PILLAR III DISCLOSURE (CONSOLIDATED) UNDER BASEL-III FRAMEWORK AS ON SEPTEMBER 30, 2017

Name of the head of the banking group to which the framework applies: ALLAHABAD BANK

TABLE DF – 1	SCOPE OF APPLICATION

(I). QUALITATIVE DISCLOSURES

A: List of group entities considered for consolidation

Name of the entity [Country of incorporation]	Inclusion under accounting scope of consolidation	Method of consolidation	Inclusion under regulatory scope of consolidation	Method of consolidation	Reasons for difference in method of consolidation	Reasons for consolidation under only one of the scope of consolidation
All Bank Finance [India]	Yes	Consolidated as per AS-21	Yes	Consolidated as per AS-21	Not Applicable	Not Applicable
ASREC (India) Ltd. [India]	Yes	Consolidated as per AS-21	Yes	Consolidated as per AS-21	Not Applicable	Not Applicable
Allahabad UP Gramin Bank [India]	Yes	Consolidated as per AS-21	Yes	Consolidated as per AS-21	Not Applicable	Not Applicable
Universal Sompo General Insurance Company Limited [India]	Yes	Consolidated as per AS-21	No	Not Applicable	Not Applicable	Regulatory guidelines

B: List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation

Name of the entity [Country of incorporation]	Principle activity of the entity	Total balance sheet equity (as per accounting balance sheet)	Bank's holding in the total equity (%)	Regulatory treatment of bank's investments in the capital instruments of the entity	Total balance sheet assets (as per accounting balance sheet)
NONE					

(II) QUANTITATIVE DISCLOSURES

(₹ in Millions)

C: List of group entities considered for consolidation			
Name of the entity	**Principle activity of the entity**	**Total balance sheet equity (as per accounting balance sheet)**	**Total balance sheet assets (as per accounting balance sheet)**
All Bank Finance	Merchant Banking	150	849
ASREC (India) Ltd.	Asset Recovery Company	980	1,906
Allahabad UP Gramin Bank	Banking	619	1,16,056

D: The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation			
Name of the subsidiaries [Country of incorporation]	Principle activity of the entity	Total balance sheet equity (as per accounting balance sheet)	% of bank's holding in the total equity Capital deficiencies
There is no capital deficiency in the subsidiaries of the Bank as on Sep 30, 2017.			

E: The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk-weighted				
Name of the insurance entity [Country of incorporation]	Principle activity of the entity	Total balance sheet equity (as per accounting balance sheet)	Bank's holding in the total equity or proportion of voting power (%)	Quantitative impact of regulatory capital of using risk weighting methods versus using the full deduction method
Universal Sompo General Insurance Company Limited	General Insurance	3500	30%	Increase in CRAR by 5 bps.

F: Any restrictions or impediments on transfer of funds or regulatory capital within the banking group: NO

TABLE DF – 2	CAPITAL ADEQUACY

I. QUALITATIVE DISCLOSURES

- The Bank actively manages its capital to meet regulatory norms and current & future business needs through regular assessment of its capital positions and requirements considering the risks in business, expectation of rating agencies and stakeholders.

- The Bank has well defined Internal Capital Adequacy Assessment Process (ICAAP) to comprehensively assess all risks, including stress situations, 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.

II. QUANTITATIVE DISCLOSURES

(₹ in Millions)

S.No.	Capital Requirements for Various Risks	Capital Requirement*
A	**CREDIT RISK**	**128,343**
A.1	For non- securitized portfolio	128,343
A.2	For Securitized portfolio	-
B	**MARKET RISK**	**12,110**
B.1	For Interest Rate Risk	6,899
B.2	For Equity Risk	5,135
B.3	For Forex Risk (including gold)	76
B.4	For Commodities Risk	-
B.5	For Options risk	-
C	**OPERATIONAL RISK**	**15,257**
C.1	Basic Indicator Approach	15,257
C.2	Standardized Approach if applicable	-
D	**TOTAL CAPITAL REQUIREMENT**	**155,710**

*Capital requirement is computed at 10.25%.

COMMON EQUITY TIER 1 (CET1), TIER 1 AND TOTAL CAPITAL RATIOS

As per transitional arrangement prescribed by RBI, the Bank is required to maintain a minimum CET1 capital ratio of 5.5% with CCB of 1.25%, a minimum Tier I capital ratio of 7% and a minimum total capital ratio of 10.25% as of Sep 30, 2017. The Bank's position in this regard as on Sep 30, 2017 is as follows:

PARTICULARS	STANDALONE	CONSOLIDATED
COMMON EQUITY TIER I (CET 1)	8.41%	8.58%
TIER 1 CRAR	8.77%	8.95%
TOTAL CRAR	**11.74%**	**11.92%**

TABLE DF – 3	CREDIT RISK: GENERAL DISCLOSURE

1. 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.** Either Interest and/ or installment of principal dues 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),
    - **a.** If the regular/ad-hoc limits are not reviewed/ renewed within 180 days from the due date of review/renewal or sanctioning of adhoc limit,
    - **b.** If the stock statements are not submitted continuously for a period of 90 days and limits/ drawings are allowed on such irregular drawing power continuously for 90 days.
- iii. The bill remains overdue and unpaid 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 unpaid for two crop seasons beyond the due date for short duration crops,
- v. The installment of principal or interest thereon remains unpaid for one crop season beyond the due date 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. An account is classified as NPA only if the interest due & 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"

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. If any credit facility availed by the issuer is NPA in the books of the bank, the investments in any of the securities issued by the same issuer is also 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.

2. BANK'S CREDIT RISK MANAGEMENT POLICY

a. 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 & responsibilities and the processes whereby the credit risks, which the Bank considers consistent with its mandate and risk tolerance limits, can be identified, quantified, managed and controlled.

b. Credit Risk is monitored & managed by the Bank at account level and compliance with the risk limits / exposure cap, as 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.

c. 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 Management 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.

d. 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.

3. ARCHITECTURE AND SYSTEMS OF THE BANK

a. 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.

b. 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.

4. CREDIT APPRAISAL / INTERNAL RATING

a. The Bank manages its credit risk by continuously 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.

b. The internal risk rating / grading modules capture quantitative and qualitative issues relating to management risk, business risk, industry risk, financial risk and project risk. The data on industry risk is constantly updated based on market conditions.

c. The rating for every borrower is reviewed. As a measure of robust credit risk management practices, the bank has implemented a four tier system of credit rating process for the loan proposals sanctioned at Head Office Level, three tier system at FGM office/ Zonal Office level and two tier system at 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.

d. The Bank follows a well-defined multi layered discretionary power structure for sanction of loans. Various committees have been formed at ZO, FGMO & HO Level. ZLCC AGM/DGM/GM headed by Zonal Head, FGMLCC headed by Field General Manager, HLCC GM headed by GM (Credit), HLCC ED headed by ED (Executive Director), CAC headed by MD & CEO and MCBOD (Management Committee of the Board) headed by MD& CEO. A structure named New Business Group (NBG) headed by MD& CEO has been constituted at Head Office level for considering in-principle approval for taking up fresh credit proposals above a specified cut-off point.

