



आन्ध्र बैंक ANDHRA BANK

(भारत सरकार का उपक्रम A Govt. of India Undertaking)

Disclosures under Basel III Capital Regulations (Pillar III) as on 31.12.2014

Name of the head of the banking group to which the framework applies: Andhra Bank

(The Capital to Risk Weighted Assets Ratio (CRAR) reported in DF 2 pertains to Solo & Consolidated position of the Bank. All other disclosures in this report pertain to Andhra Bank (Solo).)

Table DF-2: Capital Adequacy

a) Qualitative disclosures:

A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities:

Bank is geared up to adopt global best practices while implementing risk management stipulations that are in conformity with the Basel II and Basel III framework. Comprehensive risk management architecture is in place to address various issues concerning Basel II and Basel III. For periodic assessment of Capital needs of the Bank, an Internal Capital Adequacy Assessment (ICAAP) Committee/ Capital Planning Committee comprising the top executives has been constituted, to monitor and assess the Capital requirement of the Bank over the medium horizon of 4-5 years, keeping in view the anticipated growth in the business and corresponding Risk Weighted Assets in Credit Risk, Market Risk and Operational Risk.

The Committee meets regularly and decides on the capital related issues, with due focus on different options available for capital augmentation and realignment of Capital structure duly undertaking the scenario analysis for capital optimization.

Quantitative disclosures:

(Rs. in Cr.)

Items	Amount as on 31.12.2014
(b) Capital requirements for credit risk <ul style="list-style-type: none">▪ Portfolios subject to standardized approach▪ Securitisation exposures	9450.73 NIL
(c) Capital requirements for market risk <ul style="list-style-type: none">- Standardized duration approach<ul style="list-style-type: none">▪ Interest rate risk▪ Foreign exchange risk (including gold)▪ Equity position risk	248.11 1.35 79.46
(d) Capital requirements for operational risk <ul style="list-style-type: none">- Basic indicator approach	722.85

(e) Capital Adequacy Ratios (solo)	
▪ Common Equity Tier I	7.45%
▪ Tier 1 CRAR (%)	8.00%
▪ Total CRAR (%)	10.51%
Capital Adequacy Ratios for the consolidated Position	
▪ Common Equity Tier I	7.51%
▪ Tier 1 CRAR (%)	8.06%
▪ Total CRAR (%)	10.58%
Total and Tier I CRAR for the Significant Subsidiary which is not under consolidated group	NA

Table DF-3: Credit Risk: General Disclosures for All Banks

Qualitative Disclosures:

(a) General qualitative disclosures with respect to credit risk

Definition of past due and impaired (for accounting purposes):

An Asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank. a “ Non Performing Asset” (NPA) is a loan or an advance where:

- i. interest and/ or installment of principal remain overdue for a period of more than 90 days in respect of a Term Loan,
- ii. the account remains ‘out of order’ as indicated below, in respect of an Overdraft/Cash Credit (OD/CC), *
- iii. the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- iv. the installment of principal or interest thereon remains overdue for two crop seasons for short duration crops,
- v. the installment of principal or interest thereon remains overdue for one crop season for long duration crops,

- vi. the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of guidelines on Securitisation dated February 1, 2006.
- vii. in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

In case of interest payments, banks should, classify an account as NPA only if the interest due and charged during any quarter is not serviced fully within 90 days from the end of the quarter.

***Out of Order' status - An account is treated as 'out of order' if –**

- i. the outstanding balance remains continuously in excess of the sanctioned limit/drawing power;
- ii. 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
- iii. credits are not enough to cover atleast the interest debited during the same period.

Accounts with temporary deficiencies - The classification of an asset as NPA is based on the record of recovery. Bank does not classify an advance account as NPA merely due to the existence of some deficiencies which are temporary in nature such as non-availability of adequate drawing power based on the latest available stock statement, balance outstanding exceeding the limit temporarily, non-submission of stock statements and non-renewal of the limits on the due date, etc. In the matter of classification of accounts with such deficiencies the following guidelines are adopted:

- Bank ensures that drawings in the working capital accounts are covered by the adequacy of current assets, since current assets are first appropriated in times of distress. Drawing power is arrived at based on the stock statement not older than 3 months. In case Drawings allowed against Stock statements and/or Book debts statements of more than three months old are treated as irregular drawings and accounts where such irregular drawings are allowed for a continuous period of 90 days are to be treated as NPA.
- A working capital borrowal account will become NPA if drawings are permitted against stock statement of older than 3 months in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory.
- An account where the regular/ ad hoc credit limits have not been reviewed/ renewed within 180 days from the due date/ date of ad hoc sanction will be treated as NPA.

