appropriate treatment before they are set-off against exposures. The bank has a well laid-out Credit Risk Mitigation & Collateral management Policy and also guidelines for valuation of collaterals. The Bank also takes cognizance of eligible guarantees and substitution of rating of guarantor(s) in cases where these are better than that of the counter-party. Besides, for purposes of credit protection, Central Govt., State Govt., ECGC and CGFT coverages are also taken into account to apply appropriate risk weights.

Disclosed credit risk portfolio under the standardised approach, the total exposure that is covered by: Eligible financial collateral; after the application of haircuts – **` 2491.56 crore**

Table DF 6- SECURITISATION: DISCLOSURE FOR STANDARDISED APPROACH

<u>Qualitative Disclosures</u>

Objective of Policy on Securitization of Assets

1. For Raising Resources

1.1 To raise resources for the Bank (through mortgage/ asset backed securitization) at a reasonable cost.
1.2 For better asset liability management as long tenure assets can be disposed off, in case of need, to reduce the maturity mismatches.
1.3 To manage the capital funds efficiently without effecting the growth of the Bank.
1.4 To rotate assets and to continue to book business even while capital availability is scarce.
1.5 To access to new source of funding and diversify the existing funding sources.
1.6 To maximize the returns by churning assets fast.

1.7 For better managing the credit portfolio. By hiring of assets in sectors of high concentration, the Bank would be in a position to continue to book additional business in these sectors and hence maintain market share, client relationship etc.

2. For Deploying Surplus Funds: Avenue for bulk deployment of surplus funds either by subscribing to the PTCs or by purchase of assets through bilateral assignment of debts with reasonable rate of return. However, Bank has not sold out any standard credit portfolio under securitization to any other entities.

Exposure (Balance Outstanding) under Securitisation (Assignment) of Standard Pool Assets – ` 78.69 crore

Table DF 7 - MARKET RISK IN TRADING BOOK

<u>Qualitative disclosures</u>

Market risk refers to the uncertainty of future earnings resulting from changes in interest rates, foreign exchange rates, market prices and volatilities. The Bank assumes market risk in its lending and deposit taking businesses and in its investment activities, including position taking and trading. The market risk is managed in accordance with the investment policies, which are approved by the Board. These policies ensure that operations in securities, foreign exchange and derivatives are conducted in accordance with sound and acceptable business practices and are as per the extant regulatory guidelines, laws governing transactions in financial securities and the financial environment. Market Risk in Trading Book is assessed as per the Standardized Duration approach. The capital charge for Held for Trading (HFT) and Available for Sale (AFS) portfolios is computed as per Reserve Bank of India prudential guidelines.

Market risk management objectives:

The objectives of market risk management are as follows:

- Management of liquidity
- Management of interest rate risk and exchange rate risk.
- Proper classification and valuation of investment portfolio
- Adequate and proper reporting of investments and derivative products
- Compliance with regulatory requirements

<u>Quantitative Disclosures</u>

The capital requirements for:	**Amt. - `/ Crores**
Interest rate risk;	175.54
Equity position risk;	37.25
Foreign exchange risk;	0.77

Table DF 8 - OPERATIONAL RISK

<u>Qualitative disclosures</u>

The Bank has formulated Policies on "Operational Risk Management' and the "Business Continuity Plan & Disaster Recovery Management". These policies are being reviewed by the Board of the Bank on annual basis. Bank is in process of collecting "Loss Data'.

As per the policy on Operational Risk, the Operational Risk Management Committee (ORMC) has been set up which is headed by the Executive Director. Regular meetings of the ORMC are convened at least on quarterly basis. Inspection Deptt of the bank undertakes onsite "Risk Based Internal Audit" (RBIA) of the branches. Credit Proposals / Limits beyond ` 3 Crores are subjected to Regular Credit Audit also.

Inspection, Reconciliation and Vigilance Departments are reporting matters relating to Housekeeping, Reconciliation and Frauds etc. periodically to ACB. Regulatory reporting with regard to Operational Risk and Business Continuity Plan is made timely & regularly. Bank is presently following 'Basic Indicator Approach" for calculating Capital Charge on Operational Risk. However, the bank is preparing to move to advance approaches of calculating capital charge for Operational Risk.

Table DF 9 -INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

<u>Qualitative disclosures</u>

The Interest rate risk in banking book is measured and managed by the bank through Traditional Gap for Earnings at Risk (Ear) approach and modified Duration Gap for Economic Value (MVE) Approach. Interest rate risk in banking book includes all advances and investments kept under Held to Maturity (HTM) portfolio. The strategies and process/structure of organization / scope and nature of risk reporting/policies etc. are the same as reported under DF– 8. The methodology adopted to measure the interest rate risk in banking book (IRRBB) is based on RBI suggested guidelines.

1.1 RBI has stipulated monitoring of interest rate risk through a Statement of Interest Rate Sensitivity (Reprising Gaps) to be prepared at monthly intervals. Accordingly, ALCO reviews Interest Rate Sensitivity statement on monthly basis and monitors the Earnings at Risk (EaR) which measures the change in net interest income of the Bank due to parallel change in interest rate on both the assets and liabilities.

