PILLAR III DISCLOSURE UNDER BASEL-III FRAMEWORK
FOR THE QUARTER ENDED 31ST DECEMBER, 2013

Table DF – 1	Scope of Application

Qualitative Disclosures

a) The name of the top Bank in the group to which the framework applies.

a) The framework of disclosures applies to **Allahabad Bank**, which is the top Bank in the group.

b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group

i) that are fully consolidated;
ii) that are pro-rata consolidate;
iii) that are given a deduction treatment; and
iv) That are neither consolidated nor deducted (e.g. where the investment is risk-weighted).

b) The Bank's subsidiary /Associates and Joint venture are as under:

Subsidiary: The Bank has one subsidiary as under:

Name of Subsidiary	Country of Incorporation	Ownership (%)
All Bank Finance	India	100%

Associates: One Regional Rural Bank sponsored by the Bank is as under.

Name of Banks	Country of Incorporation	Ownership (%)
Allahabad UP Gramin Bank	India	35%

Joint Venture: The Bank has invested in Joint Venture Insurance company and Asset Securitisation company as under:

Name of Company	Country of Incorporation	Ownership (%)
M/S Universal Sompo General Insurance Company Limited	India	30.00%
M/S ASREC (India) Ltd.	India	27.04%

The Subsidiary, Associates and Joint Ventures are consolidated in the Statement of Accounts as per Accounting Standard 21, 23 and 27

	respectively of Institute of Chartered Accountants of India (ICAI). For computation of CRAR of the Bank, investment in Subsidiary, Associates and Joint Ventures are deducted from Tier-I and Tier-II capital equally as per RBI guidelines.

Sl. No.	Quantitative Disclosures	
1	The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation i.e. that are deducted and the names of such subsidiaries.	There is no deficiency in respect of any subsidiary.
2	The aggregate amounts (e.g., current book value) of the Bank's total interests in insurance entities, which are risk weighted as well as their name, their country of incorporation or residence, the proportion of ownership interest and if different the proportion of voting power in these entities. In addition, indicate the quantitative impact on regulatory capital of using this method versus using the deduction.	The Bank has made investment amounting to Rs 105.00 Crores by way of equity subscription in an insurance joint venture i.e., Universal Sompo General Insurance Company Limited incorporated in India, representing 30% of the company's paid-up capital. Investment in the joint venture insurance company is not deducted from Capital of the Bank as per RBI Guidelines, since the Bank's investment is not above the level of significant investment, which is not more than 30% of the investee entity's paid-up capital.

Table DF – 2	Capital Adequacy

Qualitative Disclosures	
Capital Adequacy	The Bank carries out regular assessment of its Capital requirements to maintain a comfortable Capital to Risk Weighted Assets Ratio (CRAR) and to cushion against the risk of losses against any unforeseen events so as to protect the interest of all stakeholders. The Bank carries out the exercise of Capital Planning on an annual basis to review the review the capital required to carry out its activities smoothly in the future. Also, the Bank has well defined Internal Capital Adequacy Assessment Process (ICAAP) to comprehensively address all risks and maintain necessary additional capital. The Bank has adopted Standardized Approach for Credit Risk, Basic Indicator Approach for Operational Risk and Standardized Duration Approach for Market Risk for computing CRAR, as per the guidelines of RBI.

SL No	Quantitative Disclosures (Amount Rs in Crores)	
(a)	**Capital requirements for Credit Risk:**	
	• Portfolios subject to Standardized approach	10509.78
	• Securitizations exposures	NIL
(b)	**Capital requirements for Market Risk:**	
	• Interest rate risk	659.88
	• Foreign exchange risk (including gold)	107.21
	• Equity risk	16.56
(c)	**Capital requirements for Operational Risk:**	
	• Basic Indicator Approach	905.62
	• The Standardized Approach (if applicable)	NA
(d)	**Common Equity Tier 1, and Total Capital ratios:**	
	• Allahabad Bank (Solo Basis)	
	• Common Equity Tier I capital to Total RWA	7.49%
	• Tier I capital to Total RWA	7.68%
	• Total capital ratio	10.46%
	Retained earnings as on 31st December 2013 have not been included in computation of the Capital ratios.	

Table DF – 3	Credit Risk: General Disclosure

a) The general qualitative disclosure requirement with respect to credit risk, including:

- **Definition of past due and impaired (for accounting purposes)**

The Bank follows Reserve Bank of India regulations, which are summed up below.

a. Non-performing Assets

An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank.