Agricultural advances:

A loan granted for short duration crops is treated as NPA, if the installment of principal or interest thereon remains overdue for two crop seasons. A loan granted for long duration crops is treated as NPA, if the installment of principal or interest thereon remains overdue for one crop season. For the purpose of these guidelines, "long duration" crops are crops with crop season longer than one year and crops, which are not "long duration" crops, are treated as "short duration" crops. The crop season for each crop, which means the period up to harvesting of the crops raised, would be as determined by the State Level Bankers' Committee in each State. Depending upon the duration of crops raised by an agriculturist, the above NPA norms are also made applicable to agricultural term loans availed of by him.

Discussion of the Bank's Credit Risk Management Policy

Strategies and Processes:

Credit Risk is defined as "**the possibility of losses associated with diminution in the credit quality of borrowers or counter parties**". There is always a possibility for the borrower to default from his commitments for various reasons, resulting in crystallization of Credit risk to the Bank. These losses could stem from outright default due to inability or unwillingness of a customer or counter party to meet commitments in relation to lending, trading, settlement and other financial transactions. Alternatively, losses result from reduction in portfolio value arising from actual or perceived deterioration in credit quality. Credit risk is, therefore, a combined outcome of Default Risk & Exposure Risk and arises from the Bank's dealings with or lending to a corporate, individual, bank, financial institution or a sovereign.

Credit risk may take the following forms:

- in the case of direct lending: principal/and or interest amount may not be repaid;
- in the case of guarantees or letters of credit: funds may not be forthcoming from the constituents upon crystallization of the liability;
- in the case of treasury operations: the payment or series of payments due from the counter parties under the respective contracts may not be forthcoming or ceases;
- in the case of securities trading businesses: funds/ securities settlement may not be effected;
- in the case of cross-border exposure: the availability and free transfer of foreign currency funds may either cease or restrictions may be imposed by the sovereign.

The effective management of credit risk is a critical component of comprehensive risk management and is essential for the long - term success of any banking institution. Credit Risk Management encompasses identification, measurement through credit rating/scoring, quantification through estimate of expected loan losses, pricing on a scientific basis and controlling through effective Loan Review Mechanism & Portfolio Management.

The Bank has in place a Credit Risk Management Policy which is reviewed from time to time. Over the years, the policy and procedures in this regard have been refined as a result of evolving concepts and actual experience. The policy and procedures have been aligned to the approach laid down in Basel –II/Basel-III guidelines

The Credit Risk Management Policy is designed with the following Objectives.

1. Enhance the risk management capabilities to ensure orderly and healthy credit growth.
2. Maintain the Asset Quality.
3. Maintain credit risk exposure within acceptable parameters/prudential exposures.
4. Manage the asset portfolio in a manner that ensures bank has adequate capital to hedge risks.
5. Build database necessary for migration to the Internal Ratings Based (IRB) approach, using the Credit Risk Rating Model implemented in the Bank.
6. Mitigate and reduce the risk by streamlining the Systems and Controls.

Structure and organisation of the Credit risk management function

Credit Risk Management structure of the Bank is as under-

- Board of Directors
- Risk Management Committee of the Board
- Credit Risk Management Committee (CRMC)
- General Manager-Integrated Risk Management Department (Chief Risk Executive)-Head Office
- Credit Risk Management Cell, Integrated Risk Management Department, Head Office

Scope and nature of credit risk reporting and measurement systems:

The measurement of Credit Risk includes setting up exposure limits to achieve a well diversified portfolio across dimensions such as companies, group companies, industries, collateral type and geography. For better risk management and avoidance of concentration of Credit Risks, internal guidelines on prudential exposure norms in respect of individual companies, group companies, Banks, individual borrowers, non-corporate entities, sensitive sectors such as capital market, real estate, sensitive commodities, etc., are in place.