1.2 RBI has also stipulated to estimate the impact of change in interest rates on economic value of bank's assets and liabilities through Interest Rate Sensitivity under Duration Gap Analysis

(IRSD). Bank also carries out Duration Gap analysis as stipulated by RBI at monthly/quarterly intervals. The impact of interest rate changes on the Market Value of Equity (MVE) is monitored through Duration Gap Analysis. Using the above, Modified Duration of liabilities and assets for each bucket is calculated and the impact on their value for a change in interest rate by 200 bps is reckoned by adding up the net position is arrived to determine as to whether there will be a positive increase in the value or otherwise.

1.3 As a prudential measure limit has been fixed for EaR as well as for Net Duration Gap of the assets and liabilities and the same is monitored at regular intervals.

<u>Quantitative Disclosures</u>

a) **Earning at Risk**

Amt. - `/ Crores

At 100 bps change for gaps upto 1 year on average basis	**81.71**

b) **Modified Duration Gap for Economic Value (MVE) – 6.81%**

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

Qualitative Disclosures

Counter Party Credit Risk (CCR) is the risk of default by the Counterparty towards settlement of transaction before or at the maturity. Counter party credit limits (Inter Bank limits) are set up and monitored through ALM Policy. All the Derivative Transactions with the Counterparty are evaluated through Board approved Derivative Policy of the Bank. However, Bank is not having any Derivative Transactions

Bank does not have any policy related to Wrong Way Risk exposure. Bank is yet to enter into any Credit Support Annex (CSA) Agreement with its Counterparties and such impact is currently not quantifiable.

Quantitative

Bank does not recognize bilateral netting

`in Crores

Particulars	**Notional Amount**	**Current Exposure**
Foreign Exchange Contracts	7104.90	221.65

Bank is not having any derivative exposure/transactions.

Table DF 11 – Composition of Capital

`in Crores

S. No.	Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from March 31, 2013 to December 31, 2017)		Amounts Subject To Pre Basel III Treatment	Ref No.
	Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	979.26		
2	Retained earnings	183.21		
3	Accumulated other comprehensive income (and other reserves)	2818.06		
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies1) Public sector capital injections grandfathered until 1/1/2018	0.00		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	0.00		
6	**Common Equity Tier 1 capital before regulatory adjustments**	3980.53		
	Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	0.00		
8	Goodwill (net of related tax liability)	0.00		
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	0.05		
10	Deferred tax assets	0.00		
11	Cash-flow hedge reserve	0.00		
12	Shortfall of provisions to expected losses	0.00		
13	Securitisation gain on sale	0.00		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0.00		
15	Defined-benefit pension fund net assets	0.00		
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	0.00		
17	Reciprocal cross-holdings in common equity	13.47		
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)	0.00		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)3	0.00		

20	Mortgage servicing rights4 (amount above 10% threshold)	Not Relevant		
21	Deferred tax assets arising from temporary differences5 (amount above 10% threshold, net of related tax liability)	Not Relevant		
22	Amount exceeding the 15% threshold6	Not Relevant		
23	of which: significant investments in the common stock of financials	Not Relevant		
24	of which: mortgage servicing rights	Not Relevant		
25	of which: deferred tax assets arising from temporary differences	Not Relevant		
26	National specific regulatory adjustments (26a+26b+26c)	69.08		
26a	Investments in the equity capital of unconsolidated nonfinancial subsidiaries8	0		
26b	Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank9	0		
26c	Unamortised pension funds expenditures	69.08		
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	82.60		
	OF WHICH: filtering out of unrealised losses on AFS debt securities (not relevant in Indian context)	-		
	OF WHICH: deferred tax assets arising from temporary differences	-		
	OF WHICH: intangible assets	-		
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	82.60		
29	**Common Equity Tier 1 capital (CET1)**	3897.93		
	Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	360.00		
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	200.00		
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	160.00		
33	Directly issued capital instruments subject to phase out from Additional Tier 1	288		
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)	0.00		
35	of which: instruments issued by subsidiaries subject to phase out	0.00		
36	**Additional Tier 1 capital before regulatory adjustments**	288.00		
	Additional Tier 1 capital: regulatory adjustments			

37	Investments in own Additional Tier 1 instruments	0.00		
38	Reciprocal cross-holdings in Additional Tier 1 instruments	0.00		
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)	0.00		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions10)	0.00		
41	National specific regulatory adjustments	0.00		
41a	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	0.00		
41b	REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	103.69		
	OF WHICH: deferred tax assets arising from temporary differences	0.00		
	OF WHICH: existing adjustments which are deducted from Tier 1 at 50%	0.08		
	OF WHICH:	103.61		
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	103.69		
44	Additional Tier 1 capital (AT1)	184.31		
44a	Additional Tier 1 capital reckoned for capital adequacy11	184.31		
45	**Tier 1 capital (T1 = CET1 + AT1) (row 29 + row 44a)**	**4082.24**		
	Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	0.00		
47	Directly issued capital instruments subject to phase out from Tier 2	1132		
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)	0.00		
49	of which: instruments issued by subsidiaries subject to phase out	0.00		
50	Provisions12	726.62		
51	**Tier 2 capital before regulatory adjustments**	**1858.62**		
	Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	0.00		
53	Reciprocal cross-holdings in Tier 2 instruments	26.80		

