LAKSHMI VILAS BANK

DISCLOSURE UNDER PILLAR III OF BASEL III NORMS AS ON 30.09.2014

I. SCOPE OF APPLICATION AND CAPITAL ADEQUACY

Table DF-1: Scope of Application

The Lakshmi Vilas Bank Ltd, an private sector bank incorporated in 1926 at Karur. Since the bank doesn't have any subsidiaries under its Management. Hence the CRAR is computed in standalone basis.

(i) Qualitative Disclosures:

a. List of group entities considered for consolidation.

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

No Group affiliation

(ii) Quantitative Disclosures:

c. List of group entities considered for consolidation

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

Table DF-2

CAPITAL ADEQUACY

Qualitative Disclosures:

a) A summary discussion of the bank's approach for assessing the adequacy of its capital to support current and future activities.

The Bank is exposed to Credit risk, market risk, Operational risk and other Pillar II risks. Based on the scale of business operations approaches have been put in place to compute the required capital of the bank and controls that are commensurate the risk profile of the bank. The bank has adopted the following approaches for the computing the capital charge.

Credit Risk – Standardized Approach
Market Risk – Standardized duration Approach
Operational Risk – Basic Indicator Approach

- The Business projections, capital requirement, Assessment methodology, controlling mechanism, etc., have been discussed in ICAAP document and it has been reviewed on yearly basis.
- CRAR has been computed based on the Basel III guidelines and it is well above the regulatory minimum level of 9% (other than capital conservation buffer and Countercyclical Capital buffer etc.,)

Quantitative Disclosures:

Capital Requirements: **(Amount in ₹)**

Particulars	No of Equity Shares	Face Value Per share	Amount
Authorized Capital	300000000	10	3000000000
Issued Capital	180329986	10	1803299860
Subscribed Capital	178821609	10	1788216090
Called up/paid up Capital	178821609	10	1788216090

The Bank's shares are listed on the National Stock Exchange Limited and Bombay Stock Exchange Limited.

As on 30.09.2014 the bank does not have Capital in the form of additional Tier-I.

Tier 1 capital includes Equity share capital, Reserves comprising of statutory reserves, capital and other revenue reserves, share premium and Balance in profit and loss account and less intangible assets.

Tier 2 Capital consists of the general provisions, Tier II bonds – subordinated Debt (Discounted value), and Revaluation reserves as on 30.09.2014.

Break up of capital funds:

The Tier I Capital of the Bank comprises of

(₹.in Lacs)

Paid up capital	17882.16
Reserves & surplus	119740.42
Less: Intangible Assets	12784.22
Total	**124838.36**

The Tier II Capital of the Bank comprises of (₹.in Lacs)

General Provisions and Loss Reserve	7731.79
Subordinated debts	23510.00
Revaluation Reserves	3439.26
Less: Tier II Bonds Cross Holding (Basel III)	1371.00
Total	**33310.05**

The Total Capital comprises of

(₹.in Lacs)

Tier I Capital	124838.36
Tier II Capital	33310.05

Risk Type	(₹ In Lacs)
b) Capital requirements for Credit Risk	**92277.85**
Portfolios subject to standardized approach	
Cash & Bank	164.67
Investments (Under HTM – RIDF)	92.25
Loans and Advances	87192.41
Fixed Assets	1637.19
Other Assets	3191.33
Securitization exposures	**-**
c) Capital requirements for Market Risk	**6767.92**
Standardized Duration approach	
Interest Rate Risk	5877.93
Foreign Exchange Risk (including gold)	139.95
Equity Risk	750.04
d) Capital requirements for Operational Risk	**8796.95**
Basic Indicator approach	8796.95
Total Risk weight Assets (b+c+d)*100/9	**1198252.44**
Total Capital funds	**158148.41**
CRAR (Basel III)	**13.20%**

e) Common Equity Tier 1, Tier I and Total Capital ratios:

For the top consolidated group; and for significant bank subsidiaries (stand alone or sub-consolidated depending on how the framework is applied)

Not applicable

II. Risk Exposure and Assessment

General Qualitative Disclosure requirement:

Credit Risk:

The objectives of Credit risk management practices in the bank are the following:

- To ensure business continuity with growth and stability.
- To ensure that the bank holds adequate capital in alignment with risks undertaken as well as the regulatory requirements from time to time.
- To optimize risk-return profile by providing a framework for risk-based pricing.
- To provide decision support for entry / exit strategies.
- To provide a framework for monitoring risk profile of the bank through structured reports.
- To facilitate the identification of risks in various activities undertaken by the bank through its operating units.
- To provide guidance on measurement of risks and their quantification for assessing the level of risk under portfolio management.
- To provide guidance on risk mitigation for ensuring customer retention while promoting risk-reward consciousness at all levels of operation.
- To set / monitor prudential risk limits in tune with the business strategy, capital adequacy and regulatory prescriptions.
- To ensure the adherence to these risk limits through defining the reporting structures and systems.
- To ensure compliance with other regulatory prescriptions.
- The bank proposes to keep its overall risk profile as moderate and stable for the medium term.

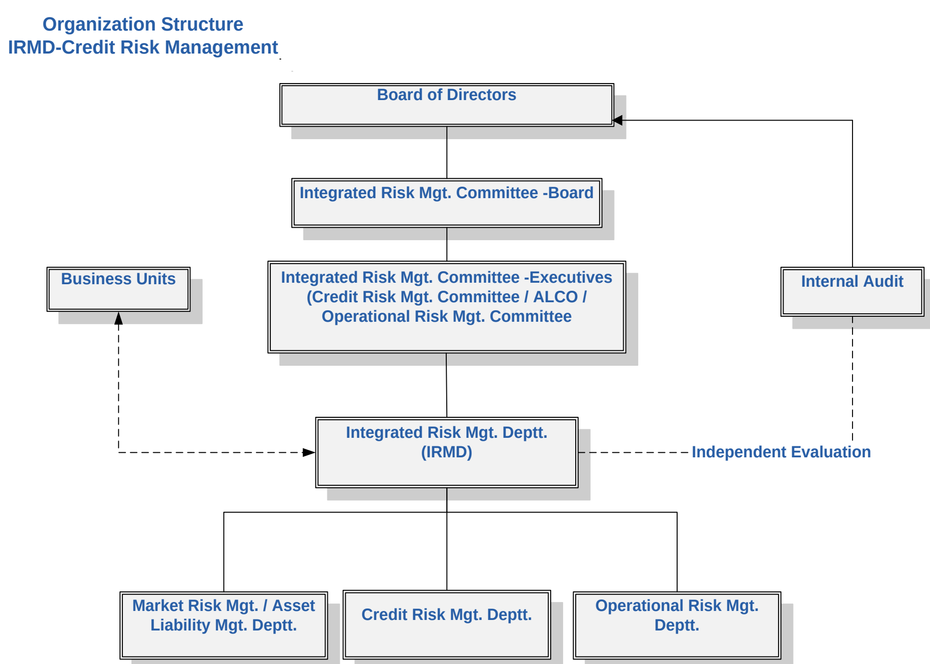
Risk appetite and risk-return profile, credit risk strategy shall also include a statement of the banks willingness to grant credit based on:

- exposure type (for example, commercial, consumer, real estate,etc.,),
- economic sector (e.g. textile, iron etc.),
- geographical location,
- currency,
- maturity,
- anticipated profitability,
- identification of target markets / business sectors (like priority sector lending) and
- the overall credit portfolio composition
- preferred levels of diversification & concentration tolerances.

Credit risk strategy of the bank shall provide continuity in approach considering cyclical approach of the economy and the resulting shifts in the composition and quality of the overall credit portfolio.

Strategy is being reviewed yearly in CRM policy.

Organization Structure:



Comprehensive Risk Management Policy put in place and the same has been approved by Board. The hierarchy of the IRMD starts from Board of Directors. Board is responsible for approving & reviewing on a periodical basis credit risk related policies, strategy & limits. Further Board has sub level committee (IRMCB) to review the risk limits, monitor the functioning of the IRMC-E and issue necessary directions if require.

<u>The Scope and nature of risk reporting and / or measurement systems</u>

Risk-rating model is an important tool and is an integral part of the Credit Risk Management. The benefits of a robust system based rating model

- ⇨ Serves as a **single point indicator of diverse risks** of a borrower
- ⇨ Enables banks to take **informed credit decisions** in a consistent manner.
- ⇨ Facilitates adoption of **risk-based pricing**.
- ⇨ Arriving at **Facility Risk rating** for the particular facility/product based on the comforts of securities/guarantors.

Internal credit rating models / systems are an important tool in monitoring the quality of individual credits, as well as the total portfolio. A well-structured internal risk rating system is a good means of differentiating the degree of credit risk in the different credit exposures of the bank. This will allow more accurate determination of the overall characteristics of the credit portfolio, concentrations, problem credits, and the adequacy of loan loss reserves.

Internal credit rating framework enables the Bank to standardize and uniformly communicate the “judgment” in credit selection procedures but is not a substitute to the vast lending experience accumulated by the bank’s professional staff.

In order to make the credit risk assessment more consistent and effective, a two dimensional approaches to measure risk comprising borrower risk (Obligor Rating) and transaction risk (Facility Rating) has been implemented.

Use of Risk Rating Models / Systems

- Individual credit selection, wherein a borrower or a particular exposure/ facility is rated.

- Pricing of the facility / loan
- Deciding the limits & tenure of the proposed credit assistance.
- Portfolio-level analysis and portfolio management
- Frequency and intensity of monitoring of the exposures.
- Internal MIS
- General provision "reasonable over provisioning" in addition to statutory prescribed provision.
- Assessing the aggregate risk profile of bank.

The Bank has a multi-tier structure for sanction of credit proposals, with proper delegation of lending powers at various levels of officers & executives, duly approved by Board.

The powers vested at each level depend on the quantum and type of the loan facility and the overall exposure to the borrower/group.

The Bank has a system under which the lending powers exercised by delegated authority are reported to and reviewed by a higher authority under the Internal Loan Review Mechanism.

A two dimensional approach to measure risk comprising borrower risk (Obligor Rating) and transaction risk (Facility Rating) has been implemented. The Credit Risk Assessment System (CRAS) operated through the risk rating models shall form the fulcrum of credit risk management.

Policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants

As per the RBI guidelines, eligible financial collaterals have been taken into account for

Risk mitigation purpose.

Bank is having a system in place to monitor compliance with country exposure limits. Exceptions are reported, approved and rectified as per laid down procedures.

Bank is having an effective system in place to generate management reports which are detailed enough for the senior management review and to identify exceptions in a timely manner.

Market Risk:

Strategies and processes

The Bank has policies like Asset Liability Management Policy, Investment & Forex Risk Management Policy to address the liquidity risk and market risk respectively arising out of its banking book and trading book of investment portfolio.

Mid office is functioning independent of treasury and it monitors limits, trigger of investments, cut (stop) loss limit, Open position limit etc., Further it assess various limits set out by RBI and as stipulated in Investment/ trading book Policy, and keeps track on rating migration of rated securities on a daily basis. It fixes the overall counter-party exposure limits (Banks & FIs)

The structure and organization of the relevant risk management function

The Asset Liability Committee (ALCO) is responsible for

- Managing Interest Rate Risk and Liquidity Risk of the Banking Books.
- Pricing of Assets and Liabilities.
- Monitor and control the quality of the Balance Sheet
- Review and control of limits, procedures, reports, ratios & market trends, which impact bank's Balance Sheet.
- Review the treasury operations including trading.

- Differential pricing of wholesale deposits be delegated to Planning & Development

The scope and nature of risk reporting and/or measurement systems

The ALM Policy will be operated through the Integrated Risk Management Department (IRMD) which is responsible for evolving appropriate systems & procedures for ongoing identification & analysis of Balance Sheet risks and laying down parameters for management of these risks. IRMD will, therefore, have the responsibilities of periodic monitoring and control of the risks and the same has been reported to IRMC-E & IRMC-B.

Policies for hedging and/or mitigating and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants.

Board approved Investment and Forex policy are put in place. Policies for hedging/ mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants are discussed in ALCO.

The Structural liquidity statement is prepared on a daily basis to analyze the liquidity profile of the bank in a static manner. Exchange risk is managed by fixing limits on position limits – Day light and Overnight limits, single deal limit, stop loss limit and Overall Overnight Open Exchange position limit. Additional liquidity ratios reviewed on a quarterly basis against the limits set under stock approach.

Interest rate risk is analyzed from earnings perspective using Traditional Gap analysis and Economic value perspective using Duration Gap analysis on a Quarterly basis. Further stress testing process conducted under scenario as well as stock approach to estimate the impact on various conditions.