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

The bank also has a well defined Loan Policy in place. The bank has formulated policies & procedures on standards for presentation of credit proposals, financial covenants, rating standards and benchmarks, delegation of credit approving powers, prudential limits on large credit exposures, asset concentrations, standards for loan collateral, portfolio management, loan review mechanism, risk concentrations, risk monitoring and evaluation, pricing of loans, provisioning, regulatory/legal compliance etc.

Quantitative Disclosures:

b) The total Gross Credit Risk Exposures are :

(Rs. in Cr.)	
Category	Amount as on 31.12.2014
Fund Based	118762.96
Non Fund Based	17711.60

c) Bank has no Overseas Branches. Hence, Geographical exposures are not given.

d) Industry type distribution of exposures:

INDUSTRY WISE INTERNAL (FUNDED) EXPOSURE CEILINGS AND EXPOSURE AS ON 31.12.2014

TOTAL ADVANCES AS ON 30.09.2014 (PREVIOUS QUARTER), Rs 114928.10 Cr.					
(Rs. in crore)					
Sl. No	Industry	Ceilings as % of total advances of previous quarter	Ceiling amount on total advances of previous quarter	Actual Fund based exposure as on 31.12.2014	Exposure as % of total advances of previous quarter
1	TEXTILES	9.00	10343.53	5717.39	4.97
2	PETROLEUM PRODUCTS	10.00	11492.81	1745.83	1.52
3	POWER	22.00	25284.18	13791.49	12.00
	a)Renewable Energy	2.00	2298.56	890.63	0.77
4	ENGINEERING (HEAVY&LIGHT)	5.00	5746.41	2649.84	2.31
5	NBFC	10.00	11492.81	10189.70	8.87
	a) NBFC of which against GOLD collaterals	3.00	3447.84	950.00	0.83
6	DIAMONDS GEMS & JEWELLERY	5.00	5746.41	2063.22	1.80
7	RICE MILLS	6.00	6895.69	3257.07	2.83
8	SUGAR	5.00	5746.41	1467.64	1.28
9	DRUGS & PHARMACEUTICALS	5.00	5746.41	1751.79	1.52
10	TOBACCO	2.00	2298.56	725.74	0.63
11	CEMENT & CEMENT PRODUCTS	5.00	5746.41	867.18	0.75
12	DISTILLERIES	1.00	1149.28	231.54	0.20
13	IRON & STEEL	10.00	11492.81	6787.35	5.91
14	CONSTRUCTION & CONTRACTORS	10.00	11492.81	3589.62	3.12
15	SOFTWARE	1.50	1723.92	199.28	0.17
16	HOSPITALS	3.00	3447.84	641.81	0.56

17	HOTELS	3.00	3447.84	1068.16	0.93
18	EDUCATIONAL INSTITUTIONS	2.00	2298.56	603.88	0.53
19	COMMERCIAL REAL ESTATES	7.00	8044.97	3894.38	3.39
20	HOUSING LOANS	15.00	17239.22	11296.95	9.83

INDUSTRY WISE INTERNAL (NON-FUNDED) EXPOSURE CEILINGS AND EXPOSURE AS ON 31.12.2014

TOTAL NON-FUNDED Limits AS ON 30.09.2014 (PREVIOUS QUARTER), Rs. 26177.96 Cr.					
(Rs. in crore)					
Sl. No	Industry	Ceilings as % of Non Fund Limits of previous quarter	Ceiling amount on Non Fund Limits of previous quarter	Actual Non Fund based exposure as on 31.12.2014	Exposure as % of Non Fund Limits of Previous Quarter i.e. 30.09.2014
1	TEXTILES	4.00	1047.12	872.73	3.33
2	PETROLEUM PRODUCTS	1.00	261.78	24.76	0.09
3	POWER	10.50	2748.69	2217.70	8.47
4	ENGINEERING (HEAVY&LIGHT)	12.00	3141.36	1729.85	6.61
5	NBFC	5.00	1308.90	377.00	1.44
6	DIAMONDS GEMS & JEWELLERY	3.00	785.34	18.26	0.07
7	RICE MILLS	2.00	523.56	92.71	0.35
8	SUGAR	4.00	1047.12	254.74	0.97
9	DRUGS & PHARMACEUTICALS	6.00	1570.68	909.92	3.48