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)	0.00		
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions13)	0.00		
56	National specific regulatory adjustments (56a+56b)	0.00		
56a	Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	0.00		
56b	REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE BASEL III TREATMENT	26.80		
	OF WHICH: existing adjustments which are deducted from Tier 2 at 50%	0.00		
	OF WHICH:	0.00		
57	**Total regulatory adjustments to Tier 2 capital**	26.80		
58	**Tier 2 capital (T2)**	1831.82		
58a	Tier 2 capital reckoned for capital adequacy14	1831.82		
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	0.00		
58c	Total Tier 2 capital admissible for capital adequacy (row 58a + row 58b)	1831.82		
59	**Total capital (TC = T1 + T2) (row 45+row 58c)**	5914.06		
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	53591.17		
	OF WHICH:			
	OF WHICH: …			
60	**Total risk weighted assets (row 60a +row 60b +row 60c)**	53591.17		
60a	of which: total credit risk weighted assets	47898.61		
60b	of which: total market risk weighted assets	2372.78		
60c	of which: total operational risk weighted assets	3319.78		
	Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	7.27%		
62	Tier 1 (as a percentage of risk weighted assets)	7.62%		
63	Total capital (as a percentage of risk weighted assets)	11.04%		
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	5.00%		
65	of which: capital conservation buffer requirement	0		
66	of which: bank specific countercyclical buffer requirement	0		
67	of which: G-SIB buffer requirement	0		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	2.27%		

	National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.00%		
70	National Tier 1 minimum ratio (if different from Basel III minimum)	6.50%		
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 financials	0		
73	Significant investments in the common stock of financials	0		
74	Mortgage servicing rights (net of related tax liability)	Not applicable in India		
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)	352.78		
77	Cap on inclusion of provisions in Tier 2 under standardised approach	669.89		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	N.A.		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	N.A.		
	Capital instruments subject to phase-out arrangements (only applicable between April 1, 2018 and March 31, 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	Not applicable in India		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82	Current cap on AT1 instruments subject to phase out arrangements			
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84	Current cap on T2 instruments subject to phase out arrangements			
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			

Table DF 12 –Composition of Capital- Reconciliation Requirements-

Not applicable as the Bank’s Balance sheet as in Financial Statement is same as Balance sheet under regulatory scope of consolidation

Table DF 13 – Main features of Regulatory Capital Instruments

		Tier I Capital	
Sr. No	**Disclosure template for main features of regulatory capital instruments**	**PNCPS(perpetual non-cumulative preference shares)= 200 crore**	**IPDI/ PDI=160 crore**
1	Issuer	Punjab & Sind Bank	Punjab & Sind Bank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE608A04024	INE608A09106
3	Governing law(s) of the instrument	Banking companies(acquisition and transfer of undertakings) act 1980	Banking companies(acquisition and transfer of undertakings) act 1980
	Regulatory treatment		
4	Transitional Basel III rules	AT-1	AT-1
5	Post-transitional Basel III rules	AT-1	AT-1
6	Eligible at solo/group/ group & solo	Solo	Solo
7	Instrument type	Perpetual Non-cumulative Preference shares.	Perpetual Debt Instruments
8	Amount recognised in regulatory capital (Rs. in million, as of most recent reporting date)	INR 160 Crores	INR 128 Crores
9	Par value of instrument	Rs 10	Rs 1000000
10	Accounting classification	Shareholders' Equity	Liability (Borrowing)
11	Original date of issuance	22.12.2008	22.12.2008
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No Maturity	No Maturity
14	Issuer call subject to prior supervisory approval	No	No
15	Optional call date, contingent call dates and redemption amount	NA	NA
16	Subsequent call dates, if applicable	NA	NA
	Coupons / dividends		
17	Fixed or floating dividend/coupon	floating	floating
18	Coupon rate and any related	Repo rate +100 bps	10 year G-sec +250 bps

	index		
19	Existence of a dividend stopper	YES	No
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary	Mandatory
21	Existence of step up or other incentive to redeem	**No**	**No**
22	Noncumulative or cumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	NO	NO
31	If write-down, write-down trigger(s)	NA	NA
32	If write-down, full or partial	NA	NA
33	If write-down, permanent or temporary	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	i) Depositors & general creditors ii) All tier 2 regulatory capital - Subordinated debt & PCPS iii) PDI	i) Depositors & general creditors ii) Subordinated Debt / PCPS
36	Non-compliant transitioned features	YES	YES
37	If yes, specify non-compliant features	Point of non-viability.	Point of non-viability.