QUANTITATIVE DISCLOSURES

A. GROSS CREDIT RISK EXPOSURE

(₹ in Millions)

Sl. No.	Exposure Type	Domestic (Outstanding)	Overseas (Outstanding)	Total
1.	Fund Based	1,395,748	126,054	1,521,802
2.	Non-Fund Based	217,502	98	217,600
3.	**Total**	**1,613,250**	**126,152**	**1,739,402**

B. INDUSTRY TYPE DISTRIBUTION OF EXPOSURES (OUTSTANDING)

(₹ in Millions)

S. No.	Industry	FUND BASED	NON FUND BASED
1	Mining and Quarrying	6,186	8,433
2	Food Processing	26,223	22,280
3	Beverage & Tobacco	4,499	198
4	Textiles	47,186	4,322
5	Leather & Leather Products	1,484	6
6	Wood & Wood Products	2,884	1,657
7	Paper & Paper Products	11,399	1,383
8	Petroleum, Coal Products and Nuclear Fuels	16,180	4,380
9	Chemicals and Chemical Products	30,968	3,819
10	Rubber, Plastic & their Products	5,452	2,775
11	Glass and Glassware	633	299
12	Cement and Cement Products	9,673	3,573

S. No.	Industry	FUND BASED	NON FUND BASED
13	Basic Metal and Metal Products	96,396	18,028
14	All Engineering	38,904	20,079
15	Vehicles, Vehicle Parts and Transport Equipment	10,025	943
16	Gems & Jewellery	10,043	3,774
17	Construction	31,985	62,348
18	Infrastructure	1,69,164	24,690
19	Other Industries	29,516	32
Industry (Total of Small, Medium and Large Scale)		**5,48,799**	**1,83,020**

Exposures to industries in excess of 5% of total gross credit of the Bank as on Sep 30, 2017

(₹ in Millions)

S. N.	Industry	% of Gross Credit
1.	Infrastructure	11.22
1.1	Out of which: Power	5.53
2.	Basic Metal and Metal Products	6.33
2.1	Out of Which: Iron and Steel	5.09

C. RESIDUAL CONTRACTUAL MATURITY BREAKDOWN OF ASSETS

(₹ in Millions)

Buckets	Cash & RBI Balances	Bank Balances	Advances	Investments	Fixed Assets	Other Assets	Grand Total
Next day	19,322	14,313	7,289	143,554	-	1,800	**186,277**
2 – 7 days	1,399	93,019	21,106	14,127	-	2,300	**131,951**
8 –14 days	824	21,632	10,548	4,125	-	3,408	**40,537**
15 – 30 days	813	-	19,106	5,863	-	4,366	**30,149**
Over 1 month – 2 months	1,333	8,552	64,637	9,346	-	4,839	**88,707**
Over 2 months – 3 months	837	4,570	25,010	4,627	-	5,700	**40,743**
Over 3 months – 6 months	3,186	-	74,210	19,125	-	5,800	**102,321**
Over 6 months – 1 year	6,652	-	125,197	35,547	-	7,800	**175,196**
Over 1 year – 3 years	27,031	12,109	477,696	143,549	-	9,113	**669,498**
Over 3 years – 5 years	14,080	26,476	151,329	77,453	-	9,476	**278,815**
Over 5 years	25,028	-	457,609	143,961	31,572	11,218	**669,386**
Total	**100,506**	**180,671**	**1,433,737**	**601,275**	**31,572**	**65,820**	**2,413,580**

D. NON PERFORMING ASSETS (NPA) AND ITS MOVEMENT

(₹ in Millions)

S. No.	Particulars	Amount
A.	**Amount of Gross NPA**	**214,543**
A. 1	Substandard	40,448
A. 2	Doubtful 1	79,658
A. 3	Doubtful 2	80,787
A. 4	Doubtful 3	9,499
A. 5	Loss	4,151
B	**Net NPA**	126,622
C	**NPA Ratios**	
C. 1	Gross NPAs to Gross Advances	**14.10%**
C. 2	Net NPAs to Net Advances	**8.84%**
D	**Movement of Gross NPA**	
D. 1	**Opening balance as at April 1, 2017**	**206,878**
D. 2	Additions during the period	42,493
D. 3	Reductions during the period	34,828
D. 4	**Closing balance as on September 30, 2017**	**214,543**

E. MOVEMENT OF SPECIFIC & GENERAL PROVISION

(₹ in Millions)

Movement of provisions	Specific Provisions#	General Provisions@
Opening balance as at April 1, 2017	**71,768**	**13,859**
Provisions made during the period	31,587	-
Write-off during the period	16,675	-
Write-back of excess provisions during the period	-	1,131
Adjustments/Transfers between provisions during the period*	-	1
Closing balance as on September 30, 2017	**86,680**	**12,729**

#Represents provisions for NPA, @Represents provisions for Standard Advances

*Amount utilized towards sale of NPAs and transfer to PWO account.

F. Details of write offs and recoveries that have been booked directly to the income statement

(₹ in Millions)

Write offs that have been booked directly to the income statement	-
Recoveries (in written-off) that have been booked directly to the income statement	3,281

G. INDUSTRY WISE NPA AND PROVISIONS

(₹ in Millions)

Industry	As on Sep 30, 2017			For quarter ended Sep 30, 2017	
	Gross NPA	Provisions for NPA	Provisions for Standard Advances	Write-offs	Provisions for NPA
Mining and Quarrying	2,894	927	271	260	303
Rubber, Plastic & their Products	311	70	243	327	7
Glass and Glassware	7	2	14	32	0
Cement and Cement Products	1,311	464	31	237	158
Basic Metal and Metal Products	63,718	25,188	737	1,846	5,402
All Engineering	16,710	3,723	403	294	451
Vehicles, Vehicle Parts and Transport Equipment	7,548	2,130	920	1	227
Gems & Jewellery	1,642	628	25	0	79
Construction	7,162	2,944	2	269	361
Infrastructure	12,522	4,879	1,919	46	1,206
Food Processing	4,265	1,519	6	6	50
Beverage & Tobacco	751	242	18	16	9
Textiles	17,859	12,617	75	969	2,805
Leather & Leather Products	97	29	124	2	3
Wood & Wood Products	143	40	121	6	7
Paper & Paper Products	3,069	1,048	16	212	93
Petroleum, Coal Products and Nuclear Fuels	2,860	1,240	309	0	103
Chemicals and Chemical Products	5,883	5,051	31	68	7
Other Industries	2,436	928	17	38	50
Total	**151,188**	**63,669**	**5,282**	**4,629**	**11,321**

H. NON PERFORMING INVESTMENTS (NPI) AND MOVEMENT OF PROVISION FOR DEPRECIATION ON INVESTMENTS

(₹ in Millions)

S. No.	Particulars	Amount
A.	**Amount of Non-Performing Investments**	**2,702**
B	Amount of Provision held for Non Performing Investments	926
C	**Movement of provisions for depreciation on investments**	
C. 1	**Opening balance as at April 1, 2017**	**5,759**
C. 2	Provisions made during the period	1,553
C. 3	Write-off during the period	-
C. 4	Write-back of excess provisions during the period	1,871
C. 5	**Closing balance as on September 30, 2017**	**5,441**

I. GEOGRAPHIC DISTRIBUTION OF NPA & PROVISIONS

(₹ in Millions)

SL No	Particulars	Domestic	Overseas	Total
1.	Gross NPA	213,103	1,439	**214,542**
2.	Provisions for NPA	85,690	990	**86,680**
3.	Provisions for Standard Advances	12,145	584	**12,729**

J. AGEING OF PAST DUE LOANS

(₹ in Millions)

SL No	Particulars	Domestic	Overseas	Total
1.1	31-90 days	-	-	**-**
1.2	91-365 days	40,448	-	**40,448**
1.3	1-2 years	78,219	1,439	**79,658**
1.4	2-4 years	80,787	-	**80,787**
1.5	Over 4 years	13650	-	**13,650**
1.6	**Total**	**213,104**	**1,439**	**214,543**

TABLE DF – 4	CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDIZED APPROACH

STANDARDISED APPROACH

The Bank has used the Standardized Approach under the RBI's Basel III capital regulations for its credit portfolio.