A non-performing asset (NPA) is a loan or an advance where;

I. Interest and/ or installment of principal remain overdue for a period of more than 90 days in respect of a term loan,

II. the account remains 'out of order' for 90 days as indicated below, in respect of an Overdraft/Cash Credit (OD/CC),

III. The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,

IV. The installment of principal or interest thereon remains overdue for two crop seasons for short duration crops,

V. The installment of principal or interest thereon remains overdue for one crop season for long duration crops.

VI. 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 February 1, 2006.

VII. Bank should classify an account as NPA only if the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter.

VIII. A loan for infrastructure/non-infrastructure project will be classified as NPA during any time before commencement of commercial operations as per record of recovery (90 days overdue) unless it is restructured and becomes eligible for classification as "Standard Asset"

IX. A loan for an infrastructure project will be classified as NPA if it fails to commence commercial operations within two years from original DCCO, even if it is regular as per record of recovery, unless it is restructured and becomes eligible for classification as "Standard Asset"

X. A loan for a non-infrastructure project will be classified as NPA if it fails to commence commercial operations within six months from original DCCO, even if it is regular as per record of recovery, unless it is restructured and becomes eligible for classification as "Standard Asset"

b. 'Out of Order' status

An account is treated as **'out of order'** if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but 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, these accounts are treated as **'out of order'**.

c. Overdue

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.

d. Non Performing Investments

In respect of securities, where interest/ principal is in arrears, the Bank does not reckon income on the securities and makes appropriate provisions for the depreciation in the value of the investment.

A non-performing investment (NPI), similar to a non-performing advance (NPA), is one where:

I. Interest/ installment (including maturity proceeds) is due and remains unpaid for more than 90 days.

II. This applies mutatis-mutandis to preference shares where the fixed dividend is not paid.

III. In the case of equity shares, in the event the investment in the shares of any company is valued at Re.1 per company on account of the non-availability of the latest balance sheet in accordance with the Reserve Bank of India instructions, those equity shares are also reckoned as NPI.

IV. Any credit facility availed by the issuer is NPA in the books of the bank, investment in any of the securities issued by the same issuer is treated as NPI and vice versa.

V. The investments in debentures / bonds, which are deemed to be in the nature of advance, are subjected to NPI norms as applicable to investments.

- **Definitions of past due and impaired (for accounting purposes);**

Overdrafts and other credit facilities without specific due dates shall be considered past due if:

1. Exceeds the customer's borrowing limit.
2. Customers borrowing limit is expired.
3. Deposits are insufficient to cover the interest calculated and due for the period
4. Bill has been dishonored

5. Bill or account is not paid on due date

Loans which are payable in installments are considered as past due in their entirety. If any of the installments have become due and unpaid after due date.

Outstanding Loans and advances reviewed by quantitative approach should be classified as follows:

No. of days Past Due	Outstanding	Provisions
91-180	Substandard	10%
181-270	Doubtful	50%
271 and More	Loss	100%

- **Discussion of the Bank's Credit Risk Management Policy**

1. Credit Risk Management Policies:

1.1. The Bank has put in place a well-structured Credit Risk Management Policy duly approved by the Board. The Policy document defines organizational structure, role and responsibilities and the processes whereby the Credit Risks carried by the Bank can be identified, quantified, managed and controlled within the framework which the Bank considers consistent with its mandate and risk tolerance limits.

1.2. Credit Risk is monitored by the Bank account wise and compliance with the risk limits / exposure cap approved by the Board is ensured. The quality of internal control system is also monitored and in-house expertise has been built up to tackle all the facets of Credit Risk.

1.3. The Bank has taken earnest steps to put in place best Credit Risk Management practices. In addition to Credit Risk Management Policy, the Bank has also framed Board approved Lending Policy, Investment Policy, Country Risk Management Policy, Recovery Policy etc. which form integral part in monitoring of credit risk and ensures compliance with various regulatory requirements, more particularly in respect of Exposure norms, Priority Sector norms, Income Recognition and Asset Classification guidelines, Capital Adequacy, Credit Risk Management guidelines etc. of RBI/other Statutory Authorities.

1.4. Besides, the Bank has also put in place a Board approved policy on Credit Risk Mitigation & Collateral Management which lays down the details of securities and administration of such securities to protect the interests of the Bank. These securities act as mitigants against the credit risk to which the Bank is exposed.

2. Architecture and Systems of the Bank:

2.1. A Sub-Committee of Board of Directors termed as Risk Management Committee (RMC) has been constituted to specifically oversee and co-ordinate Risk Management functions in the bank.

2.2. A Credit Risk Management Committee of executives has been set up to formulate and implement various credit risk strategies including lending policy and to monitor Bank's Risk Management functions on a regular basis.

3. Credit Appraisal / Internal Rating:

3.1. The Bank manages its credit risk through continuous measuring and monitoring of risks at each obligor (borrower) and portfolio level. The Bank has robust internally developed credit risk grading / rating modules and well-established credit appraisal / approval processes.