		Tier II Capital	Tier II Bonds (Subordinated Debt Instruments)						
Sr. No	**Disclosure template for main features of regulatory capital instruments**	**PCPS(Perpetual cumulative Preference Shares)= 200 crore**	**SERIES- VII= 40 crore**	**Series- VIII= 150 crore**	**Series- IX= 100 crore**	**Series- X =400 crore**	**Series- XI = 175 crore**	**Series - XII =200 crore**	**SERIES- XIII =300 crore**
1	Issuer	Punjab & Sind Bank	Punjab & Sind Bank	Punjab & Sind Bank	Punjab & Sind Bank	Punjab & Sind Bank	Punjab & Sind Bank	Punjab & Sind Bank	Punjab & Sind Bank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE608A04016	INE608A09064	INE608A09072	INE608A09080	INE608A09098	INE608A09114	INE608A09122	INE608A09130
3	Governing law(s) of the instrument	Banking companies(acquisition and transfer of undertakings) act 1980	Securities Contract Regulation Act 1956, Companies Act 1956, Banking companies (acquisition and transfer of undertakings) act 1980, Depositories Act 1996, GOI, RBI, SEBI, Concerned Stock Exchanges. .provisions contained in annexure C and/or annexure D to the companies (Central Government's) General rules and forms 1956.	Securities Contract Regulation Act 1956, Companies Act 1956, Banking companies (acquisition and transfer of undertakings) act 1970, Depositories Act 1996, GOI, RBI, SEBI, Concerned Stock Exchanges. Provisions contained in annexure C and/or annexure D to the companies (Central Government's) General rules and forms 1956.	Securities Contract Regulation Act 1956, Companies Act 1956, Banking companies (acquisition and transfer of undertakings) act 1980, Depositories Act 1996, GOI, RBI, SEBI, Concerned Stock Exchanges. .provisions contained in annexure C and/or annexure D to the companies (Central Government's) General rules and forms 1956.	Securities Contract Regulation Act 1956, Companies Act 1956, Banking companies (acquisition and transfer of undertakings) act 1980, Depositories Act 1996, GOI, RBI, SEBI, Concerned Stock Exchanges. .provisions contained in annexure C and/or annexure D to the companies (Central Government's) General rules and forms 1956.	Securities Contract Regulation Act 1956, Companies Act 1956, Banking companies (acquisition and transfer of undertakings) act 1980, Depositories Act 1996, GOI, RBI, SEBI, Concerned Stock Exchanges. .provisions contained in annexure C and/or annexure D to the companies (Central Government's) General rules and forms 1956.	Securities Contract Regulation Act 1956, Companies Act 1956, Banking companies (acquisition and transfer of undertakings) act 1980, Depositories Act 1996, GOI, RBI, SEBI, Concerned Stock Exchanges. .provisions contained in annexure C and/or annexure D to the companies (Central Government's) General rules and forms 1956.	Securities Contract Regulation Act 1956, Companies Act 1956, Banking companies (acquisition and transfer of undertakings) act 1980, Depositories Act 1996, GOI, RBI, SEBI, Concerned Stock Exchanges. Provisions contained in annexure C and/or annexure D to the companies (Central Government's) General rules and forms 1956.
	Regulatory treatment								

4	Transitional Basel III rules	Tier 2	Tier II	Tier II	Tier II	Tier II	Tier II	Tier II	Tier II
5	Post-transitional Basel III rules	Tier 2	Tier II	Tier II	Tier II	Tier II	Tier II	Tier II	Tier II
6	Eligible at solo/group/ group & solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo
7	Instrument type	Perpetual Cumulative Preference Shares.	Tier II debt instruments	Tier II debt instruments	Tier II debt instruments	Tier II debt instruments	Tier II debt instruments	Tier II debt instruments	Tier II debt instruments
8	Amount recognised in regulatory capital (Rs. in Crores	Rs 160 Crores	Rs 0 Crores	Rs 60 Crores	Rs 72 Crores	Rs 320 Crores	Rs 140 Crores	Rs 160 Crores	Rs 240 Crores
9	Par value of instrument	Rs 10	Rs. 100000	Rs. 1000000	Rs. 1000000	Rs. 1000000	Rs. 1000000	Rs. 1000000	Rs. 1000000
10	Accounting classification	Liability (Borrowing)	Liability (Borrowing)	Liability (Borrowing)	Liability (Borrowing)	Liability (Borrowing)	Liability (Borrowing)	Liability (Borrowing)	Liability (Borrowing)
11	Original date of issuance	22.12.2008	30.03.2005	31.07.2006	15.02.2008	22.09.2008	26.06.2009	11.01.2010	24.06.2011
12	Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	No Maturity	30.04.2014	30.04.2016	15.05.2018	22.04.2019	26.04.2019	11.04.2020	24.10.2021
14	Issuer call subject to prior supervisory approval	NO	NO	No	No	No	No	No	Yes
15	Optional call date, contingent call dates and redemption amount	NA	NA	NA	NA	NA	NA	NA	24.06.2017 redemption at par
16	Subsequent call dates, if applicable	NA	NA	NA	NA	NA	NA	NA	NA
	Coupons / dividends								
17	Fixed or floating dividend/coupon	Floating	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	10 year G-sec +250 bps	7.40%	9.25%	9.10%	11.05%	8.70%	8.70%	9.73%
19	Existence of a dividend stopper	No	No	No	No	No	No	No	No
20	Fully discretionary, partially discretionary or	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory

	mandatory								
21	Existence of step up or other incentive to redeem	**No**	**No**	**No**	**No**	**No**	**No**	**No**	No
22	Noncumulative or cumulative	Cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	NA	NA	NA	NA	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA	NA	NA	NA	NA
30	Write-down feature	NO	NO	NO	NO	NO	NO	NO	NO
31	If write-down, write-down trigger(s)	NA	NA	NA	NA	NA	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA	NA	NA	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA	NA	NA	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA	NA	NA	NA