CREDIT RATING AGENCIES

I. Domestic Rating Agencies

The Bank is using the ratings assigned by the following domestic external credit rating agencies, approved by the RBI, for risk weighting claims on domestic entities:

a. Credit Analysis and Research Limited ('CARE')
b. India Ratings and Research Private Limited
c. Credit Rating Information Services of India Limited ('CRISIL')
d. Brickwork Ratings India Private Limited ('Brickwork')
e. ICRA Limited ('ICRA')
f. SMERA Ratings Limited ('SMERA')
g. INFOMERICS Valuation and Rating Pvt Ltd.('INFOMERICS')

II. Foreign Rating Agencies

The Bank is using the ratings assigned by the following international credit rating agencies, approved by the RBI, for risk weighting claims on overseas entities:

a. Moody's
b. Fitch Ratings
c. Standard & Poor's

Quantitative Disclosures

The Bank's outstanding (rated and unrated) in three major risk buckets are as follows:

(₹ in Millions)

Sl No	Risk Weight	Fund Based	Non Fund Based
1	Below 100% risk weight	9,07,256	1,13,577
2	100% risk weight	4,04,661	56,440
3	More than 100% risk weight	2,09,884	47,583
4	Deduction from capital funds	-	-
5	**Total Exposure**	**15,21,802**	**2,17,600**

TABLE DF – 5	CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDIZED APPROACHES

A. POLICIES AND PROCESSES

The Bank's Policy on Credit Risk Mitigation and Collateral Management include detailed guidelines for risk mitigation and collateral management. The policy covers aspects such as the nature of risk mitigants/collaterals acceptable to the Bank, the documentation and custodial arrangement of the collateral, the valuation approach and periodicity etc.

B. RISK MITIGATION FOR COMPUTATIION OF CRAR

For purposes of computation of capital requirement for Credit Risk, the Bank recognizes only those collaterals that are considered as eligible for risk mitigation in the RBI Basel III guidelines on standardized approach, which are as follows:

- Cash deposit with the Bank
- Gold, including bullion and jewelry
- Securities issued by Central and State Governments
- Kisan Vikas Patra and National Savings Certificates
- Life insurance policies with a declared surrender value

- Debt securities rated at least BBB (-)/PR3/P3/F3/A3
- Units of Mutual Funds

The Bank uses the comprehensive approach in capital assessment. In the comprehensive approach, when taking collateral, the Bank calculates the adjusted exposure to a counterparty for capital adequacy purposes by netting off the effects of that collateral. The Bank adjusts the value of any collateral by a haircut, as prescribed by RBI, to take into account possible future fluctuations in the value of the security occasioned by market movements.

For purposes of capital calculation, the Bank recognizes the credit protection i.e. guarantees, given by the following entities, considered eligible as per RBI guidelines:

- Sovereigns i.e. Central and State Governments
- Sovereign entities which includes Export Credit Guarantee Corporation (ECGC), Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), Credit Guarantee Fund Trust for Low Income Housing (CRGFTLIH) and Credit Guarantee Fund Scheme for Education Loans (CGFSEL).

The credit risk mitigation taken is largely in the form of cash deposit with the Bank and thus the risk (credit and market) concentration of the mitigants is low.

<u>Quantitative Disclosures</u>

Exposure covered by financial collateral post haircuts

Total exposure (fund & non-fund based outstanding) that is covered by eligible financial collateral after the application of haircuts is ₹ **1,08,155 Millions.**

Exposure covered by guarantees / credit derivatives

The total credit risk exposure (fund & non-fund based outstanding) that is covered by guarantees/ credit derivatives is ₹ **34,411 Millions.**

TABLE DF – 6	**SECURITIZATION: DISCLOSURE FOR STANDARDIZED APPROACH QUALITATIVE DISCLOSURES**
The Bank/Group does not have any securitization exposure.	

TABLE DF – 7	MARKET RISK IN TRADING BOOK

MARKET RISK MANAGEMENT STRATEGIES AND PROCESSES

- 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.

- The Bank has put in place Board approved Policies on Investments, Foreign Exchange Operations, Trading in Forex Market, Derivatives, 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.

- The Bank has put in place various limits to measure, monitor and manage market risk, viz., Modified duration Limits. Day Light Limits, Overnight Limits, Aggregate Gap Limits, VaR Limit, Deal Size Limits, Counterparty Limits, Instrument-wise Limits, Stop Loss Limits etc. The limits are monitored on daily basis and reported to the top management as per stipulated timelines.

MARKET RISK CAPITAL REQUIREMENT

- The Bank has adopted Standardized Duration Approach as prescribed by RBI for computation of capital charge for Market Risk.

Quantitative Disclosures: Total Capital Requirement for Market Risk

(₹ in Millions)

Particulars	Amount
Interest rate risk	6,899
Equity position risk	5,135
Foreign exchange risk	76
Total Capital required	**12,110**

TABLE DF – 8	OPERATIONAL RISK

OPERATIONAL RISK: POLICES & PROCESSES

- 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.

- 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:
    - Compliance Risk Management Policy
    - Forex Risk Management Policy
    - Policy Document on Know Your Customers (KYC) and Anti Money Laundering (AML) Procedures
    - Business Continuity and Disaster Recovery Policy
    - Fraud Risk Management Policy etc.

- 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.

CAPITAL REQUIREMENT

- The Bank has adopted the Basic Indicator Approach for computing capital for Operational Risk. 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 30.09.2017 is ₹ 15,257 Million.

TABLE DF – 9	INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

INTEREST RATE RISK IN THE BANKING BOOK

- 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.

- 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.

- 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/BOARD 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 of 100, 200 & 300 bps.