10	TOBACCO	0.50	130.89	21.90	0.08
11	CEMENT & CEMENT PRODUCTS	2.00	523.56	156.19	0.60
12	DISTILLERIES	0.50	130.89	45.42	0.17
13	IRON & STEEL	14.00	3664.91	2736.95	10.46
14	CONSTRUCTION & CONTRACTORS	50.00	13088.98	3973.00	15.18
15	SOFTWARE	1.00	261.78	48.59	0.19
16	HOSPITALS	1.50	392.67	194.85	0.74
17	HOTELS	1.50	392.67	36.84	0.14
18	EDUCATIONAL INSTITUTIONS	2.00	523.56	47.11	0.18
19	COMMERCIAL REAL ESTATES	2.00	523.56	155.93	0.60

e) Residual contractual Maturity breakdown of assets:

(Rs. in crore)

Maturity Pattern	Advances (Net)	Investments	Foreign Currency Assets
0 to 1 day	196.66	29.63	282.53
2 to 7 days	785.02	101.46	29.48
8 to 14 days	1544.04	63.30	60.21
15 to 28 days	1562.24	7.28	200.59
29 days to 3 months	13096.92	484.66	893.48
Over 3 months & upto 6 months	7074.07	512.68	835.26
Over 6 months & upto 1 year	13221.42	1838.07	0.00
Over 1 year & upto 3 years	46462.90	5517.16	0.00
Over 3 year & upto 5 years	12263.13	5461.14	0.00
Over 5 years	19178.17	28074.47	0.00
Total	115384.55	42089.85	2301.55

f) Amount of NPAs (Gross):

(Rs in cr)

CATEGORY	AMOUNT As on 31.12.2014
Sub-Std	2144.85
Doubtful-1	2046.02
Doubtful-2	2731.98
Doubtful-3	149.66
Loss	45.62
Total	7118.13

g) Net NPAs:

(Rs. in Cr)

	31.12.2014
Net NPAs	4264.22

h) NPA Ratios:

	31.12.2014
Gross NPA to Gross Advances (%)	5.99%
Net NPA to Net Advances (%)	3.70%

i) Movement of NPAs (Gross):

(Rs. in Cr.)

	31.12.2014
(a) Opening Balance	5857.60
(b) Additions during the year	3356.04
(c) Reductions during the year	2095.51
(d) Closing Balance	7118.13

j) **Movement of Provision for NPAs:**

(Rs. in Cr.)

	31.12.2014
Movement of Specific Provisions for NPAs	
(a) Opening Balance	2515.13
(b) Provisions made during the year	1239.01
(c) Write-off / Write-back of excess provisions	900.23
(d) Closing Balance	2853.91

k) **Amount of Non-Performing Investments :135.01**

l) **Amount of provisions held for Non-Performing Investments: 110.00**

m) **Movement of provisions for depreciation on investments:**

(Rs. in Cr.)

	31.12.2014
(a) Opening Balance	248.07
(b) Provisions made during the period	0.00
(c) Write –off	0.00
(d) Write back of excess provisions	26.44
(e) Closing Balance	221.63

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

Qualitative Disclosures:

(a) For portfolios under the standardized approach: Name of the Credit Rating agencies used, plus reasons for any changes

- Credit Rating Information Services India Limited (CRISIL)
- Credit Analysis and Research Limited (CARE)
- India Ratings and Research Private Limited
- ICRA Limited
- SMERA Ratings Limited
- Brick Work Ratings India Private Limited

Types of exposure for which each agency is used:

- For exposures with a contractual maturity of less than or equal to one year (except cash credit, overdraft) Short term rating given by approved Rating Agencies is used.
- For domestic cash credit, overdraft and for term loan exposures of over 1 year, Long Term Rating is used.
- The Bank uses only publicly available solicited ratings that are valid and reviewed by the recognized ECAIs.
- The Bank does not simultaneously use the rating of one ECAI for one exposure and that of another ECAI for another exposure to the same borrower, unless the respective exposures are rated by only one of the chosen ECAIs. Further, the bank does not use rating assigned to a particular entity within a corporate group to risk weight other entities within the same group.
- Where exposures/ borrowers have multiple ratings from the chosen ECAIs, the bank has adopted the following procedure for risk weight calculations:
 - i. If there are two ratings accorded by chosen ECAIs, which map into different risk weights, the higher risk weight is applied.
 - ii. If there are three or more ratings accorded by the chosen ECAIs which map into different risk weights, the ratings corresponding to the lowest 2 ratings are referred to and higher of those two risk weights is applied.

A description of the process used to transfer public issue ratings onto comparable assets in the banking book:

No such process is applied

Quantitative Disclosures:

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

(Rs. in Cr.)

	31.12.2014	
	Fund Based	Non Fund Based
Below 100% risk weight	48695.10	3680.98
100% risk weight	37579.45	9368.82
More than 100% risk weight	22071.32	3082.20
Deducted (Mitigants)	10417.09	1579.60
Total	118762.96	17711.60

Table DF-13 –Main Feature Template to Regulatory Capital Instruments

Disclosure template for main features of regulatory capital instruments as on 31.12.2014

			VI Issue	VII Issue	VIII Issue	IPD I Issue	Upper I Issue	Upper II Issue	Upper III Issue	Perpetual
	Particulars	Equity shares	Lower Tier II	Lower Tier II	Lower Tier II	Tier I	Tier II	Tier II	Tier II	Additional Tier I
1	Issuer	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE434A01013	INE434A09073	INE434A09081	INE434A09131	INE434A09099	INE434A09107	INE434A09115	INE434A09123	INE434A09149
3	Governing law(s) of the instrument	Applicable Indian statutes and regulatory requirements								
	Regulatory treatment									
4	Transitional Basel III rules	Equity Tier I	Tier II	Tier II	Tier II	Tier I	Upper Tier II	Upper Tier II	Upper Tier II	Not applicable
5	Post-transitional Basel III rules	Equity Tier I	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Additional Tier I
6	Eligible at solo/group/ group & solo	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group
7	Instrument type	Equity shares	Debt Bonds	Debt Bonds	Debt Bonds	Debt Bonds	Debt Bonds	Debt Bonds	Debt Bonds	Debt Bonds
8	Amount recognised in regulatory capital (Rs. in million, as of most recent reporting date)	5896.15	7000.00	6000.00	3200.00	2000.00	2000.00	5200.00	2800.00	5000.00
9	Par value of instrument (Face value of each share / bond)	Rs.10/-	Rs.10,00,000/-	Rs.10,00,000/-	Rs.10,00,000/-	Rs.10,00,000/-	Rs.10,00,000/-	Rs.10,00,000/-	Rs.10,00,000/-	Rs.10,00,000/-
10	Accounting classification	Shareholders' equity	Borrowings	Borrowings	Borrowings	Borrowings	Borrowings	Borrowings	Borrowings	Borrowings
11	Original date of issuance (Date of allotment)	various dates*	11.01.2008	10.09.2008	24.12.2009	31.12.2008	25.03.2009	08.06.2009	18.12.2009	26.12.2014
12	Perpetual or dated	Perpetual	Dated	Dated	Dated	Perpetual	Dated	Dated	Dated	Perpetual
13	Original maturity date	No maturity	11.05.2018	10.09.2018	24.12.2019	Perpetual**	25.03.2024***	08.06.2024***	18.12.2024***	Perpetual
14	Issuer call subject to prior supervisory approval	NO	NO	NO	NO	YES	YES	YES	YES	YES
15	Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	26.12.2019****
16	Subsequent call dates, if applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Coupons / dividends	Dividend	Coupon	Coupon	Coupon	Coupon	Coupon	Coupon	Coupon	Coupon