3.2. The internal risk rating / grading modules capture quantitative and qualitative issues relating to management risk, business risk, industry risk, financial risk and project risk. Besides, such ratings consider transaction specific credit enhancement features while assessing the overall rating of a borrower. The data on industry risk is constantly updated based on market conditions.

3.3. The rating for every borrower is reviewed. As a measure of robust credit risk management practices, the bank has implemented a three tier system of credit rating process for the loan proposals sanctioned at Head Office Level and two tier system at Zonal Office/ Branch level which includes validation of rating independent of credit department. For the proposals falling under the powers of Bank's Head Office, the validation of ratings is done at Risk Management Department.

3.4. The Bank follows a well defined multi layered discretionary power structure for sanction of loans. As advised by the ministry various committees have been formed at ZO & HO Level. ZLCC AGM/DGM headed by Zonal Head, ZLCC GM headed by GM, HLCC GM headed by GM (Credit), HLCC ED headed by ED(Executive Director) & CAC headed by CMD. A structure named New Business Group (NBG) headed by CMD has been constituted at Head Office level for considering in-principle approval for taking up fresh credit proposals above a specified cut-off point. The Bank has put in place a risk management framework for new products which lay down minimum processing / assessment norms to assess risk in a New Product prior to its introduction.

SL No	Quantitative Disclosures (Amount Rs in Crores)		
1	**Total gross credit risk exposures, Fund based and Non-fund based**		
	1.1 Fund Based		137300
	1.2 Non Fund Based		15725
2	**Geographic distribution of exposures**		
	2.1	Overseas	
		2.1.1 Fund Based	7260
		2.1.2 Non Fund Based	404
	2.2	Domestic	
		2.2.1 Fund Based	130040
		2.2.2 Non Fund Based	15321
3	**Industry type distribution of exposures**		
	Fund based		60678
4	**Residual Contractual maturity breakdown of assets**		

Buckets	Advances	Investments
Next day	326.78	7630.31
2 – 7 days	739.18	400.77
8 –14 days	694.30	715.64
15 – 28 days	1425.18	797.98
29 days – 3 months	10681.50	2352.27
>3 months – 6 months	13183.13	2370.69
> 6months – 1 year	11978.52	3004.91
>1 year – 3 years	56070.35	7023.33
> 3 years – 5 years	17483.29	11002.37
> 5 years	22404.75	27174.20

5	**Amount of NPAs (Gross)**	
	5.1 Substandard	4433
	5.2 Doubtful 1	2388
	5.3 Doubtful 2	555
	5.4 Doubtful 3	58
	5.5 Loss	78
6	**Net NPAs**	**5651**
7	**NPA Ratios**	
	7.1 Gross NPAs to gross advances	**5.47**
	7.2 Net NPAs to net advances	**4.19**
8	**Movement of NPAs (Gross)**	
	8.1 Opening balance	5137
	8.2 Additions	4354
	8.3 Reductions	1979
	8.4 Closing balance	7512
9	**Movement of provisions for NPAs**	
	9.1 Opening balance	1531
	9.2 Provisions made during the period	425
	9.3 Write-off	137
	9.4 Write-back of excess provisions	0
	9.5 Closing Balance	1819
10	**Amount of Non-Performing Investments**	39
11	**Amount of provisions held for non-performing investments**	10
12	**Movement of provisions for depreciation on investments**	
	12.1 Opening balance	340
	12.2 Provisions made during the period	23
	12.3 Write-off	0
	12.4 Write-back of excess provisions	0
	12.5 Closing balance	363

Table DF – 4	**Credit Risk: disclosures for portfolios subject to the standardized approach**

Qualitative Disclosures

- Under Standardized Approach the Bank accepts rating of all RBI approved ECRA (External Credit Rating Agency) namely CARE, CRISIL, Fitch (India), ICRA, SMERA (SME Rating Agency of India Ltd.) and Brickwork India Pvt Ltd for domestic credit exposures. For overseas credit exposures the bank accepts rating of Standard & Poor, Moody's and Fitch.

- The bank encourages Corporate and Public Sector Entity (PSE) borrowers to solicit credit ratings from ECRA and has used these ratings for calculating risk weighted assets wherever such ratings are available.

SL No	The exposure amounts after risk mitigation subject to Standardized Approach (rated and unrated) in the following three major risk buckets are as under:	
	Quantitative Disclosures	**(Amount Rs in Crores)**
1	**For exposure amounts after risk mitigation subject to the standardized approach, amount of the Bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted;**	
	1.1 (a) Below 100 % risk weight	68821
	1.1 (b) Below 100 % risk weight (Non- Funded)	15654
	1.2 (a) 100 % risk weight (Funded)	41627
	1.2 (b) 100 % risk weight (Non- Funded)	6692
	1.3 (a) More than 100 % risk weight (Funded)	26852
	1.3 (b) More than 100 % risk weight (Non- Funded)	2476
	1.4 Deducted	--