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

<u>Quantitative Disclosures</u>

(₹ in Millions)

1.	**Change in Interest Rate**	**Earnings at Risk (NII)**
	1.00%	2,681
2.	**Change in Interest Rate**	**Economic Value of Equity at Risk (Net Worth)**
	1.00%	722

TABLE DF – 10	GENERAL DISCLOSURE FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK

COUNTERPARTY CREDIT RISK

- Counterparty Credit risk is the risk that the counterparty to a financial contract will default prior to the expiration of the contract and will not make all the payments required under the contract.
- Exposure to Central counterparties arising from over-the-counter derivative trades, exchange traded derivatives transactions and security financing transactions (SFTs), attracts capital charges applicable to Central Counterparty.
- Applicable risk weights for trades, guaranteed by central counterparties, which are recognised as qualifying central counterparty (QCCP) by Reserve Bank of India or SEBI, are comparatively lower than OTC deals.
- In India, presently there are four QCCPs viz. Clearing Corporation of India (CCIL), National Securities Clearing Corporation Ltd (NSCCL), Indian Clearing Corporation Ltd (ICCL) and MCX-SX Clearing Corporation Ltd (MCX-SXCCL). These QCCPs are subjected, on an ongoing basis, to rules and regulations that are consistent with CPSS-IOSCO Principles for Financial Market Infrastructures.
- The Bank does not recognise bilateral netting. The derivative exposure is calculated using Current Exposure Method (CEM).

Quantitative Disclosures

(₹ in Millions)

S. NO.	Particulars	Amount
1.	Gross positive value of contracts	10,896
2.	Netting Benefits	-
3.	Netted current credit exposure	10,896
4.	Collateral held	**-**
5.	**Net Derivative: Credit Exposure**	10,896

Item	Notional Amount	Current Credit Exposure (Positive MTM)	Total Credit Exposure (as per CEM)
Forward Contracts	11,96,730	10,896	34,820

TABLE DF – 11	Composition of Capital

(₹ in Millions)

	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)	46,258		A1 + A2
2	Retained earnings	(4,157)		Part of A3
3	Accumulated other comprehensive income (and other reserves)	94,711		B1 + B2+ B3+ B4 + B5 + B6+ B7
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-		
	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**	**136,812**		
Common Equity Tier 1 capital: regulatory adjustments				
7	Prudential valuation adjustments	-	-	
8	Goodwill (net of related tax liability)	-		
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	440	-	C1
10	Deferred tax assets	-		
11	Cash-flow hedge reserve	-		
12	Shortfall of provisions to expected losses	-		
13	Securitization gain on sale	-		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-		
15	Defined-benefit pension fund net assets	-		
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-		
17	Reciprocal cross-holdings in common equity	438	-	C2
18	Investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the Bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-		
19	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)	-		
20	Mortgage servicing rights (amount above 10% threshold)	-		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	4,434		
22	Amount exceeding the 15% threshold	-		

	Particulars	Amount	Amounts Subject To Pre-Basel III Treatment	Ref No.
23	of which: significant investments in the common stock of financials	-		
24	of which: mortgage servicing rights	-		
25	of which: deferred tax assets arising from temporary differences	-		
26	National specific regulatory adjustments (26a+26b+26c+26d)	**1,050**		
26a	Of which: Investments in the equity capital of unconsolidated insurance subsidiaries	1,050		
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			
26d	Of which: Unamortized pension funds expenditures			
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT			
	OF WHICH: Investment in the equity capital of consolidated financial subsidiaries	-		
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**	**6,362**		
29	**Common Equity Tier 1 capital (CET1)**	**130,450**		
Additional Tier 1 capital: instruments				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	4,000		
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-		
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	4,000		E5
33	Directly issued capital instruments subject to phase out from Additional Tier 1	1,500		E1
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-		
35	of which: instruments issued by subsidiaries subject to phase out	-		
36	**Additional Tier 1 capital before regulatory adjustments**	**5,500**		
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instruments	-		
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-		
39	Investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions ,where the Bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-		
40	Significant investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory	-		

	Particulars	Amount	Amounts Subject To Pre-Basel III Treatment	Ref No.
	consolidation (net of eligible short positions)			
41	National specific regulatory adjustments (41a + 41b)	-		
41a	Investments in Additional Tier I Capital of unconsolidated insurance subsidiaries	-		
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the Bank	-		
	REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	-		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		
43	**Total regulatory adjustments to Additional Tier 1 capital**	**-**		
44	**Additional Tier 1 capital (AT1)**	**5,500**		
45	**Tier 1 capital (T1 = CET1 + AT1) (row 29 + row 44)**	**135,950**		
Tier 2 capital: instruments and provisions				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	25,000		E4
47	Directly issued capital instruments subject to phase out from Tier 2	11,700		E2+ E3
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-		
49	of which: instruments issued by subsidiaries subject to phase out	-		
50	Provisions	8,481		D1+ D2+D3
51	**Tier 2 capital before regulatory adjustments**	**45,181**		
Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments	-		
53	Reciprocal cross-holdings in Tier 2 instruments	50	-	C3
54	Investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the Bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-		
55	Significant investments in the capital Banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-		
56	National specific regulatory adjustments (56a+56b)	-		
56a	Of which: Investments in the Tier II capital of unconsolidated subsidiaries	-		
56b	Of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the Bank	-		
	REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	-		
57	**Total regulatory adjustments to Tier 2 capital**	**50**		

	Particulars	Amount	Amounts Subject To Pre-Basel III Treatment	Ref No.
58	**Tier 2 capital (T2)**	**45,131**		
59	**Total capital (TC = T1 + T2) (row 45+row 58)**	**181,081**		
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT			
60	**Total risk weighted assets (row 60a +row 60b +row 60c)**	**1,519,125**		
60a	of which: total credit risk weighted assets	1,252,126		
60b	of which: total market risk weighted assets	118,150		
60c	of which: total operational risk weighted assets	148,850		
Capital ratios				
61	**Common Equity Tier 1 (as a percentage of risk weighted assets)**	**8.58%**		
62	**Tier 1 (as a percentage of risk weighted assets)**	**8.95%**		
63	**Total capital (as a percentage of risk weighted assets)**	**11.92%**		
64	**Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)**	**6.750%**		
65	**of which: capital conservation buffer requirement**	1.250%		
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)**	**8.58%**		
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	718		
73	Significant investments in the common stock of financials	-		
74	Mortgage servicing rights (net of related tax liability)	-		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	18,027		
Applicable caps on the inclusion of provisions in Tier 2				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	8,481		
77	Cap on inclusion of provisions in Tier 2 under standardized approach	15,652		
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		

	Particulars	Amount	Amounts Subject To Pre-Basel III Treatment	Ref No.
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	NA		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	NA		
84	Current cap on T2 instruments subject to phase out arrangements	NA		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	NA		

Notes to the Template

Row No. of the Template	Particular	(₹ in Millions)
10	Deferred tax assets associated with accumulated losses	-
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	18,027
	Total as indicated in row 10	-
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-
	of which: Increase in Common Equity Tier 1 capital	-
	of which: Increase in Additional Tier 1 capital	-
	of which: Increase in Tier 2 capital	-
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	-
	(i) Increase in Common Equity Tier 1 capital	-
	(ii) Increase in risk weighted assets	-
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	-
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	-
50	Eligible Provisions included in Tier 2 capital	8,481
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	**8,481**
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	-

Table DF – 12	Composition of Capital- Reconciliation Requirements

(₹ in Millions)