Operational Risk

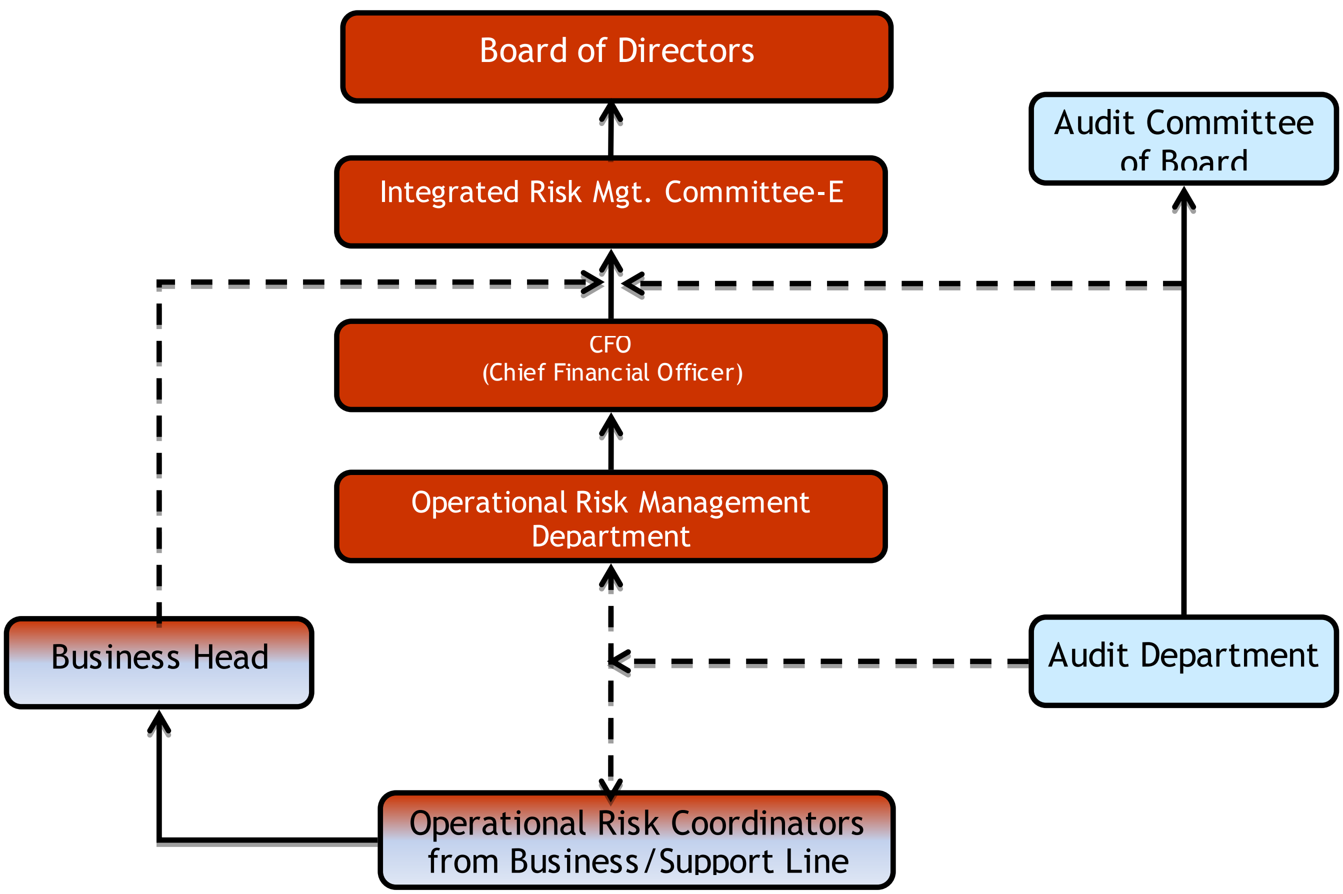
Strategies and processes

The strategy for the overall management of operational risk is in alignment with the business objectives & risk appetite of the bank considering the size, nature and complexities of the bank activities.

The strategy towards operational risk management shall focus on:

The Structure and organization of the relevant risk management function

Operational Risk Management is organized within the IRMD and will report to the head of the risk. The hierarchy of ORM within the organizational chart for governance purposes is presented below. These roles and responsibilities relate only to the activities relating to operational risk management.



A well defined Operational risk Management policy is put in place. The role of Board vests in setting business strategy, risk appetite, policies, governance, management framework, methodology of measurement and assessment, internal audit, report to stakeholders on risk management, etc.,

The Scope and nature of risk reporting and/or measurement systems

The scope of risk reporting is to establish an explicit operational risk management process that results in the identification, evaluation, assessment, measurement, analysis, monitoring, control, mitigation and reporting of operational risks. This process also includes independent evaluation of operational risk management function by the Internal Audit Department and to report its findings to the Board / Senior Management as an assurance for the effective discharge of responsibilities with respect to management of operational risk.

Policies and procedures are put in place for control / mitigate material operational risks to adjust the risk appetite / tolerance level based on its risk control and mitigation strategies. For those risks that cannot be controlled, the bank decides whether to accept these risks, reduce the level of business activity involved, or withdraw from this activity completely. Some major control/mitigation techniques like sound internal control system, Insurance, Standards for Insurance Recognition, retention/self insurance, Business Continuity and Disaster Recovery Plan, Outsourcing of financial services, Information Technology security, Internal Audit, External Audit, Reporting are deployed in the framework.

Interest Rate Risk in Banking Book

Strategies and Processes

Interest Rate Risk is measured in two different ways. Earnings perspective using Traditional Gap Analysis is to assess the impact of adverse movement in interest rate on the Net Interest Income (Earnings at Risk) and economic value perspective using Duration Gap Analysis to assess the impact of adverse movement in interest rate on the market value of Bank's equity.

Structure and Organization of Risk Management Function

ALM policy will manage and monitor the limits / guidance values / target set on interest rate risk of the Banking Book. IRMC-B and ALCO at the executive level are responsible for efficient and effective management of Interest rate risk in Banks business.