Table DF – 5	**Credit Risk Mitigation: Disclosures for Standardised Approaches**

Qualitative Disclosures

1. Bank obtains various types of securities (which may also be termed as collaterals) to secure the exposures (Fund based as well as Non-Fund based) on its borrowers. The collaterals commonly used by the Bank as the risk mitigants comprise of the financial collaterals (i.e., Bank deposits, govt./postal securities, life insurance policies, gold jewellery, units of mutual funds etc.), various categories of movable and immovable assets/landed properties etc.
2. Where personal/corporate guarantee is considered necessary, the guarantee is preferably that of the principal members of the group holding shares in the borrowing company/ flagship Group Company of corporate. It is ensured that their estimated net worth is substantial enough for them to stand as guarantors.
3. In line with the regulatory requirements, the Bank has put in place a well-articulated Policy on Credit Risk Mitigation and Collateral Management duly approved by the Bank’s Board.
4. As advised by RBI, the Bank has adopted the comprehensive approach relating to credit risk mitigation under Standardized Approach, which allows fuller offset of eligible securities against exposures, by effectively reducing the exposure amount by the value ascribed to the securities. Thus the eligible financial collaterals have been used to reduce the credit exposure in computation of credit risk capital. In doing so, the Bank has recognised specific securities namely (a) Bank Deposits (b) Life Insurance Policies (c) NSCs / KVPs (d) Government Securities, in line with the RBI guidelines on the matter.
5. Besides, other approved forms of credit risk mitigation are “On Balance Sheet Netting” and availability of “Eligible Guarantees”. On balance sheet netting has been reckoned to the extent of the deposits available against the loans/advances of the borrower (to the extent of exposure) as per the RBI guidelines. Further, in computation of credit risk capital, the types of guarantees recognized for mitigation and applicable Risk Weights, in line with RBI Guidelines are (a) Central Government Guarantee (0%) (b) State Government (20%) (c) CGTMSE (0%) (d) ECGC (20%) (e) Bank guarantee in form of bills purchased/discounted under Letter of Credit (20% or as per rating of foreign Banks).

7. All types of securities eligible for mitigation are easily realizable financial securities. As such, presently no limit/ceiling has been prescribed to address the concentration risk in credit risk mitigants recognized by the Bank.

SL No	Quantitative Disclosures (Amount Rs in Crores)	
(b)	For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts.	13176.40
(c)	For each separately disclosed portfolio the total exposure (after, where applicable, on or off-balance sheet netting) that is covered by guarantees/credit derivatives (whenever specifically permitted by RBI)	Nil

Table DF – 6	Securitisation: Disclosure for Standardised Approach Qualitative Disclosures
The Bank/Group does not have any securitization exposure.	

Table DF – 7	Market Risk in Trading Book

Qualitative disclosures

(a) Market Risk:

1. Market Risk is defined as the possibility of loss caused by changes/movements in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. Bank's exposure to Market risk arises from investments (interest related instruments and equities) in trading book (both AFS and HFT categories) and the Foreign Exchange positions. The objective of the market risk management is to minimize the impact of losses on earnings and equity.
2. The Bank has put in place Board approved Policies on Investments, Foreign Exchange Operations, Trading in Forex Market, Derivatives, Asset Liability Management and Stress Testing for effective management of market risk. The policies ensure that operations in fixed income securities, equities, foreign exchange and derivatives are conducted in accordance with sound business practices and as per extant regulatory guidelines.
3. Bank uses 'Cash-flow Approach' and 'Stock Approach' for measuring, monitoring and managing Liquidity Risk. Under cash flow approach, mismatches under various time buckets are analyzed vis-à-vis tolerance limits. Under stock approach, various ratios like Core Deposits/Total Assets, Temporary Assets/Volatile Liabilities, etc. are calculated and analyzed against tolerance limits specified in the ALM Policy. Appropriate corrective measures, wherever required are taken as per directives of ALCO / Board. The Bank has also put in place mechanism for Contingency Funding Plan to assess the projected liquidity position of the Bank under stressed scenarios.
4. Interest Rate Risk is managed through use of Gap analysis of rate sensitive assets and liabilities and monitored through prudential tolerance limits. Bank uses Traditional Gap Analysis (TGA) for assessing the impact of Interest Rate Risk on its Net Interest Income over a short term i.e. upto 1 year. For assessing long term impact of interest rate changes on Market Value of Equity / Net Worth, Duration Gap Analysis (DGA) is carried out.

5. The Bank has put in place various limits to measure, monitor and manage market risk. Day Light Limits, Overnight Limits, Aggregate Gap Limits, VaR Limit, Deal Size Limits, Counterparty Limits, Instrument-wise Limits, Dealer-wise limits, Stop Loss Limits etc. The limits are monitored on daily basis and a reporting system to the top management is in place.
6. The Bank has adopted Standardized Duration Approach as prescribed by RBI for computation of capital charge for Market Risk.