35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	i) Depositors & general creditors	UNSECURED LIABILITIES (depositors & general creditors))	UNSECURED LIABILITIES (depositors & general creditors))	UNSECURED LIABILITIES (depositors & general creditors))	UNSECURED LIABILITIES (depositors & general creditors))	UNSECURED LIABILITIES (depositors & general creditors))	UNSECURED LIABILITIES (depositors & general creditors))	UNSECURED LIABILITIES (depositors & general creditors))
36	Non-compliant transitioned features	YES	YES	YES	YES	YES	YES	YES	YES
37	If yes, specify non-compliant features	Point of non-viability.	Point of non-viability and maturity of the above mentioned bond is less than 10 years.	Point of non-viability and maturity of the above mentioned bond is less than 10 years.	Point of non-viability.	Point of non-viability.	Point of non-viability and maturity of the above mentioned bond is less than 10 years.	Point of non-viability.	Point of non-viability.

Table DF 14 –Full Terms & Conditions of Regulatory Capital Instruments

1. **BOND ISSUE – VII RS. 40 CRORE**

TERMS OF THE PRESENT ISSUE

Punjab & Sind Bank is seeking offer for subscription of Unsecured Redeemable Non-Convertible Subordinated Bonds (Series-VII) in the nature of Promissory Notes of Rs. 1,00,000/- each for cash at par aggregating to Rs. 40.00 crores.

The Bonds offered are subject to provisions of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, the Companies Act, 1956, Securities Contract Regulation Act, 1956, terms of this Information Memorandum, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement and Bond Trust Deed. Over and above such terms and conditions, the Bonds shall also be subject to the applicable provisions of the Depositories Act, 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India (GoI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange(s) or any other authorities and other documents that may be executed in respect of the Bonds.

NATURE & STATUS OF THE BONDS

The Bonds are to be issued in the form of Unsecured Redeemable Non-Convertible Subordinated Bonds (Series-VII) in the nature of Promissory Notes. The Bonds will constitute direct, unsecured and subordinated obligations of the Bank, ranking pari-passu with the existing/ future subordinated debt of the Bank and subordinated to the claims of all other creditors and depositors of the Bank as regards repayment of principal and interest by the Bank. The Bonds shall be free of any restrictive clauses and shall not be redeemable at the initiative of the holder and without the consent of the Reserve Bank of India (RBI).

INSTRUMENT & ISSUE DETAILS AT A GLANCE

Issue Size	Rs. 40.00 crores
Issue Objects	Augmenting the Tier-II Capital for strengthening the Capital Adequacy and enhancing long term resources of the Bank
Instrument	Unsecured Redeemable Non-Convertible Subordinated Bonds (Series-VII) in the nature of Promissory Notes
Instrument Form	In Dematerialised Form
Credit Rating	‘LA’ by ICRA
Face Value	Rs. 1,00,000/- per Bond
Issue Price	At par (i.e. Rs. 1,00,000/- per Bond)
Minimum Application	10 Bonds and in multiples of 10 Bonds thereafter
Tenure	109 months

Put & Call Option	None
Redemption/ Maturity	At par at the end of 109 Months from the Deemed Date of Allotment
Coupon Rate (% p.a.) *	7.40%
Interest Payment	Annually on May 15
Listing	Proposed on the National Stock Exchange of India Limited (NSE)
Trustee	IDBI Trusteeship Services Limited has been appointed by the Bank to act as Trustees for and on behalf of the holder(s) of the Bonds
Interest on Application Money *	At the coupon rate from the date of realisation of cheque(s)/ demand draft(s) upto one day prior to the Deemed Date of Allotment

* Subject to deduction of tax at source, as applicable.

2. BOND ISSUE – VIII RS. 150 CRORE

Punjab & Sind Bank is seeking offer for subscription of Unsecured Redeemable Non-Convertible Subordinated Bonds (Series-VIII) in the nature of Promissory Notes of Rs. 10,00,000/- each for cash at par aggregating to Rs. 100.00 crores with an option to retain oversubscription.

The Bonds offered are subject to provisions of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, the Companies Act, 1956, Securities Contract Regulation Act, 1956, terms of this Information Memorandum, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement and Bond Trust Deed. Over and above such terms and conditions, the Bonds shall also be subject to the applicable provisions of the Depositories Act, 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India (GoI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange(s) or any other authorities and other documents that may be executed in respect of the Bonds.

NATURE & STATUS OF THE BONDS

The Bonds are to be issued in the form of Unsecured Redeemable Non-Convertible Subordinated Bonds (Series-VIII) in the nature of Promissory Notes. The Bonds will constitute direct, unsecured and subordinated obligations of the Bank, ranking pari-passu with the existing/ future subordinated debt of the Bank and subordinated to the claims of all other creditors and depositors of the Bank as regards repayment of principal and interest by the Bank. The Bonds shall be free of any restrictive clauses and shall not be redeemable at the initiative of the holder and without the consent of the Reserve Bank of India (RBI).