Scope and nature of risk reporting / measurement systems

The Duration/ Modified duration mainly depends on coupon, maturity and periodicity of payment of installments. Since the modified duration of the liabilities is less compared to the modified duration of assets, there would be fall in the equity value under major stress. Modified duration of Equity is calculated on a quarterly basis. The capital charge for Interest rate risk in banking book is assessed based on drop in the Market value of equity under 200 bps changes in interest rate. The results of Traditional Gap analysis and Duration Gap analysis including the adherence to tolerance limit set in this regard are monitored and the same has been placed before ALCO/IRMC-B level.

Policies for hedging / mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/ mitigants

Investment policy, Forex policy, ALM policy, Stress testing policy, Credit Risk Management Policy are put in place to measure, mitigate / hedge the various risks.

TABLE DF-3: Credit Risk

Credit Risk: General Disclosures For All Banks

Qualitative Disclosures

(a) The general qualitative disclosure requirement with respect to credit risk, Includes the definitions of Past Due, NPA of a loan or a advance and impaired assets (For Accounting Purposes), Out of order and Overdue. These definitions are as per the extant guidelines of Reserve Bank of India.

Credit Risk

Credit risk in simple terms is the potential that bank's borrower or counterparty will fail to meet its obligations in accordance with agreed terms.

Credit risk is defined as the possibility of losses associated with default in repayment or diminution in the credit quality of borrowers or counterparties or diminution in the value of primary and/or collateral assets. In a bank's portfolio, losses stem from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions.

Discussion Of the Bank's Credit risk management policy

The Board level approved Credit Risk Management Policy is put in place. The goal of the policy is to ensure that it is within the acceptable risk appetite and tolerance limit set by the bank. It manages the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions and it encompasses identification, measurement, monitoring and control of the credit risk exposures. Further it deals the structure, governance, framework, processes for effective and efficient management of the Credit risk.

Quantitative Disclosures

b) Total gross credit risk exposures, Fund based and Non-fund based separately.

Credit Risk Exposures	(₹ In Lacs)
Fund Based *	1999208.87
Non Fund Based	161434.48
Total Fund & Non Fund Based	**2160643.35**

* It includes loans/advances; fixed assets, other assets, cash, bank balances, balance with RBI and investments.

C) Geographic distribution of exposures, Fund based and Non-fund based separately

(₹ in lacs)

STATE NAME	FUNDED	NON-FUNDED	TOTAL
TAMIL NADU	728493.79	56920.91	785414.70
MAHARASHTRA	223666.84	43202.25	266869.09
ANDHRA PRADESH	178218.63	39309.68	217528.31
KARNATAKA	131096.20	4153.98	135250.18
GUJARAT	17099.76	786.56	17886.32
CHATTISGARH	651.28	230.00	881.28
DELHI	47112.85	13698.33	60811.18
HARYANA	1411.47	1301.70	2713.17
JHARKHAND	165.92		165.92
KERALA	12531.68	48.72	12580.40
MADHYA PRADESH	851.55	120.63	972.18
ORISSA	242.30	10.10	252.40
PUDUCHERRY	7935.26	458.67	8393.93
RAJASTHAN	2430.85	5.00	2435.85
UTTAR PRADESH	456.36	6.00	462.36
WEST BENGAL	20067.57	1181.95	21249.52
GRAND TOTAL	**1372432.31**	**161434.48**	**1533866.79**

(c) Industry Wise distribution of Exposures, Fund based and Non fund based .

(₹ in lakhs)

S.NO	Industry Name	Funded	Non-funded	Total Exposure	% of Gross Credit
1	Mining and Quarrying	20227.36	130.61	20357.97	1.33
2	Food Processing	47157.67	10970.54	58128.21	3.79
3	Beverages (excluding Tea & Coffee) and Tobacco	5551.11	178.08	5729.19	0.37
4	Textiles	82725.77	6949.30	89675.07	5.85
5	Leather and Leather products	704.70	27.13	731.83	0.05
6	Wood and Wood Products	8188.85	13454.57	21643.42	1.41
7	Paper and Paper Products	11003.89	416.93	11420.82	0.74
8	Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	55.22	0.00	55.22	0.00
9	Chemicals and Chemical Products (Dyes, Paints, etc.)	23234.17	15408.87	38643.04	2.52
10	Rubber, Plastic and their Products	5906.11	406.13	6312.24	0.41
11	Glass & Glassware	723.66		723.66	0.05
12	Cement and Cement Products	14880.97	1.00	14881.97	0.97
13	Basic Metal and Metal Products	77852.12	31645.25	109497.37	7.14
14	All Engineering	19561.77	9115.94	28677.71	1.87
15	Vehicles, Vehicle Parts and Transport Equipments	5094.21	7.74	5101.95	0.33
16	Gems and Jwellery	9608.87	780.00	10388.87	0.68
17	Construction	904.78	1518.77	2423.55	0.16
18	Infrastructure	116949.52	14889.43	131838.95	8.60
	Other Industries	229923.95	6107.24	236031.19	15.39
	Residual Advance	692177.61	49426.95	741604.56	48.35
	Total Loans and Advance	**1372432.31**	**161434.48**	**1533866.79**	

Note: The industries break-up given on the same lines as prescribed for DSB returns. Residual advances are educational loans, aviation sector, Housing loans, Gold loans, Loan against deposits, Personnel loan, staff loan, consumer loans, vehicle loans, etc., The Industries which has crossed 5% of gross credit exposure are:

a) Textiles - 6.03%

b) Basic Metal and Metal Products – 5.67%

c) Infrastructure - 8.60%

e) Residual Contractual maturity breakdown of assets

(₹ in Lacs)

	Cash	Balance With RBI	Balance With Other Banks	Investments	Repo - Assets	Call Money Placements	Advances	Fixed Assets	Other Assets
Overdue to1 Day	26930.70	924.71	1845.84	3703.83	19760.00	12497.18	17235.43	0.00	4315.47
2-7 Days	0.00	1083.24	0.00	1362.10	0.00	0.00	38784.73	0.00	375.68
8-14 Days	0.00	1384.69	0.00	5066.99	0.00	0.00	46917.40	0.00	437.54
15-28 Days	0.00	2658.49	0.00	7840.90	0.00	0.00	68932.45	0.00	873.96
29 Days to 3 Months	0.00	7070.51	0.00	26370.68	0.00	0.00	245963.87	0.00	3873.77
3-6 Months	0.00	7186.06	0.00	21345.65	0.00	0.00	65710.52	0.00	5623.94
6 Months-1 Year	0.00	15306.69	0.00	18274.96	0.00	0.00	176585.36	0.00	0.00
1-3 Years	0.00	23547.92	331.99	53038.51	0.00	0.00	550327.04	0.00	70946.66
3-5 Years	0.00	4554.21	0.00	62963.36	0.00	0.00	51347.50	0.00	119.42
Over 5 Years	0.00	10531.48	0.00	413427.06	0.00	0.00	90909.16	20724.61	3527.58
Total	**26930.70**	**74247.99**	**2177.82**	**613394.04**	**19760.00**	**12497.18**	**1352713.47**	**20724.61**	**90094.02**