S. No	Quantitative Disclosures (Amount Rs. in Crores)		
1	The total capital requirements for Market Risk		**783.65**
	1.1 Interest rate risk	659.88	
	1.2 Equity position risk	107.21	
	1.3 Foreign exchange risk	16.56	

Table DF – 8	Operational Risk

Qualitative disclosures

1. Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputation risks.

2. The Bank has framed Operational Risk Management Policy duly approved by the Board. Supporting policies adopted by the Board which deal with management of various areas of operational risk are (a) Compliance Risk Management Policy (b) Forex Risk Management Policy (c) Policy Document on Know Your Customers (KYC) and Anti Money Laundering (AML) Procedures (d) Business Continuity and Disaster Recovery Policy (e) Fraud Risk Management Policy etc.

3. The Operational Risk Management Policy adopted by the Bank outlines organization structure and detailed processes for management of operational risk. The basic objective of the policy is to closely integrate operational risk management system into the day-to-day risk management processes of the Bank by clearly assigning roles for effectively identifying, assessing, monitoring and controlling / mitigating operational risks and by timely reporting of operational risk exposures, including material operational losses. Operational risks in the Bank are managed through comprehensive and well articulated internal control frameworks.

4. In line with the final guidelines issued by RBI, the Bank has adopted the **Basic Indicator Approach** for computing capital for Operational Risk.

5. As per the guidelines, the capital for operational risk is equal to 15% of average positive annual Gross Income of previous three years as defined by RBI. Accordingly, the capital requirement for operational risk as on 31.12.2013 is Rs. 10062.42 Crores.

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

Qualitative disclosures

(a) Interest Rate Risk in the Banking Book:

1. Interest Rate Risk is the risk where changes in market interest rates might adversely affect a Bank's financial condition. The immediate impact of changes in interest rates is on Bank's earnings i.e.
   Net Interest Income (NII). A long -term impact of changing interest rates is on Bank's Market Value of Equity (MVE) or Net Worth as the economic value of Bank's assets, liabilities and off-balance sheet positions get affected due to variation in market interest rates.

2. The impact on income (Earnings perspective) is measured through use of Traditional Gap analysis, which measures mismatch between rate sensitive liabilities and rate sensitive assets (including off-balance sheet positions) over different time intervals, as at a given date. The impact of interest rate risk on NII is assessed by applying notional rate shock of 100,200 & 300 bps on gaps in various time bucket up to a period of one year as prescribed in Bank's ALM Policy.

3. The Bank has adopted Duration Gap Analysis (DGA) to measure interest rate risk in its balance sheet from the economic value perspective. The Bank computes bucket-wise Modified Duration of Rate sensitive Liabilities and Assets using the suggested common maturity, coupon and yield parameters, prescribed by RBI/ALCO. The modified Duration Gap is computed from weighted average modified duration of total rate sensitive assets and rate sensitive liabilities. The impact of change in interest rate on net worth is analyzed by applying a notional interest rate shock of100, 200 & 300 bps.

4. The analysis & reporting of Interest rate risk is done by the Bank on a monthly basis.

S.No.	Quantitative Disclosures	
		(Amount in Rs. Crores)
1.	**Change in Interest Rate**	**Earnings at Risk (NII)**
	1.00%	46.44
2.	**Change in Interest Rate**	**Economic Value of Equity at Risk (Net Worth)**
	1.00%	684.11

Table DF – 11	Composition of Capital

(Rs. in million)