INSTRUMENT & ISSUE DETAILS AT A GLANCE

Issue Size	Rs. 100.00 crores with an option of retain oversubscription
Issue Objects	Augmenting the Tier-II Capital for strengthening the Capital Adequacy and enhancing long term resources of the Bank
Instrument	Unsecured Redeemable Non-Convertible Subordinated Bonds (Series-VIII) in the nature of Promissory Notes
Instrument Form	In Dematerialised Form
Credit Rating	"AA-" by CRISIL and "LA+" by ICRA
Face Value	Rs. 10,00,000/- per Bond
Issue Price	At par (i.e. Rs. 10,00,000/- per Bond)
Minimum Application	1 Bonds and in multiples of 1 Bonds thereafter
Tenure	117 months
Put & Call Option	None
Redemption/ Maturity	At par at the end of 117 Months from the Deemed Date of Allotment
Coupon Rate (% p.a.) *	9.25% p.a.
Interest Payment	Annually on May 15th
Listing	Proposed on the National Stock Exchange of India Limited (NSE)
Trustee	IDBI Trusteeship Services Limited has been appointed by the Bank to act as Trustees for and on behalf of the holder(s) of the Bonds
Interest on Application Money *	At the coupon rate from the date of realisation of cheque(s)/ demand draft(s) upto one day prior to the Deemed Date of Allotment

* subject to deduction of tax at source, as applicable.

3.BOND ISSUE – IX RS. 100 CRORE

TERMS OF THE PRESENT ISSUE

Punjab & Sind Bank is seeking offer for subscription of Unsecured Redeemable Non-Convertible Subordinated Tier-II Bonds (Series-IX) in the nature of Promissory Notes of Rs. 10,00,000/- each for cash at par aggregating to Rs. 100 crores.

The Bonds offered are subject to provisions of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, the Companies Act, 1956, Securities Contract Regulation Act, 1956, terms of this Information Memorandum, Instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement and Bond Trust Deed. Over and above such terms and conditions, the Bonds shall also be subject to the applicable provisions of the Depositories Act, 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India (GoI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange or any other authorities and other documents that may be executed in respect of the Bonds.

NATURE & STATUS OF THE BONDS

The Bonds are to be issued in the form of Unsecured Redeemable Non-Convertible Subordinated Tier-II Bonds in the nature of Promissory Notes. The Bonds will constitute direct, unsecured and subordinated obligations of the Bank, ranking pari passu with the existing/ future subordinated debt of the Bank and subordinated to the claims of all other creditors and depositors of the Bank as regards payment of interest and repayment of principal by the Bank out of its own funds. The Bonds shall be free of any restrictive clauses and shall not be redeemable at the initiative of the holder or without the consent of the Reserve Bank of India (RBI).

OBJECTS OF THE ISSUE

The present issue of bonds is being made for augmenting the Tier-II Capital of the Bank for strengthening its Capital Adequacy and for enhancing the long-term resources of the Bank. The expenses of the present issue would be borne by the Bank. The Main Object Clause of the Memorandum of Association of the Bank enables it to undertake the activities for which the funds are being raised through the present issue and also the activities which the Bank has been carrying on till date. The proceeds of this Issue would be used by the Bank for its regular business activities.

INSTRUMENT & ISSUE DETAILS AT A GLANCE

Issue Size	Rs. 100 crores
Issue Objects	Augmenting the Tier-II Capital for strengthening the Capital Adequacy and enhancing long term resource base of the Bank
Instrument	Unsecured Redeemable Non-Convertible Subordinated Tier-II Bonds in the nature of Promissory Notes (Series-IX)
Instrument Form	In Dematerialised Form
Credit Rating	"LAA" by ICRA and "AA-/Stable" by CRISIL
Face Value	Rs. 10,00,000/- per Bond
Issue Price	At par (Rs. 10,00,000/- per Bond)
Minimum Application	1 Bond and in multiples of 1 Bond thereafter
Tenure	10 Year and 3 Months (123 Months)
Put & Call Option	*None*
Redemption	At par at the end of 10 Year and 3 Months from the Deemed Date of Allotment
Coupon Rate*	9.10% p.a.
Interest Payment	Semi-Annual
Interest Payment dates	May 15 and November 15 each year
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Limited (NSE)

Trustee	IDBI Trusteeship Services Limited (ITSL) has been appointed by the Bank to act as Trustees for and on behalf of the holder(s) of the Bonds
Interest on Application Money *	At the coupon rate i.e. @ 9.10% p.a. from the date of realisation of cheque(s)/ demand draft(s)/ RTGS upto one day prior to the Deemed Date of Allotment

* subject to deduction of tax at source, as applicable.