Asset Quality

f) Amount of NPAs (Gross) (₹ in Lacs)

Substandard	16957.92
Doubtful 1	22798.27
Doubtful 2	10218.13
Doubtful 3	269.08
Loss	854.15
Total	**51097.55**

g) Net NPAs ₹ 37548.52 Lacs

h) NPA Ratios:

Gross NPAs to gross advances - 3.72%

Net NPAs to net advances - 2.78%

i) Movement of NPAs (Gross)

(₹ in.Lacs)

Opening balance	53111.15
Additions	2222.20
Reductions	4235.80
Closing balance	**51097.55**

j) Movement of provisions for NPAs (₹ in.Lacs)

Opening balance	6004.68
Provisions made during the period	3082.40
Write-back/Write -Off of excess provisions	1021.53
Closing balance	8065.55

j) Amount of Non-performing investments - ₹ 1077.60 lacs

k) Amount of provisions held for non-performing investments - ₹ 913.60 lacs

l) Movement of provisions for depreciation on investments

(₹ in.Lacs)

Opening balance	3014.69
Provisions made during the period	723.80
Write-off/ Write-back of excess provisions	-
Closing balance	3738.49

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

Quantitative Disclosures

a) For exposure amounts after risk mitigation subject to the standardized approach, amount of a bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted:

Particulars	Below 100% Risk Weight		100% Risk Weight		More than 100% Risk Weight		Grand Total	
	BV**	RWA**	BV	RWA	BV	RWA	BV	RWA
Fund Based								
Loans & Advances	846190.88	300964.21	343564.23	343564.23	182677.20	252820.02	1372432.31	897348.46
Investments	415712.85	1025.00	0.00	0.00	0.00	0.00	415712.85	1025.00
Other Assets*	190239.10	37288.36	20824.62	18191.02	0.00	0.00	211063.72	55479.38
Loans & Advances Deducted (Taken for	376879.30	0.00	2633.60	0.00	0.00	0.00	379512.9	0.00

Mitigation purpose)								
Total Fund Based	1452140.00	339277.60	364388.90	361755.30	182677.20	252820.00	1999208.88	953852.90
Non Fund Based inc. Contingent credit	30569.72	5881.48	73838.68	19912.72	57026.07	45662.15	161434.47	71456.35
Total Credit Risk Exposures	1482709.72	345159.08	438227.58	381668.02	239703.28	298482.15	2160643.35	1025309.15

* other assets includes cash, balance with RBI, balance with other banks, fixed assets and others

**** BV: Book Value; RWA: Risk Weighted Assets**

Table DF- 5

Credit Risk: Credit Risk Mitigation: Disclosures for Standardized Approaches

Qualitative Disclosures

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

Policies and process for and an indication of the extent to which the bank makes use of, on and off balance sheet netting;

- **Policies and processes for collateral valuation and management**

Bank has a policy and procedure for the management of collateral and guarantees.

Valuation should be based on the current market value of the collateral and should not be biased in order to enable the bank, to grant a higher credit limit to the borrower or improve its internal credit rating, make a smaller amount of provision or continue interest accrual for a problem credit.

Collateral should be revalued on a regular basis, though the frequency may vary with the type of collateral involved and the nature & the internal credit rating of the underlying credit e.g. frequency for shares and properties as collateral would be different

Collaterals & guarantees are properly evaluated with respect to legal validity, enforceability in all relevant jurisdictions, etc., for the purpose of netting as credit risk mitigants as per the policy.

A more conservative approach should be adopted for valuing the collateral of problem credits because the forced-sale value, rather than the open market value, is likely to be closer to what eventually may be realized from an asset sale when the market conditions are un-favorable. Therefore, a discount to the estimated market value should be applied where appropriate.

- **Description of the main types of collateral taken by the bank**

Under Standardized approach, the following collateral instruments used as risk mitigants for the capital computation.

1. Cash and fixed deposits of the Borrower with the Bank.
2. Gold (The value of the gold arrived after notionally converting into 99.99% purity)
3. Securities issued by Central and State Governments.
4. Kisan Vikas Patra and National Savings Certificates (with no lock-in period)
5. Life insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator.
6. Debt Securities issued by Public Sector Entities and other entities (including banks and other primary dealers) rated by chosen rating agency attracting 100% risk weight or lesser risk weight.(i.e. rated atleast BBB(-) or A3 for short-term debt instruments)

7. Debt Securities not rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity where these are
    a) Issued by a bank
    b) Listed on a recognized stock exchange,
    c) Classified as senior debt and

d) all the rated issues of the same senior by the issuing bank are rated atleast BBB (-) or A3 by a chosen Credit Rating Agency.

e) The bank has no information to suggest that the issue justifies a rating below BBB (-) or A3 by a chosen Credit Rating Agency

8. Units of Mutual Funds regulated by the securities regulator of the jurisdiction of the Bank's operation and mutual funds where
   a. A price for the units is publicly quoted daily i.e. where the daily NAV is available in public domain
   b. Mutual fund is limited to investing in the permitted instruments listed.

- **Information about (market or credit) risk concentrations within the mitigation taken**

Majority of the exposures are retail exposures and insulated with adequate liquid collateral by way of cash margin, KVP, fixed deposits, National Savings Certificate, Life Insurance Policies etc for reducing the capital buffer after applying applicable haircuts in the respective securities.

Quantitative Disclosures

a) 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.