	Particulars	Amount	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)	26961.05		A1 + A2
2	Retained earnings	77817.12		B1 + B2+ B3+ B4
3	Accumulated other comprehensive income (and other reserves)	-		
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies1)	-		
	Public sector capital injections grandfathered until 1 January 2018	-		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-		
6	**Common Equity Tier 1 capital before regulatory adjustments**	**104778.17**		
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)	0.00		
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	20.42	102.11	
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)	0.00		
20	Mortgage servicing rights (amount above 10% threshold)	0.00		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0.00		
22	Amount exceeding the 15% threshold	0.00		
23	of which: significant investments in the common stock of financials	0.00		
24	of which: mortgage servicing rights	0.00		
25	of which: deferred tax assets arising from temporary differences	0.00		
26	National specific regulatory adjustments (26a+26b+26c+26d)	2989.60		
26a	Of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	0.00		
26b	Of which: Investment in the equity capital of unconsolidated non-financial subsidiaries			
26c	Of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the Bank	0.00		
26d	Of which: Unamortized pension funds expenditures	2989.60	2989.60	
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	0.00		
	OF WHICH: Investment in the equity capital of unconsolidated financial subsidiaries	73.35	366.75	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	0.00		
28	**Total regulatory adjustments to Common equity Tier 1**	**3083.17**		
29	**Common Equity Tier 1 capital (CET1)**	**101694.80**		
Additional Tier 1 capital: instruments				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	0.00		
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	0.00		
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	0.00		
33	Directly issued capital instruments subject to phase out from Additional Tier 1	2700.00		C1
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**	**2700.00**		
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	1.00	5.00	
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 positions)	0.00		
41	National specific regulatory adjustments (41a + 41b)	146.70		
41a	Investments in Additional Tier I Capital of unconsolidated insurance subsidiaries	0.00		
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the Bank	0.00		
	REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	0.00		
	OF WHICH: Investment in the equity capital of unconsolidated financial subsidiaries	146.70		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	0.00		
43	**Total regulatory adjustments to Additional Tier 1 capital**	**147.70**		
44	**Additional Tier 1 capital (AT1)**	**2552.30**		
44a	**Additional Tier 1 capital reckoned for capital adequacy**	**2552.30**		
45	**Tier 1 capital (T1 = CET1 + AT1) (row 29 + row 44a)**	**104247.10**		
Tier 2 capital: instruments and reserves				
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	24747.60		C2+ C3
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	Provisions	13532.24		D1+ D2
51	**Tier 2 capital before regulatory adjustments**	**38279.84**		
Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments	0.00		
53	Reciprocal cross-holdings in Tier 2 instruments	452.56	2262.82	
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 positions)	0.00		
56	National specific regulatory adjustments (56a+56b)	146.70		
56a	Of which: Investments in the Tier II capital of unconsolidated subsidiaries	0.00		
56b	Of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the Bank	0.00		
	REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	0.00		
	OF WHICH: Investment in the equity capital of unconsolidated financial subsidiaries	146.70		
57	**Total regulatory adjustments to Tier 2 capital**	**599.26**		
58	**Tier 2 capital (T2)**	**37680.57**		
58a	**Tier 2 capital reckoned for capital adequacy**	**37680.57**		
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)**	**37680.57**		
59	**Total capital (TC = T1 + T2) (row 45+row 58c)**	**141927.67**		
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT			
60	**Total risk weighted assets (row 60a +row 60b +row 60c)**	**1356846.39**		
60a	**of which: total credit risk weighted assets**	1169435.86		
60b	**of which: total market risk weighted assets**	86786.31		
60c	**of which: total operational risk weighted assets**	100624.22		

Capital ratios				
61	**Common Equity Tier 1 (as a percentage of risk weighted assets)**	**7.49%**		
62	**Tier 1 (as a percentage of risk weighted assets)**	**7.68%**		
63	**Total capital (as a percentage of risk weighted assets)**	**10.46%**		
64	**Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)**	**4.5%**		
65	**of which: capital conservation buffer requirement**	0.00%		
66	**of which: Bank specific countercyclical buffer requirement**	-		
67	**of which: G-SIB buffer requirement**	-		
68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)**	**4.50%**		
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 financials	0.00		
73	Significant investments in the common stock of financials	0.00		
74	Mortgage servicing rights (net of related tax liability)	0.00		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	0.00		
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)	13532.24		
77	Cap on inclusion of provisions in Tier 2 under standardised approach	14596.92		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	NA		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	NA		
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2021)				

80	Current cap on CET1 instruments subject to phase out arrangements	NA		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	NA		
82	Current cap on AT1 instruments subject to phase out arrangements	2700		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	300		
84	Current cap on T2 instruments subject to phase out arrangements	24748		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	1000		

Table DF – 12	Reconciliation of Regulatory Capital Items

(Rs. in million)

S. No.	Particulars	Balance sheet as in financial statements	Ref. No.
A.	**Capital & Liabilities**		
i.	Paid-up Capital	54446.09	A1
	Reserves & Surplus	122597.43	-
	of which:		
	Statutory Reserve	27543.87	B1
	Capital Reserve	3944.05	B2
	Revenue & Other Reserves	37734.28	B3
	Investment Reserve Account	890.85	D1
	Share Premium	21514.96	A2
	Special Reserve	9310.00	B4
	Revaluation Reserve	8530.63	D2
	Minority Interest	0.00	-
	Total Capital	128043.53	-
ii.	Deposits	1874780.69	-
	of which: Deposits from Banks	9371.07	-
	of which: Customer deposits	1865409.62	-
iii.	Borrowings	128918.95	-
	of which: From RBI	9000.00	-
	of which: From Banks	11433.92	-
	of which: From other institutions & agencies	1609.81	-
	of which: Others (Outside India)	69756.23	-
	of which: Capital instruments	37119	-