Step- 1

S. N.	Particulars	Balance sheet as in financial statements	Balance sheet as per regulatory Scope of consolidation
A.	**Capital & Liabilities**		
i.	Paid-up Capital	8,002	8,002
	Reserves & Surplus	1,45,798	1,45,720
	of which:		
	Statutory Reserve	32,253	32,253
	Capital Reserve	4,882	4,624
	Revenue & Other Reserves	31,092	31,092
	Investment Reserve Account	1,386	1,386
	Share Premium	38,255	38,255
	Special Reserve	14,500	14,500
	Revaluation Reserve	25,774	25,774
	Balance in Profit & Loss Account	(3,240)	(3,062)
	of which: Balance in Profit & Loss Account as per last financial Year	(1,586)	(4,157)
	Foreign Currency Translation Reserves	877	877
	I R S Reserve	19	19
	Minority Interest	-	-
	Share application money pending allotment	-	-
	Total Capital	**1,53,801**	**1,53,722**
ii.	**Deposits**	**20,72,110**	**20,72,176**
	of which: Deposits from Banks	21,785	21,785
	of which: Customer deposits	20,50,325	20,50,391
iii.	**Borrowings**	**1,38,452**	**1,38,452**
	of which: From RBI	-	-
	of which: From Banks	109	109
	of which: From other institutions &agencies	6,302	6,302
	of which: Others (Outside India)	81,541	81,541
	of which: Capital instruments	50,500	50,500
	of which: Subordinated Innovative Perpetual Debt Instruments	3,000	3,000
	of which: Subordinated Innovative Perpetual Debt Instruments Basel III Compliant	4,000	4,000
	of which: Subordinated Debt – Upper Tier II Capital	10,000	10,000
	of which: Subordinated Debt – Tier II Capital	8,500	8,500
	of which: Subordinated Debt – Tier II Basel III Capital	25,000	25,000
iv.	**Other liabilities & provisions**	**57,626**	**52,167**
	Total	**24,21,989**	**24,16,517**
B.	**Assets**		
i.	**Cash and balances with Reserve Bank of India**	**1,00,507**	**1,00,506**

S. N.	Particulars	Balance sheet as in financial statements	Balance sheet as per regulatory Scope of consolidation
	Balance with Banks and money at call and short notice	**1,80,919**	**1,80,742**
ii.	**Investments:**	**6,07,743**	**6,04,063**
	of which: Government securities	5,53,247	5,51,515
	of which: Other approved securities	12	-
	of which: Shares	9,784	9,707
	of which: Debentures & Bonds	30,720	29,137
	of which: Subsidiaries / Joint Ventures / Associates	2,709	3,759
	of which: Others (Commercial Papers, Mutual Funds etc.)	11,271	9,945
iii.	**Loans and advances**	**14,33,737**	**14,33,737**
	of which: Loans and advances to Banks	-	-
	of which: Loans and advances to customers	14,33,737	14,33,737
iv.	**Fixed assets**	**31,708**	**31,600**
v.	**Other assets**	**67,375**	**65,869**
	of which: Goodwill and intangible assets	440	440
	of which: Deferred tax assets	18,019	18,027
vi.	Goodwill on consolidation	-	-
vii.	Debit balance in Profit & Loss account	-	-
	Total Assets	**24,21,988**	**24,16,517**

Step – 2

S. N.	Particulars	Balance sheet as in financial statements	Balance sheet as per regulatory Scope of consolidation	Ref. No.
A.	**Capital & Liabilities**			
i.	Paid-up Capital	8,002	8,002	
	of which: Amount eligible for CET1	-	8,002	A1
	of which: Amount eligible for AT1	-	-	
	Reserves & Surplus	1,45,798	1,45,720	
	of which:			
	Statutory Reserve	32,253	32,253	B1
	Capital Reserve	4,882	4,624	B2
	Revenue & Other Reserves	31,092	31,092	B3
	Investment Reserve Account	1,386	1,386	D1
	Share Premium	38,255	38,255	A2
	Special Reserve	14,500	14,500	B4
	Revaluation Reserve	25,774	25,774	
	of which: Amount eligible for CET1	-	11,598	B5
	of which: Amount eligible for Tier II	-	-	
	Balance in Profit & Loss Account	(3,240)	(3,062)	
	of which: Balance in Profit & Loss Account as per last financial Year	(1,586)	(4,157)	A3

S. N.	Particulars	Balance sheet as in financial statements	Balance sheet as per regulatory Scope of consolidation	Ref. No.
	Foreign Currency Translation Reserves	858	858	
	of which: Considered under Capital fund	-	643	B6
	IRS Reserve	38	38	
	Share application money pending allotment	-	-	B7
	Minority Interest	-	-	-
	Total Capital	**1,53,801**	**1,53,722**	**-**
ii.	Deposits	**20,72,110**	**20,72,176**	-
	of which: Deposits from Banks	21,785	21,785	-
	of which: Customer deposits	20,50,325	20,50,391	-
iii.	Borrowings	**1,38,452**	**1,38,452**	**-**
	of which: From RBI	-	-	-
	of which: From Banks	109	109	-
	of which: From other institutions & agencies	6,302	6,302	-
	of which: Others (Outside India)	81,541	81,541	-
	of which: Capital instruments	50,500	50,500	-
	of which: Subordinated Innovative Perpetual Debt Instruments	3,000	3,000	
	of which: Eligible AT1 Capital	-	1500	E1
	of which: Subordinated Debt – Upper Tier II Capital	10,000	10,000	E2
	of which: Subordinated Debt – Tier II Capital	8,500	8,500	
	of which: Eligible Subordinated Debt Tier II Capital	-	1,700	E3
	of which: Basel III Tier II Capital	25,000	25,000	E4
	of which: Subordinated Innovative Perpetual Debt Instruments as per Basel III compliants	4,000	4,000	E5
iv.	**Other liabilities & provisions**	**57,626**	**52,167**	
	Of which: provision for Standard Advances	12,729	12,729	D2
	Of which: provision for Unhedged Foreign Currency Exposure	39	39	D3
	of which: DTLs related to goodwill	-	-	
	of which: DTLs related to Intangible Assets	-	-	
	of which: DTLs related to Special Reserve	-	-	
	Total	**24,21,988**	**24,16,517**	
B.	**Assets**			
i.	**Cash & Balances with RBI**	**1,00,507**	**1,00,506**	-
	Balance with Banks & Money at call & short notice	**1,80,919**	**1,80,742**	-
ii.	**Investments:**	**6,07,743**	**6,04,063**	**-**
	of which: Government securities	5,53,247	5,51,515	-
	of which: Other approved securities	12	-	-
	of which: Shares	9,784	9,707	
	of which: Reciprocal Cross Holding	-	438	C2
	of which: Debentures & Bonds	30,720	29,137	
	of which: Reciprocal Cross Holding under AT-1	-	-	