Credit Risk exposure covered by Eligible Financial Collaterals

(**₹ in Lacs**)

Type of Exposure	Notional Exposure (After CCF)	Eligible Financial Collaterals	Net Exposure
On Balance Sheet	247274.83	290911.56	0.00
Off Balance Sheet	87361.74	27663.99	59697.75
Total	**334636.57**	**318575.55**	**59697.75**

b) 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

Credit Risk Mitigation: Securitization Exposures: Disclosure for Standardised Quantitative Disclosures

a) The general qualitative disclosure requirement with respect to securitisation including a discussion of:

- the bank's objectives in relation to securitisation activity, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the bank to other entities.
- the nature of other risks (e.g. liquidity risk) inherent in securitised assets;
- the various roles played by the bank in the securitization process (For example: originator, investor, servicer, provider of credit enhancement, liquidity provider, swap provider@, protection provider#) and an indication processes in place to monitor changes in the credit and market risk of securitization exposures (for example, how the behavior of the underlying assets impacts securitization exposures as defined in paragraph 5.16.1 of Basel III Capital Regulations).
- A description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitization exposures;

  @ A bank may have provided support to a securitization structure in the form of an interest rate swap or currency swap to mitigate the interest rate/currency risk of the underlying assets, if permitted as per regulatory rules.

  # A bank may provide credit protection to a securitization transaction through guarantees, credit derivatives or any other similar product, if permitted as per regulatory rules.of the extent of the bank's involvement in each of them;

Not applicable

b) Summary of the bank's accounting policies for securitisation activities, including:

- Whether the transactions are treated as sales or financings;
- methods and key assumptions (including inputs) applied in valuing positions retained or purchased

- changes in methods and key assumptions from the previous period and impact of the changes;
- policies for recognising liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitised assets

c) In the banking book, the names of ECAIs used for securitisations and the types of securitisation exposure for which each agency is used.

Not applicable

Quantitative Disclosures-Banking Book

d) The total amount of exposures securitised by the bank.

e) For exposures securitised losses recognised by the bank during the current period broken by the exposure type (e.g. housing loans, auto loans etc. detailed by underlying security)

f) Amount of assets intended to be securitised within a year

g) Of (f), amount of assets originated within a year before securitisation

h) The total amount of exposures securitised (by exposure type) and unrecognised gain or losses on sale by exposure type.

i) Aggregate amount of:

- on-balance sheet securitization exposures retained or purchased broken down by exposure type and
- off-balance sheet securitization exposures broken down by exposure type

j) Aggregate amount of securitization exposures retained or purchased and the associated capital charges, broken down between exposures and further broken down into different risk weight bands for each regulatory capital approach

Exposures that have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type).

Not applicable

Quantitative Disclosures: Trading book

k) Aggregate amount of exposures securitized by the bank for which the bank has retained some exposures and which is subject to the market risk approach, by exposure type.

m) Aggregate amount of securitization exposures retained or purchased separately for:

- securitization exposures retained or purchased subject to Comprehensive Risk Measure for specific risk; and
- securitization exposures subject to the securitization framework for specific risk into different risk weight bands.

n) Aggregate amount of:

- the capital requirements for the securitization exposures, subject to the securitization framework broken down into different risk weight bands.
- securitisation exposures that are deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital(by exposure type).

Not applicable

Table DF- 7

Market risk in Trading Book

Qualitative disclosures

a) Approach for Computation of Capital charge for Market Risk

Standardized Duration Approach is used for calculating Capital charge for Market Risk. Components under Market risk are

a) Specific Risk – Capital Charge for market risk is computed based on risk weights prescribed by the regulator.

b) General Market Risk is calculated for

Securities under HFT category

Securities under AFS category

Open foreign exchange position limits

Trading Positions in Derivatives

The total Capital charge for market risk is equal to greater of Specific Capital charge plus General Market Risk Capital Charge or Alternative total capital charge.

Quantitative Disclosures

a) The capital requirements for:

- Interest rate risk ₹ 5877.93 Lacs
- Equity position risk ₹ 750.04 Lacs
- Foreign exchange risk ₹ 139.95 Lacs

Table DF- 8

Operational Risk

The Bank has put in place important policies like Operational Risk Management, Information System Security, Know your Customer (KYC) and Anti Money Laundering (AML), Business Continuity and Disaster Recovery Management. The updated manuals on all important functional areas have been circulated to the branches. Risk Based Internal Audit is introduced in all branches in our Bank.

The Operational Risk Management Policy outlines the Organisation structure and covers the process of identification, assessment / measurement and control of various operational risks. Internal control mechanism is in place to control and minimize the operational risks.

Capital charge for operational risk is computed as per the Basic Indicator Approach. The average of the gross income, as defined in the New Capital Adequacy Framework guidelines, for the previous 3 years i.e 2013-14, 2012-13, 2011-12 is considered for computing the capital charge. The required capital is ₹ 8796.95 Lacs

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

Interest Rate Risk in Banking Book (IRRBB) refers to the risk of loss in earnings and economic value of the Bank's Banking Book as a consequence of movement in interest rates. The Bank has significant portion of its assets and liabilities portfolio not marked to market and is carried on the books of the Bank at historical values. Thus, the economic value of such assets and liabilities is generally not ascertained on a regular basis and can be a significant source of risk if the asset or liability is not held till maturity.

IRRBB Earnings Perspective

The immediate impact of changes in interest rates in the market is on bank's earnings by changing the Net Interest Income (NII). The interest rate risk when viewed from this perspective is known as '**Earnings Perspective'**.

The asset liability profile up to 6 months is 'asset sensitive'. The positive mismatches in the near term time buckets (up to 6 months) will be beneficial to the bank if the interest rates increases in the economy.

Interest Rate Risk – Economic Value Perspective

The long-term impact of changes in interest rates in the economy will be on bank's Market Value of Equity (**MVE**) since the economic value of the bank's assets, liabilities and off-balance sheet positions get affected due to variations in market interest rates.

Duration Gap Analysis (DGA) for IRR management is a simple approach to measure the volatility of market value of equity (MVE) in response to the changes in interest rates in the economy.

Since the modified duration of the liabilities are less compared to the modified duration of assets, there would be a fall in the equity value under major stress. In order to bring down the percentage of fall in market value of equity and earnings at risk under major stress, we have been mobilizing term deposits with longer tenure i.e., 3-5 years and over 5 years. As longer the tenure of liabilities, higher will be the modified duration.

The level of IRRBB (Earnings Perspective & Economic Value Perspective) is being measured and monitored on a quarterly basis aiming at managing it within the limit over a period and minimizes the impact of interest rate movement on near term profitability.

Quantitative Disclosures

Limits have been fixed for changes in Earnings at Risk and Market Value of Equity for 200bps shock in the interest rates. The impact in EaR and MVE is assessed in the following six different scenarios.