2. BOND ISSUE – X Rs. 400 CRORE

SUMMARY TERM SHEET

Issuer	Punjab & Sind Bank
Issue Size	Rs. 400 crores
Instrument	Unsecured Redeemable Non-Convertible Subordinated Tier-II Bonds (Series-X) in the nature of Promissory Notes (“Bonds”)
Issuance/ Trading	In Dematerialized Form
Credit Rating	“LAA” by ICRA and “CARE AA” by CARE
Security	Unsecured
Face Value	Rs. 10,00,000/- per Bond
Issue Price	At par (Rs. 10,00,000/- per Bond)
Redemption Price	At par (Rs. 10,00,000/- per Bond)
Minimum Subscription	1 Bond and in multiples of 1 Bond thereafter
Tenure	127 Months (10 Year 7 Months)
Put & Call Option	None
Redemption/ Maturity	At par at the end of 127 Months (10 Year 7 Months) from the Deemed Date of Allotment (with prior approval from the Reserve Bank of India)
Redemption Date	April 15, 2019
Coupon Rate *	11.05% p.a.
Interest Payment	Annual
Interest Payment Date	15th May of each year
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Ltd. (NSE)
Trustee	IDBI Trusteeship Services Ltd. has been appointed by the Bank to act as Trustees for and on behalf of the holder(s) of the Bonds
Depository	National Securities Depository Ltd. and Central Depository Services (India) Ltd.
Registrars	MCS Ltd.

Interest on Application Money *	At coupon rate (i.e. @ 11.05% p.a.) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment
Settlement	Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through RTGS system
Mode of Subscription	Cheque(s) / demand draft(s) may be drawn in favour of "**Punjab & Sind Bank**" and crossed "**Account Payee Only**" payable at par at designated centers mentioned elsewhere in the Disclosure Document or by way of electronic transfer of funds through RTGS mechanism for credit in the account of "**Punjab & Sind Bank RTGS Account**" IFSC Code: "**PSIB 0000385**" for Mumbai and "**PSIB 0000001**" for New Delhi
Issue Opens on ^	September 10, 2008
Issue Closes on ^	September 12, 2008
Pay-In Dates ^	September 10, 2008 to September 12, 2008
Deemed Date of Allotment ^	September 15, 2008

* subject to deduction of tax at source, as applicable.

^ The Bank reserves its sole and absolute right to modify (pre-pone/ postpone) the issue opening/ closing/ pay-in date(s) without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Bank. The Bank also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice.

3. BOND ISSUE – XI Rs. 175 CRORE

SUMMARY TERM SHEET

Issuer	Punjab & Sind Bank
Issue Size	Rs. 175 crores
Issue Objects	Augmenting Tier-II Capital for strengthening the Capital Adequacy and enhancing long term resources of the Bank
Instrument	Unsecured Redeemable Non-Convertible Subordinated Lower Tier-II Bonds (Series-XI) in the nature of Promissory Notes ("Bonds")
Nature of Instrument	These Bonds shall be fully paid-up, unsecured, subordinated to the claims of other creditors, free of restrictive clauses and shall not be redeemable at the initiative of the holder or without the consent of the RBI
Issuance/ Trading	In Dematerialized Form
Credit Rating	"LAA" by ICRA and "CARE AA" by CARE
Security	Unsecured
Face Value	Rs. 10,00,000/- per Bond

Issue Price	At par (Rs. 10,00,000/- per Bond)
Redemption Price	At par (Rs. 10,00,000/- per Bond)
Minimum Subscription	1 Bond and in multiples of 1 Bond thereafter
Tenure	9 Year 10 Months (118 Months)
Put & Call Option	None
Redemption/ Maturity	At par at the end of 9 Year 10 Months (118 Months) from the Deemed Date of Allotment (subject to prior approval from RBI)
Redemption Date	April 26, 2019 (subject to prior approval from RBI)
Coupon Rate *	8.70% p.a.
Interest Payment	Annual
Interest Payment Date	On May 15, every year and on final maturity
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Ltd. (NSE)
Trustee	IDBI Trusteeship Services Ltd.
Depository	National Securities Depository Ltd. and Central Depository Services (India) Ltd.
Registrars	MCS Ltd.
Interest on Application Money *	At the coupon rate (i.e. @ 8.70% p.a) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to but excluding the Deemed Date of Allotment
Settlement	Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through RTGS/ ECS system
Mode of Subscription	Cheque(s) / demand draft(s) may be drawn in favour of "**Punjab & Sind Bank**" and crossed "**Account Payee Only**" payable at par at designated centers mentioned elsewhere in the Disclosure Document or by way of electronic transfer of funds through RTGS mechanism for credit in the account of "**Punjab & Sind Bank RTGS Account**" IFSC Code: "**PSIB 0000385**" for Mumbai and "**PSIB 0000001**" for New Delhi
Issue Opens on ^	June 15, 2009
Issue Closes on ^	June 19, 2009
Pay-In Date ^	June 15, 2009 to June 19, 2009
Deemed Date of Allotment ^	June 26, 2009

* subject to deduction of tax at source, as applicable.

^ The Bank reserves its sole and absolute right to modify (pre-pone/ postpone) the issue opening/ closing/ pay-in date(s) without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Bank. The Bank also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice.