S. N.	Particulars	Balance sheet as in financial statements	Balance sheet as per regulatory Scope of consolidation	Ref. No.
	of which: Reciprocal Cross Holding under Tier-II	-	50	C3
	of which: Subsidiaries / Joint Ventures / Associates	2,709	3,759	
	of which: Others (Commercial Papers, Mutual Funds etc.)	11,271	9,945	-
iii.	**Loans and advances**	**14,33,737**	**14,33,737**	-
	of which: Loans and advances to Banks	-	-	-
	of which: Loans and advances to customers	14,33,737	14,33,737	-
iv.	**Fixed assets**	**31,708**	**31,600**	-
v.	**Other assets**	**67,375**	**65,869**	-
	of which: Goodwill	-	-	
	of which: Intangible Assets	440	440	C1
	of which: Deferred tax assets	18,019	18,027	
vi.	Goodwill on consolidation	-	-	-
vii.	Debit balance in Profit & Loss account	-	-	-
	Total Assets	**24,21,988**	**24,16,517**	

Step - 3

Extract of Basel III common disclosure template (with added column) – Table DF-11			
Common Equity Tier 1 capital: instruments and reserves			
		Component of regulatory capital reported by bank	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2**
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	46,258	A1 + A2
2	Retained earnings	(4,157)	Part of A3
3	Accumulated other comprehensive income (and other reserves)	94,712	B1 + B2 + B3+ B4+B5 +B6+B7
4	Directly issued capital subject to phase out from CET1 (only applicable to non- joint stock companies)	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	**Common Equity Tier 1 capital before regulatory adjustments**	1,36,812	
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	

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 Equity
8	Amount recognized in regulatory capital (as of most recent reporting date)	₹ 8,002.15 million
9	Par value of instrument	₹ 8,002.15 million (₹ 10 per share)
10	Accounting classification	Shareholder's Fund
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	Discretionary Dividend
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

S. No.	Particulars	Equity
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

B. Basel II Compliant Additional Tier I capital instruments

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

S. No.	Particulars	Series I	Series II
1	Issuer	Allahabad Bank	Allahabad Bank
2	Unique identifier	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 recognized in regulatory capital	₹ 750 million	₹ 750 million
9	Par value of instrument	₹ 1,500 million (₹ 1 million per Bond)	₹ 1,500 million (₹ 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 and thereafter on each anniversary date Contingent Call Dates: NA Redemption at par	Optional Call Date: 18th December 2019 and thereafter on each anniversary date Contingent call dates: NA Redemption At Par

S. No.	Particulars	Series I	Series II
16	Subsequent call dates, if applicable	On each anniversary date after 30th March 2019	On each anniversary date after 18th December 2019
Coupons / dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed
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	The claims of the	The claims of the

S. No.	Particulars	Series I	Series II
	liquidation	Bondholders shall be (a) superior to the claims of investors in equity shares and (b) subordinated to the claims of all other creditors	Bondholders shall be (a) superior to the claims of investors in equity shares and (b) subordinated to the claims of all other creditors

C. Basel III Compliant Additional Tier I capital instruments

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

S. No.	Particulars	Series I	Series II
1	Issuer	Allahabad Bank	Allahabad Bank
2	Unique identifier	INE428A08069	INE428A08077
3	Governing law(s) of the instrument	Indian Laws	Indian Laws
4	Transitional Basel III rules	Additional Tier I	Additional Tier I
5	Post-transitional Basel III rules	Eligible	Eligible
6	Eligible at solo/group/ group & solo	Solo & Group	Solo & Group
7	Instrument type	Perpetual	Perpetual
8	Amount recognized in regulatory capital	₹3000 million	₹1000 million
9	Par value of instrument	₹3000 million (₹1 million per Bond)	₹1000 million (₹1 million per Bond)
10	Accounting classification	Liability	Liability
11	Original date of issuance	17th March, 2017	25th September, 2017
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: 17th March 2022 and thereafter on each anniversary date Contingent call dates: NA Redemption At Par	Optional Call Date: 26th September 2022 (25th September 2022 being Sunday) and thereafter on each anniversary date Contingent call dates: NA Redemption At Par
16	Subsequent call dates, if applicable	On each	On each

S. No.	Particulars	Series I	Series II
		anniversary date after 17th March 2022	anniversary date after 25th September 2022
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	11.15% p.a., payable annually from issue date.	11.85% p.a., payable annually from issue date.
19	Existence of a dividend stopper	Yes	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No
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	Yes	Yes
31	If write-down, write-down trigger(s)	There are two types of write down triggers: 1. Trigger Event means that the Bank‟s CET 1 Ratio is: (i) if calculated at any time prior to March 31, 2019, at or below 5.5%; or (ii) if calculated at any time from and including March 31, 2019, at or below 6.125%, (the "CET1 Trigger Event Threshold")	There are two types of write down triggers: 1. Trigger Event means that the Bank's CET 1 Ratio is: (i) if calculated at any time prior to March 31, 2019, at or below 5.5%; or (ii) if calculated at any time from and including March 31, 2019, at or below 6.125%, (the "CET1 Trigger Event Threshold")

S. No.	Particulars	Series I	Series II
		2. PONV Trigger, in respect of the Bank means the earlier of: (i) a decision that the conversion or permanent write off, without which the Bank would become nonviable, is necessary, as determined by the Reserve Bank of India; and b) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the RBI/ Relevant authority.	2. PONV Trigger, in respect of the Bank means the earlier of: (i) a decision that the conversion or permanent write off, without which the Bank would become nonviable, is necessary, as determined by the Reserve Bank of India; and b) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the RBI/ Relevant authority.
32	If write-down, full or partial	Fully or Partially as determined by RBI.	Fully or Partially as determined by RBI.
33	If write-down, permanent or temporary	1. In case of PONV Trigger - only Permanent. 2. In case of pre specified trigger – only Temporary.	3. In case of PONV Trigger - only Permanent. 4. In case of pre specified trigger – only Temporary.
34	If temporary write-down, description of write-up mechanism	Following a write-down pursuant to Pre-specifiedCET1 TriggerEvent (Temporary write down), the outstanding	Following a write-down pursuant to Pre-specifiedCET1 Trigger Event (Temporary write down), the outstanding

S. No.	Particulars	Series I	Series II
		principal amount of the bonds may be increased in accordance with RBI guidelines. Bonds may be subject to more than one Reinstatement.	principal amount of the bonds may be increased in accordance with RBI guidelines. Bonds may be subject to more than one Reinstatement.
35	Position in subordination hierarchy in liquidation	The claims of the Bondholders shall be (i) superior to the claims of investors in equity shares and perpetual non-cumulative preference shares of the Issuer, if any; (ii) subordinate to the claims of all depositors and general creditors and subordinated debt of the Issuer other than subordinated debt qualifying as Additional Tier1 Capital (as the term is defined in the Basel III Guidelines) of the Issuer; (iii) pari-passu without preference amongst themselves and other debt instruments classifying as Additional Tier 1 Capital in terms of	The claims of the Bondholders shall be (i) superior to the claims of investors in equity shares and perpetual non-cumulative preference shares of the Issuer, if any; (ii) subordinate to the claims of all depositors and general creditors and subordinated debt of the Issuer other than subordinated debt qualifying as Additional Tier1 Capital (as the term is defined in the Basel III Guidelines) of the Issuer; (iii) pari-passu without preference amongst themselves and other debt instruments classifying as Additional Tier 1 Capital in terms of

S. No.	Particulars	Series I	Series II
		Basel III Guidelines; (iv) to the extent permitted by the Basel III Guidelines, pari-passu with any subordinated obligation eligible for inclusion in hybrid Tier 1 capital under the then prevailing Basel II guidelines; and v) Neither secured nor covered by a guarantee of the Issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.	Basel III Guidelines; (iv) to the extent permitted by the Basel III Guidelines, pari-passu with any subordinated obligation eligible for inclusion in hybrid Tier 1 capital under the then prevailing Basel II guidelines; and v) Neither secured nor covered by a guarantee of the Issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.