		Stress Scenarios - Change in Rate of Interest						
Stress Test Scenario	Assets/ Liabilities	Bucket 1	Bucket 3	Bucket 4	Bucket 5	Bucket 6	Bucket 7	Bucket 8
		Upto 1 Month	29 days - 3 months	>3 to 6 months	>6 months to 1 year	>1 to 3 years	>3 to 5 years	> 5 years
Scenario 1	Assets	1%	1%	1%	1%	1%	1%	1%
	Liabilities	1%	1%	1%	1%	1%	1%	1%
Scenario 2	Assets	1%	1%	1%	1%	-1%	-1%	-1%
	Liabilities	1%	1%	1%	1%	-1%	-1%	-1%
Scenario 3	Assets	2%	2%	2%	-1%	-1%	-1%	-1%
	Liabilities	2%	2%	2%	-1%	-1%	-1%	-1%
Scenario 4	Assets	1%	1%	1%	1%	1%	1%	1%
	Liabilities	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Scenario 5	Assets	-0.25%	-0.25%	-0.25%	-0.25%	-0.25%	-0.25%	-0.25%
	Liabilities	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Scenario 6	Assets	2%	2%	2%	2%	2%	2%	2%
	Liabilities	2%	2%	2%	2%	2%	2%	2%

Impact on Stress test Scenarios:

(₹ In lacs)

Stress Test Scenario	Impact on Profit	Impact on Equity
Scenario 1	-711.04	718.29
Scenario 2	-4,649.22	3,325.16
Scenario 3	4,972.42	-6,089.85
Scenario 4	4,668.42	-16,550.95
Scenario 5	-10,581.15	34,358.92
Scenario 6	-1,422.07	1,436.58

For a parallel shift of 200 bps, fall of NII is at ₹ 1422.07 lakhs and there would be increase of EVE by ₹ 1436.58 lakhs

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

Counterparty exposures for other entities are assessed subject to exposure ceilings as per the policy of the bank. Capital for Counterparty Credit Risk exposure is assessed based on the Standardized approach.

Bank does not have bilateral netting. The Credit equivalent amount of the derivative exposure is assessed based on the Current Exposure method.

Credit Exposure as on 30.09.2014 (₹ in lakhs)

	Notional Amount	Gross Positive fair value of contracts	Potential Future Exposure	Total Credit Exposure
Forward Contracts	90183.10	557.01	1803.67	2360.68

Table DF-11: Composition of Capital **(₹ in lakhs)**

Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)		
Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	83041.36
2	Retained earnings	54165.83
3	Accumulated other comprehensive income (and other reserves)	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	
	Public sector capital injections grandfathered until January 1, 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**	137207.19
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)	5310.88
10	Deferred tax assets	6112.16
11	Cash-flow hedge reserve	
12	Shortfall of provisions to expected losses	
13	Securitisation gain on sale	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	
15	Defined-benefit pension fund net assets	

16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	
17	Reciprocal cross-holdings in common equity	14.64
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)	
22	Amount exceeding the 15% threshold	
23	of which: significant investments in the common stock of financial entities	
24	of which: mortgage servicing rights	
25	of which: deferred tax assets arising from temporary differences	
26	National specific regulatory adjustments (26a+26b+26c+26d)	931.15
26a	*of which:* Investments in the equity capital of the unconsolidated insurance subsidiaries	
26b	of which: Investments 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	931.15
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	
	of which: [INSERT TYPE OF ADJUSTMENT]	
	For example: filtering out of unrealized losses on AFS debt	
	securities (not relevant in Indian context)	
	of which: [INSERT TYPE OF ADJUSTMENT]	
	of which: [INSERT TYPE OF ADJUSTMENT]	
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**	12368.83
29	**Common Equity Tier 1 capital (CET1)**	124838.36
	Additional Tier 1 Capital : Instruments	0.00
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	
33	*Directly issued capital instruments subject to phase out from Additional Tier 1*	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	
35	*of which: instruments issued by subsidiaries subject to phase out*	
36	**Additional Tier 1 capital before regulatory adjustments**	
	Additional Tier 1 Capital: regulatory adjustments	
37	Investments in own Additional Tier 1 instruments	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	

39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
41	National specific regulatory adjustments (41a+41b)	
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	
	of which: [INSERT TYPE OF ADJUSTMENT e.g. DTAs]	
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 1 at 50%]	
	of which: [INSERT TYPE OF ADJUSTMENT]	
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)**	
44a	**Additional Tier 1 capital reckoned for capital adequacy**	
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)**	124838.36
	Tier 2 Capital : Instruments and provisions	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	23510.00
47	Directly issued capital instruments subject to phase out from	

	Tier 2	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	
49	*of which: instruments issued by subsidiaries subject to phase out*	
50	Provisions	11171.05
51	**Tier 2 capital before regulatory adjustments**	34681.05
Tier 2 Capital : regulatory adjustments		
52	Investments in own Tier 2 instruments	
53	Reciprocal cross-holdings in Tier 2 instruments	1371.00
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[13] 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 2 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	
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]	
	of which: [INSERT TYPE OF ADJUSTMENT	

57	**Total regulatory adjustments to Tier 2 capital**	
58	**Tier 2 capital (T2)**	
58a	**Tier 2 capital reckoned for capital adequacy**	33310.05
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	
58c	**Total Tier 2 capital admissible for capital adequacy (58a+58b)**	
59	**Total capital (TC=T1+T2) (45+58C)**	158148.41
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment	
	of which: [INSERT TYPE OF ADJUSTMENT]	
	of which: ...	
60	**Total risk weighted assets (60a+60b+60c)**	1198252.48
60a	of which: total credit risk weighted assets	1025309.49
60b	of which: total market risk weighted assets	75199.10
60c	of which: total operational risk weighted assets	97743.89
Capital ratios		
61	*Common Equity Tier 1 (as a percentage of risk weighted assets)*	
62	Tier 1 (as a percentage of risk weighted assets)	10.42
63	Total capital (as a percentage of risk weighted assets)	13.20
64	*Institution specific buffer requirement (minimum CET1requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)*	