	Of which: Subordinated Innovative Perpetual Debt Instruments	3000	C1
	Of which: Subordinated Debt – Upper Tier II Capital	10000	C2
	Of which: Subordinated Debt – Tier II Capital	24119	C3
iv.	Other liabilities & provisions	44409.66	-
	Total	**2176152.83**	
B.	**Assets**		
i.	Cash and balances with Reserve Bank of India	95044.19	-
	Balance with Banks and money at call and short notice	67030.55	-
ii.	Investments:	624724.73	-
	of which: Government securities	487877.23	-
	of which: Other approved securities	441.57	-
	of which: Shares	4347.78	-
	of which: Debentures & Bonds	60073.26	-
	of which: Subsidiaries / Joint Ventures / Associates	1317.85	-
	of which: Others (Commercial Papers, Mutual Funds etc.)	70667.03	-
iii.	Loans and advances	1349869.72	-
	of which: Loans and advances to Banks		-
	of which: Loans and advances to customers		-
iv.	Fixed assets	12940.34	-
v.	Other assets	26543.29	-
	of which: Goodwill and intangible assets	0.00	-
	of which: Deferred tax assets	0.00	-
vi.	Goodwill on consolidation	0.00	-
vii.	Debit balance in Profit & Loss account	0.00	-
	Total Assets	**2176152.83**	

Table DF – 13	Main Features of Regulatory Capital

A. Equity Capital

The main features of Equity capital are as follows:

S. No.	Particulars	Equity
1	Issuer	Allahabad Bank
2	Unique identifier	ISIN: INE428A01015
3	Governing law(s) of the instrument	Indian Laws
Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier I
5	Post-transitional Basel III rules	Common Equity Tier I
6	Eligible at solo/group/ group & solo	Solo & Group
7	Instrument type	Common Shares
8	Amount recognised in regulatory capital (as of most recent reporting date)	Rs 5446.09 million
9	Par value of instrument	Rs 10 per share
10	Accounting classification	Shareholder's Equity
11	Original date of issuance	Various
12	Perpetual or dated	Perpetual
13	Original maturity date	No Maturity
14	Issuer call subject to prior supervisory approval	No
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	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully Discretionary
21	Existence of step up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-Cumulative
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

S. No.	Particulars	Equity
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-compliant features	NA

B. Tier I capital instruments

The main features of Tier I Capital Instruments are as follows:

S. No.	Particulars	Tier I series I	Tier I Series II
1	Issuer	Allahabad Bank	Allahabad Bank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE428A09091	INE428A09125
3	Governing law(s) of the instrument	Indian Laws	Indian Laws
Regulatory treatment			
4	Transitional Basel III rules	Additional Tier 1	Additional Tier I
5	Post-transitional Basel III rules	Ineligible	Ineligible
6	Eligible at solo/group/ group & solo	Solo & Group	Solo & Group
7	Instrument type	Perpetual	Perpetual
8	Amount recognised in regulatory capital (` in million, as of most recent reporting date)	Rs 1350 million	Rs 1350 million
9	Par value of instrument	Rs 1 million per Bond	Rs 1 million per Bond
10	Accounting classification	Liability	Liability
11	Original date of issuance	30th March, 2009	18th December, 2009
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No Maturity	No Maturity
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Optional call date: 30th March 2019 Contingent Call Dates: NA Redemption at par	Optional Call Date: 18th December 2019 Contingent call dates: NA Redemption At Par
16	Subsequent call dates, if applicable	Every interest payment date after 30th March 2019	Every interest payment date after 18th December 2019
Coupons / dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed

S. No.	Particulars	Tier I series I	Tier I Series II
18	Coupon rate and any related index	9.20% p.a. payable annually from issue date till the first call option date and if the Bank does not exercise the call option, 50 bps over and above coupon rate of 9.20% i.e. 9.70 % p.a. after 30th march, 2019	9.08% p.a., payable annually from issue date till first call option date and if the Bank does not exercise the call option, 50 bps over and above coupon rate of 9.08% i.e. 9.58% p.a. after 18th December, 2019
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionary or mandatory	Partially discretionary	Partially discretionary
21	Existence of step up or other incentive to redeem	Yes	Yes
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible
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)	The claims of the Bondholders shall be (a) superior to the claims of investors in equity shares and (b) subordinated to the claims of all other creditors	The claims of the Bondholders shall be (a) superior to the claims of investors in equity shares and (b) subordinated to the claims of all other creditors

C. Tier II Capital Instruments

a. Upper Tier II capital Instruments

The main features of Upper Tier II Capital Instruments are as follows:

S. No.	Particulars	Series I	Series II
1.	Issuer	Allahabad Bank	Allahabad Bank
2.	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE428A09075	INE428A09117
3.	Governing law(s) of the instrument	Indian Laws	Indian Laws
Regulatory treatment			
4.	Transitional Basel III rules	Tier 2	
5.	Post-transitional Basel III rules	Ineligible	
6.	Eligible at solo/group/ group & solo	Solo & Group	
7.	Instrument type	Upper Tier II	
8.	Amount recognised in regulatory capital (` in million, as of most recent reporting date)	Rs 4500 million	Rs 4500 million
9.	Par value of instrument	Rs 1 million per Bond	Rs 1 million per Bond
10.	Accounting classification	Liability	
11.	Original date of issuance	19th march 2009	18th December 2009
12.	Perpetual or dated	Dated	
13.	Original maturity date	19th March 2024	18th December 2024
14.	Issuer call subject to prior supervisory approval	Yes	
15.	Optional call date, contingent call dates and redemption amount	Optional Call Date: 19th March 2019 Contingent call dates: NA Redemption At Par	Optional Call Date: 18th December 2019 Contingent call dates: NA Redemption At Par
16.	Subsequent call dates, if applicable	NA	
Coupons / dividends			
17.	Fixed or floating dividend / coupon	Fixed	
18.	Coupon rate and any related index	9.28% p.a. payable annually from issue date till the first call option date and if the call option is not exercise by the Bank then 50 bps over and above coupon rate of 9.28% i.e. 9.78% p.a. payable annually after 19th March 2019	8.58% p.a. payable annually from issue date till the first call option date and if the call option is not exercise by the Bank then 50 bps over and above coupon rate of 8.58% i.e. 9.08% p.a. payable annually after 18th December 2024
19.	Existence of a dividend stopper	No	

S. No.	Particulars	Series I	Series II
20.	Fully discretionary, partially discretionary or mandatory	Partially discretionary	Partially discretionary
21.	Existence of step up or other incentive to redeem	Yes	
22.	Noncumulative or cumulative	Non-Cumulative	Non-Cumulative
23.	Convertible or non-convertible	Non-Convertible	Non-Convertible
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)	The claims of the investors in these Bonds shall be (a) superior to the claims of investors in instruments eligible for inclusion in Tier I capital; and (b) subordinate to the claims of all other creditors.	The claims of the investors in these Bonds shall be (a) superior to the claims of investors in instruments eligible for inclusion in Tier I capital; and (b) subordinate to the claims of all other creditors.
36.	Non-compliant transitioned features	Yes	Yes
37.	If yes, specify non-compliant features	Step up; No Basel III Loss Absorbency	Step up; No Basel III Loss Absorbency

b. Subordinate Bonds

The main features of Subordinate Bonds are as follows:

S. No.	Particulars	Series V	Series VI	Series VII	Series VIII	Series IX
1.	Issuer	Allahabad Bank	Allahabad Bank	Allahabad Bank	Allahabad Bank	Allahabad Bank
2.	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE428A09042	INE428A09059	INE428A09067	INE428A09083	INE428A09109
3.	Governing law(s) of the instrument	Indian Laws	Indian Laws	Indian Laws	Indian Laws	Indian Laws
Regulatory treatment						
4.	Transitional Basel III rules	Tier 2				
5.	Post-transitional Basel III rules	Ineligible				
6.	Eligible at solo/group/ group & solo	Solo & Group				
7.	Instrument type	Tier 2 Instruments				
8.	Amount recognised in regulatory capital (` in million, as of most recent reporting date)	Rs 2000 million	Rs 2247.60 million	Rs 3000 million	Rs 4000 million	Rs 4500 million
9.	Par value of instrument	Rs 1 million per Bond	Rs 1 million per Bond	Rs 1 million per Bond	Rs 1 million per Bond	Rs 1 million per Bond
10.	Accounting classification	Liability				
11.	Original date of issuance	13th march 2006	29th September 2006	25th September 2007	26th March 2009	4th August 2009
12.	Perpetual or dated	Dated				
13.	Original maturity date	13th march 2016	29th September 2016	25th September 2017	26th March 2019	4th August 2019
14.	Issuer call subject to prior supervisory approval	No				
15.	Optional call date, contingent call dates and redemption amount	No				

16.	Subsequent call dates, if applicable	NA				
Coupons / dividends						
17.	Fixed or floating dividend / coupon	Fixed				
S. No.	**Particulars**	**Series V**	**Series VI**	**Series VII**	**Series VIII**	**Series IX**
18.	Coupon rate and any related index	8.00% p.a. payable semi-annually	8.85% p.a. payable annually	10.00% p.a. payable annually	9.23% p.a. payable annually	8.45% p.a. payable annually
19.	Existence of a dividend stopper	No				
20.	Fully discretionary, partially discretionary or mandatory	Partially discretionary				
21.	Existence of step up or other incentive to redeem	Yes				
22.	Noncumulative or cumulative	Non-Cumulative				
23.	Convertible or non-convertible	Non-Convertible				
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)					
36.	Non-compliant transitioned features	Yes				
37.	If yes, specify non-compliant features	No Basel III Loss Absorbency				