D. 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	INE428A09075	INE428A09117
3.	Governing law(s) of the instrument	Indian Laws	Indian Laws
Regulatory treatment			
4.	Transitional Basel III rules	Tier 2	Tier 2
5.	Post-transitional Basel III rules	Ineligible	Ineligible
6.	Eligible at solo/group/ group & solo	Solo & Group	Solo & Group
7.	Instrument type	Upper Tier II	Upper Tier II
8.	Amount recognized in regulatory capital (` in million, as of most recent reporting date)	₹ 5,000 million	₹ 5,000 million
9.	Par value of instrument	₹ 5,000 million	₹ 5,000 million

S. No.	Particulars	Series I	Series II
		(₹ 1 million per Bond)	(₹ 1 million per Bond)
10.	Accounting classification	Liability	Liability
11.	Original date of issuance	19th March 2009	18th December 2009
12.	Perpetual or dated	Dated	Dated
13.	Original maturity date	19th March 2024	18th December 2024
14.	Issuer call subject to prior supervisory approval	Yes	Yes
15.	Optional call date, contingent call dates and redemption amount	Optional Call Date: 19th March 2019 and thereafter on each anniversary date Contingent call dates: NA Redemption At Par	Optional Call Date: 18th December 2019 and thereafter on each anniversary date Contingent call dates: NA Redemption At Par
16.	Subsequent call dates, if applicable	On each anniversary date after optional call date i.e. 19.03.2019.	On each anniversary date after optional call date i.e. 18.12.2019.
Coupons / dividends			
17.	Fixed or floating dividend / coupon	Fixed	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 exercised 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 exercised 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 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	Yes	Yes

S. No.	Particulars	Series I	Series II
	redeem		
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. Subordinated Bonds, Lower Tier II

The main features of Subordinate Bonds are as follows:

S. No.	Particulars	Series VIII	Series IX
1.	Issuer	Allahabad Bank	Allahabad Bank
2.	Unique identifier	INE428A09083	INE428A09109
3.	Governing law(s) of the instrument	Indian Laws	Indian Laws
Regulatory treatment			
4.	Transitional Basel III rules	Tier 2	Tier 2

S. No.	Particulars	Series VIII	Series IX
5.	Post-transitional Basel III rules	Ineligible	Ineligible
6.	Eligible at solo/group/ group & solo	Solo & Group	Solo & Group
7.	Instrument type	Tier 2 Instruments	Tier 2 Instruments
8.	Amount recognized in regulatory capital (` in million, as of most recent reporting date)	₹ 800 million	₹ 900 million
9.	Par value of instrument	₹ 4,000 million (₹ 1 million per Bond)	₹ 4,500 million (₹ 1 million per Bond)
10.	Accounting classification	Liability	Liability
11.	Original date of issuance	26th March 2009	4th August 2009
12.	Perpetual or dated	Dated	Dated
13.	Original maturity date	26th March 2019	4th August 2019
14.	Issuer call subject to prior supervisory approval	No	No
15.	Optional call date, contingent call dates and redemption amount	No	No
16.	Subsequent call dates, if applicable	NA	NA
Coupons / dividends			
17.	Fixed or floating dividend / coupon	Fixed	Fixed
18.	Coupon rate and any related index	9.23% p.a. payable annually	8.45% p.a. payable annually
19.	Existence of a dividend stopper	No	No
20.	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
21.	Existence of step up or other incentive to redeem	No	No
22.	Non-cumulative 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

S. No.	Particulars	Series VIII	Series IX
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	No Basel III Loss Absorbency	No Basel III Loss Absorbency

c. Basel III Compliant Tier 2 Bonds

The main features of Basel III Compliant Tier II Bonds are as follows:

S. No.	Particulars	Series I	Series II	Series III
1.	Issuer	Allahabad Bank	Allahabad Bank	Allahabad Bank
2.	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE428A08028	INE428A08044	INE428A08051
3.	Governing law(s) of the instrument	Indian Laws	Indian Laws	Indian Laws
Regulatory treatment				
4.	Transitional Basel III rules	Tier 2	Tier 2	Tier 2
5.	Post-transitional Basel III rules	Eligible	Eligible	Eligible
6.	Eligible at solo/group/ group & solo	Solo & Group	Solo & Group	Solo & Group
7.	Instrument type	Subordinate Tier II	Subordinate Tier II	Subordinate Tier II
8.	Amount recognized in regulatory capital (` in million, as of most recent reporting date)	₹ 5000 million	₹ 10000 million	₹ 10000 million
9.	Par value of instrument	₹ 5000 million (₹ 1 million per Bond)	₹ 10000 million (₹ 1 million per Bond)	₹ 10000 million (₹ 1 million per Bond)
10.	Accounting classification	Liability	Liability	Liability
11.	Original date of issuance	20th January 2015	21st December 2015	25th January 2017
12.	Perpetual or dated	Dated	Dated	Dated
13.	Original maturity date	20th January	20th December	25th January

S. No.	Particulars	Series I	Series II	Series III
		2025	2025 *21st December 2025, being sunday	2027
14.	Issuer call subject to prior supervisory approval	NA	NA	NA
15.	Optional call date, contingent call dates and redemption amount	NA	NA	NA
16.	Subsequent call dates, if applicable	NA	NA	NA
Coupons / dividends				
17.	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18.	Coupon rate and any related index	8.78% p.a. payable annually till maturity of Bonds	8.64% p.a. payable annually till maturity of Bonds	8.15% p.a. payable annually till maturity of Bonds
19.	Existence of a dividend stopper	No	No	No
20.	Fully discretionary, partially discretionary or mandatory	Partially discretionary	Partially discretionary	Partially discretionary
21.	Existence of step up or other incentive to redeem	NO	NO	NO
22.	Noncumulative or cumulative	Non-Cumulative	Non-Cumulative	Non-Cumulative
23.	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible
24.	If convertible, conversion trigger(s)	NA	NA	NA
25.	If convertible, fully or partially	NA	NA	NA
26.	If convertible, conversion rate	NA	NA	NA
27.	If convertible, mandatory or optional conversion	NA	NA	NA
28.	If convertible, specify instrument type convertible into	NA	NA	NA
29.	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30.	Write-down feature	YES	YES	YES
31.	If write-down, write-down trigger(s)	The Bonds may, at the option of the RBI, be permanently written off upon occurrence of the trigger event called the "Point of Non Viability	The Bonds may, at the option of the RBI, be permanently written off upon occurrence of the trigger event called the "Point of Non Viability	The Bonds may, at the option of the RBI, be permanently written off upon occurrence of the trigger event called the "Point of Non Viability

S. No.	Particulars	Series I	Series II	Series III
		Trigger". The PONV Trigger event shall be the earlier of: a) a decision that the permanent write off, without which the Bank would become non-viable, is necessary, as determined by the RBI; and b) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority. Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.	Trigger". The PONV Trigger event shall be the earlier of: a) a decision that the permanent write off, without which the Bank would become non-viable, is necessary, as determined by the RBI; and b) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority. Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.	Trigger". The PONV Trigger event shall be the earlier of: a) a decision that the permanent write off, without which the Bank would become non-viable, is necessary, as determined by the RBI; and b) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority. Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.