4. **BOND ISSUE – XII Rs. 200 CRORE**

VII. SUMMARY TERM SHEET

Issuer	Punjab & Sind Bank
Issue Size	Rs. 200 crores
Issue Objects	Augmenting Tier-II Capital for strengthening the Capital Adequacy and enhancing long term resources of the Bank
Instrument	Unsecured Redeemable Non-Convertible Subordinated Lower Tier-II Bonds (Series-XII) in the nature of Promissory Notes ("Bonds")
Nature of Instrument	These Bonds shall be fully paid-up, unsecured, subordinated to the claims of other creditors, free of restrictive clauses and shall not be redeemable at the initiative of the holder or without the consent of the RBI
Issuance/ Trading	In Dematerialized Form
Credit Rating	"LAA" by ICRA and "AA" by CRISIL
Security	Unsecured
Face Value	Rs. 10,00,000/- per Bond
Issue Price	At par (Rs. 10,00,000/- per Bond)
Redemption Price	At par (Rs. 10,00,000/- per Bond)
Minimum Subscription	1 Bond and in multiples of 1 Bond thereafter
Tenure	10 Year 3 Months (123 Months)
Put & Call Option	None
Redemption/ Maturity	At par at the end of 10 Years 3 Months (123 Months) from the Deemed Date of Allotment (subject to prior approval from RBI)
Redemption Date	April 15, 2020 (subject to prior approval from RBI)
Coupon Rate *	8.70% p.a.
Interest Payment	Annual
Interest Payment Date	On May 15, every year and on final maturity
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Ltd. (NSE)
Trustee	IDBI Trusteeship Services Ltd.
Depository	National Securities Depository Ltd. and Central Depository Services (India) Ltd.
Registrars	MCS Ltd.
Interest on Application Money *	At the coupon rate (i.e. @ 8.70% p.a) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to but excluding the Deemed Date of Allotment
Settlement	Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through RTGS/ ECS system
Mode of Subscription	Cheque(s) / demand draft(s) may be drawn in favour of "**Punjab &**

	Sind Bank" and crossed "**Account Payee Only**" payable at par at designated centers mentioned elsewhere in the Disclosure Document or by way of electronic transfer of funds through RTGS mechanism for credit in the account of "**Punjab & Sind Bank RTGS Account**" IFSC Code: "**PSIB 0000385**" for Mumbai and "**PSIB 0000001**" for New Delhi
Issue Opens on ^	January 6, 2010
Issue Closes on ^	January 13, 2010
Pay-In Date ^	January 6, 2010 to January 13, 2010
Deemed Date of Allotment ^	January 15, 2010

* subject to deduction of tax at source, as applicable.

^ The Bank reserves its sole and absolute right to modify (pre-pone/ postpone) the issue opening/ closing/ pay-in date(s) without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Bank. The Bank also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice.

5. BOND ISSUE – XIII Rs. 300 CRORE

SUMMARY TERM SHEET

Issuer	Punjab & Sind Bank
Issue Size	Rs. 300 crore
Issue Objects	Augmenting Tier-II Capital for strengthening the Capital Adequacy and enhancing long term resources of the Bank
Instrument	Unsecured Redeemable Non-Convertible Subordinated Lower Tier-II Bonds (Series-XIII) in the nature of Promissory Notes ("Bonds")
Nature of Instrument	These Bonds shall be fully paid-up, unsecured, subordinated to the claims of other creditors, free of restrictive clauses and shall not be redeemable at the initiative of the holder or without the consent of the RBI
Issuance/ Trading	In Dematerialized Form
Credit Rating	"LAA+" by ICRA and "CARE AA+" by CARE
Security	Unsecured
Face Value	Rs. 10,00,000/- per Bond
Issue Price	At par (Rs. 10,00,000/- per Bond)
Redemption Price	At par (Rs. 10,00,000/- per Bond)
Minimum Subscription	1 Bond and in multiples of 1 Bond thereafter
Tenure	124 Months
Put Option	None
Call Option	At the end of 6^{th} Year (Subject to Approval from RBI)

Redemption/ Maturity	At par at the end of 124 Months from the Deemed Date of Allotment (subject to prior approval from RBI)
Redemption Date	24th October 2021 (subject to prior approval from RBI)
Coupon Rate *	9.73% p.a.
Interest Payment	Annual
Interest Payment Date	On May 15, every year and on final maturity
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Ltd. (NSE)
Trustee	IDBI Trusteeship Services Ltd.
Depository	National Securities Depository Ltd. and Central Depository Services (India) Ltd.
Registrars	MCS Ltd.
Interest on Application Money *	At the coupon rate (i.e. @ 9.73% p.a) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to but excluding the Deemed Date of Allotment
Settlement	Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through RTGS/ ECS system
Mode of Subscription	By way of electronic transfer of funds through RTGS mechanism for credit in the account of **"Punjab & Sind Bank RTGS Account"** IFSC Code: **"PSIB0000001"** for New Delhi
Issue Opens on ^	20th June 2011
Issue Closes on ^	24th June 2011
Pay-In Date ^	20th June 2011 to 24th June 2011
Deemed Date of Allotment ^	24th June 2011

* Subject to deduction of tax at source, as applicable.

^ The Bank reserves its sole and absolute right to modify (pre-pone/ postpone) the issue opening/ closing/ pay-in date(s) without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Bank. The Bank also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice.

Table DF 15 –Disclosure Requirements for Remuneration-

Not applicable to PSU Banks