65	*of which: capital conservation buffer requirement*	
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)*	
National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.00
70	National Tier 1 minimum ratio (if different from Basel III minimum)	6.50
71	National total capital minimum ratio (if different from Basel III minimum)	9.00
Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	
73	Significant investments in the common stock of financial entities	
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	
Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	7731.79
77	Cap on inclusion of provisions in Tier 2 under standardized approach	14978.16
78	Provisions eligible for inclusion in Tier 2 in respect of exposures	

	subject to internal ratings-based approach (prior to application of cap)	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)		
80	*Current cap on CET1 instruments subject to phase out arrangements*	
81	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	
82	*Current cap on AT1 instruments subject to phase out arrangements*	
83	*Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities*	
84	*Current cap on T2 instruments subject to phase out arrangements*	
85	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*	

Notes to the Template

Row No.of the template	Particular	₹ in lakhs
10	Deferred tax assets associated with accumulated losses	
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	6112.16
	Total as indicated in row 10	6112.16
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 I Capital	
	of which: Increase in Additional Tier I 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 I Capital	
	(ii) Increase in risk weighted assets	
44a	Excess Additional Tier I capital not reckoned for capital adequacy (difference between Additional Tier I capital as reported in row 44 and admissible Additional Tier I capital as reported in 44a)	
	of which: Excess Additional Tier I capital which is considered as Tier 2 capital under row 58b	
50	Eligible Provisions included in Tier 2 capital	7731.79
	Eligible Revaluation Reserves included in Tier 2 capital	3439.26
	Total of row 50	11171.05
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-13: Main Features of Regulatory Capital Instruments

S.No	Disclosure template for main features of regulatory capital instruments	Equity Shares	Series - V	Series -VI	Series - VII (A)	Seires - VII (B)	Series - VIII
1	Issuer	LVB	LVB	LVB	LVB	LVB	LVB
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE694C01018	INE694C09060	INE694C08021	INE694C08039	INE694C08047	INE694C08054
3	Governing law(s) of the instrument	Companies Act, SEBI Regulations, RBI Guidelines, and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc.	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc	RBI Guidelines, SEBI Regulations, Companies Act and other related rules regulations etc
	Regulatory treatment						
4	Transitional Basel III rules	Common Equity Tier - I	Tier - II	Tier - II	Tier - II	Tier - II	Tier - II
5	Post-transitional Basel III rules	Common Equity Tier - I	Eligible	Eligible	Eligible	Eligible	Eligible
6	Eligible at solo/group/ group &	Solo	Solo	Solo	Solo	Solo	Solo

	solo						
7	Instrument type		Unsecured Redeemable Non Convertible Subordinated (Tier- II) Bonds in the nature of Promissory Notes/Debentures (Series V)	Unsecured Redeemable Non Convertible Subordinated (Tier- II) Bonds in the nature of Debentures (Series VI)	Unsecured Redeemable Non Convertible Subordinated (Tier- II) Bonds in the nature of Debentures ("Bonds')(Series VII)	Unsecured Redeemable Non Convertible Subordinated (Tier- II) Bonds in the nature of Debentures ("Bonds')(Series VII)	Unsecured Non Convertible Redeemable Basel III Compliant (Tier- II) Bonds in the nature of Debentures (Series VIII)
8	Amount recognized in regulatory capital		12.00 Crore	20.00 Crore	119.70 Crore	11.30 Crore	78.10 Crore
9	Par value of instrument		10.00 lacs	10.00 lacs	10.00 lacs	10.00 lacs	10.00lacs
10	Accounting classification						
11	Original date of issuance		30.09.2006	25.11.2009	10.02.2012	10.02.2012	24.03.2014
12	Perpetual or dated		Dated	Dated	Dated	Dated	Dated
13	Original maturity date		30.04.2016	25.11.2015	10.02.2018	10.02.2022	24.03.2024
14	Issuer call subject to prior supervisory approval		-	-	-	-	-
15	Optional call date, contingent call dates and redemption amount		-	-	-	-	-
16	Subsequent call dates, if applicable		-	-	-	-	-
	Coupons / dividends		-	-	-	-	-
17	Fixed or floating		Fixed	Fixed	Fixed	Fixed	Fixed

	dividend/coupon						
18	Coupon rate and any related index		9.95%	10.80%	11.40%	11.40%	11.80%
19	Existence of a dividend stopper		-	-	-	-	-
20	Fully discretionary, partially discretionary or mandatory		-	-	-	-	-
21	Existence of step up or other incentive to redeem		-	-	-	-	-
22	Noncumulative or cumulative		-	-	-	-	-
23	Convertible or non-convertible		Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)		-	-	-	-	-
25	If convertible, fully or partially		-	-	-	-	-
26	If convertible, conversion rate		-	-	-	-	-
27	If convertible, mandatory or optional conversion		-	-	-	-	-
28	If convertible, specify instrument type convertible into		-	-	-	-	-
29	If convertible, specify issuer of instrument it converts into		-	-	-	-	-
30	Write-down feature		-	-	-	-	-
31	If write-down, write-down trigger(s)		-	-	-	-	-

32	If write-down, full or partial		-	-	-	-	-
33	If write-down, permanent or temporary		-	-	-	-	-
34	If temporary write-down, description of write-up mechanism		-	-	-	-	-
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)		-	-	-	-	-
36	Non-compliant transitioned features		-	-	-	-	-
37	If yes, specify non-compliant features		-	-	-	-	-

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

Details of Tier II Capital (Banks - Regulatory Capital instruments) raised by the Bank and the position as on 30.06.2014					
Instruments	**Series-V**	**Series - VI**	**Series -VII (A)**	**Series - VII (B)**	**Series-VIII**
Date of Allotment	30.09.2006	25.11.2009	10.02.2012	10.02.2012	24.03.2014
Date of Redemption	30.04.2016	25.11.2015	10.02.2018	10.02.2022	24.03.2024
Rate of Interest	9.95%	10.80%	11.40%	11.40%	11.80%
Amount	3000.00 Lakhs	10000.00 Lakhs	19950.00 Lakhs	5050.00 Lakhs	7810.00 Lakhs
Nature of Instrument	Bonds in nature of Debentures /promisory Bonds	Bonds in nature of Debentures /promisory Bonds	Bonds in nature of Debentures /promisory Bonds	Bonds in nature of Debentures /promisory Bonds	Bonds in nature of Debentures /promisory Bonds
Amount Subscribed	3000.00 Lakhs	10000.00 Lakhs	19950.00 Lakhs	5050.00 Lakhs	7810.00 Lakhs
Face Value of the Bond	10.00 lacs	10.00 lacs	10.00 lacs	10.00 lacs	10.00lacs
Issuance, Trading and Listing	NSE	NSE	NSE	NSE	NSE