S. No.	Particulars	Series I	Series II	Series III
32.	If write-down, full or partial	Full	Full	Full
33.	If write-down, permanent or temporary	Permanent	Permanent	Permanent
34.	If temporary write-down, description of write-up mechanism	NA	NA	NA
35.	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The claims of the Bondholders shall be (a) senior to the claims of investors in instruments eligible for inclusion in Tier 1 capital of the Bank; (b) subordinate to the claims of all depositors and general creditors of the Bank; and (c) neither secured nor covered by a guarantee of the Bank or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank. The Bondholders shall have no rights to accelerate the repayment of future scheduled	The claims of the Bondholders shall be (a) senior to the claims of investors in instruments eligible for inclusion in Tier 1 capital of the Bank; (b) subordinate to the claims of all depositors and general creditors of the Bank; and (c) neither secured nor covered by a guarantee of the Bank or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank. The Bondholders shall have no rights to accelerate the repayment of future scheduled	The claims of the Bondholders shall be (a) senior to the claims of investors in instruments eligible for inclusion in Tier 1 capital of the Bank; (b) subordinate to the claims of all depositors and general creditors of the Bank; and (c) neither secured nor covered by a guarantee of the Bank or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank. The Bondholders shall have no rights to accelerate the repayment of future scheduled

S. No.	Particulars	Series I	Series II	Series III
		payments (coupon or principal) except in bankruptcy and liquidation.	payments (coupon or principal) except in bankruptcy and liquidation.	payments (coupon or principal) except in bankruptcy and liquidation.
36.	Non-compliant transitioned features	NO	NO	NO
37.	If yes, specify non-compliant features	NA	NA	NA

TABLE DF – 14	FULL TERMS AND CONDITIONS OF REGULATORY CAPITAL INSTRUMENTS

Disclosures pertaining to the terms and conditions of regulatory capital instruments have been disclosed separately on the Bank's website under the Regulatory Disclosures Section. The link to this section is https://www.allahabadbank.in/english/Capital_Instruments.aspx.

TABLE DF – 15	DISCLOSURE REQUIREMENTS FOR REMUNERATION
Not Applicable For Public Sector Bank	

TABLE DF – 16	EQUITIES – DISCLOSURE FOR BANKING BOOK POSITIONS

- In accordance with the RBI guidelines on investment classification and valuation, Investments are classified on the date of purchase into Held for Trading (HFT), Available for Sale (AFS) and Held to Maturity (HTM) categories. Investments which the Bank intends to hold till maturity are classified as HTM securities. In accordance with the RBI guidelines, equity investments held under the HTM category are classified as banking book for capital adequacy purpose.

- Investments in equity of subsidiaries and joint ventures are required to be classified under HTM category in accordance with the RBI guidelines. These are held with a strategic objective to maintain relationships for business purposes.

- Investments classified under HTM category are carried at their acquisition cost and not marked to market. Any diminution, other than temporary, in the value of equity investments is provided for. Any loss on sale of investments in HTM category is recognized in the Statement of Profit and Loss. Any gain from sale of investments under HTM category is recognized in the Statement of Profit and Loss and is appropriated, net of taxes and statutory reserve, to "Capital Reserve" in accordance with the RBI Guidelines.

Quantitative Disclosures

A. Value of Investments

(₹ in Millions)

Investments	Value as per Balance Sheet	Fair Value	Publicly Quoted Share Values (if materially different from fair value)
Unquoted	1,820	2,663	NA
Quoted	NIL	NIL	NA

B. Types and Nature of Investments

(₹ in Millions)

Publicly traded	-
Privately held	1,820

C. Gain/ Loss Statement

(₹ in Millions)

Particulars	Amount
Cumulative realized gains (losses) arising from sales and liquidations in the reporting period	-
Total unrealized gains (losses)	843
Total latent revaluation gains (losses)	
Unrealized gains (losses) included in Capital	-
Latent revaluation gains (losses) included in Capital	-

D. Capital Requirement for Banking Book

(₹ in Millions)

Equity grouping	Treatment under Basel III	Capital Requirement
Shares of PSU/Corporate, which were in the books of the Bank under HTM category as on 2nd March 2004 and as per RBI guidelines, can be retained as such.	Risk weighted	415

TABLE DF – 17	SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE

(₹ in Millions)

	Item	Amount
1	Total consolidated assets as per published financial statements	24,16,517
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(1,050)
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	(440)
4	Adjustments for derivative financial instruments	46,985
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	16,141
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	1,49,041
7	Other adjustments	(4,872)
8	**Leverage ratio exposure**	**26,22,322**

Reconciliation with public financial statements

(₹ in Millions)

	Particulars	Amount
1	Total assets as per financial statement	24,16,517
2	Adjustments for securities financing transactions	(1,09,755)
3	Other Adjustments	(6,362)
4	**On-Balance Sheet exposure under Leverage Ratio**	**23,00,400**

TABLE DF – 18	LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

The leverage ratio act as a credible supplementary measure to the risk based capital requirement. The Bank is required to maintain a minimum leverage ratio of 4.5%. The Bank's leverage ratio, calculated in accordance with the RBI guidelines under consolidated framework is as follows:

(₹ in Millions)

	Item	Amount
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	23,06,762
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(6,362)
3	**Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of lines 1 and 2)	**23,00,400**
Derivative exposures		
4	Replacement cost associated with all *derivatives* transactions (i.e. net of eligible cash variation margin	14,195
5	Add-on amounts for PFE associated with *all* derivatives transactions	32,791
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	**Total derivative exposures (sum of lines 4 to 10)**	**46,985**

	Item	Amount
Securities financing transaction exposures		
12	Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions	1,09,755
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	16,141
15	Agent transaction exposures	-
16	**Total securities financing transaction exposures** (sum of lines 12 to 15)	**1,25,895**
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	5,53,470
18	(Adjustments for conversion to credit equivalent amounts)	(4,04,429)
19	**Off-balance sheet items** (sum of lines 17 and 18)	**1,49,041**
Capital and total exposures		
20	**Tier 1 capital**	**1,35,950**
21	**Total exposures** (sum of lines 3, 11, 16 and 19)	**26,22,322**
Leverage ratio		
22	**Basel III Leverage Ratio**	**5.18%**

LEVERAGE RATIO DISCLOSURE

(₹ in Millions)

Particulars	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016
Tier 1 capital	1,35,950	1,34,195	1,35,099	1,31,768
Exposure Measure	26,22,322	25,66,815	25,83,722	26,21,390
Leverage Ratio	**5.18%**	**5.23%**	**5.23%**	**5.03%**