17	Fixed or floating dividend/coupon	Not applicable	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	Not applicable	9.15% p.a.	11.00% p.a.	8.55% p.a.	9.50% p.a.	9.30% p.a.	8.72% p.a.	8.70% p.a.	9.55% p.a.
19	Existence of a dividend stopper	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	NO	NO	NO	NO	Step-up	Step-up	Step-up	Step-up	NO
22	Non-cumulative or cumulative	Non-cumulative	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
23	Convertible or non-convertible	Not applicable	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
30	Write-down feature	NO	NO	NO	NO	NO	NO	NO	NO	YES
31	If write-down, write-down trigger(s)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	<p>Trigger means that the Issuer's Common Equity Tier I Ratio is :</p> <p>(i) If calculated at any time prior to March 31, 2019, at or below 5.5% of RWAs; or</p> <p>(ii) If calculated at any time from and including March 31, 2019, at or below 6.125% of RWAs (the CET 1 Trigger Event Threshold").</p>

32	If write-down, full or partial	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Full or Partial
33	If write-down, permanent or temporary	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Temporary
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Bank at its sole discretion may write-up the bonds to its original value in future, when it demonstrates that its capital position is well above the minimum capital requirements and with the prior approval of RBI
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to all other claims	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank & All Investors in Tier-II Bonds	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank	All other creditors and Depositors of the Bank	Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares; Subordinate to the claims of depositors, general creditors and subordinate debt bonds; Is 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-a-vis Bank's creditors
36	Non-compliant transitioned features	NO	NO	NO	NO	NO	NO	NO	NO	Not applicable
37	If yes, specify non-compliant features	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
(*)Dates of allotment of equity shares: Initial Public Offer..24.03.2001; Follow-on Public Offer..03.02.2006; Preferential allotment to Govt of India..25.03.2011; Preferential allotment to Govt of India..21.12.2013;										
(**) Innovative Perpetual Debt Bonds issued with a Call option that may be exercised after the instrument has run for 10 years, with prior permission of Reserve Bank of India. If Call option is not exercised, coupon has a step-up option of 0.50% after 10 years of the instrument and the coupon will be at 10.00% after 31.12.2018.										

	(***) Upper Tier-II Bonds issued with a Call option that may be exercised after the instrument has run for 10 years, with prior permission of Reserve Bank of India. If call option is not exercised, coupon will be step-up with 0.50% after 10 years of the instrument. Then the coupons will be as under:
	Upper Tier-II (I Issue) .. 9.80% after 25.03.2019 upto 25.03.2024
	Upper Tier-II (II Issue) .. 9.22% after 08.06.2019 upto 08.06.2024
	Upper Tier-II (III Issue) .. 9.20% after 18.12.2019 upto 18.12.2024
	(****) Optional Call Date..(a) The instrument has to run for atleast 5 years; (b) With the prior approval of Reserve Bank of India; (c) The instrument is replaced with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank OR The Bank demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised. Minimum refers to Common Equity Tier I of 8% Risk Weighted Assets (RWAs) (including capital conservation buffer of 2.5% of RWAs) and Total capital of 11.5% of RWAs including additional capital requirements identified under Pillar 2.

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

Name of the Issuer	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank
Type of Instrument	Unsecured, Redeemable, Non-Convertible, Subordinated Bonds (VI Issue-Series F)	Unsecured, Redeemable, Non-Convertible, Subordinated Bonds (VII Issue-Series G)	Unsecured, Redeemable, Non-Convertible, Subordinated Bonds (VIII Issue-Series H)	Unsecured, Non-cumulative Subordinated Perpetual Bonds	Unsecured, Redeemable, Non-Convertible (Upper Tier-II) Bonds - Issue-I Series-A	Unsecured, Redeemable, Non-Convertible (Upper Tier-II) Bonds - Issue-II Series-B	Unsecured, Redeemable, Non-Convertible (Upper Tier-II) Bonds - Issue-III Series-C	Unsecured, Non-Convertible BASEL III Compliant Additional Tier-1 Perpetual Debt Instruments
Nature of Instrument	Promissory Notes	Promissory Notes	Promissory Notes	Promissory Notes	Promissory Notes	Promissory Notes	Promissory Notes	Promissory Notes
Mode of Issue	Private Placement	Private Placement	Private Placement	Private Placement	Private Placement	Private Placement	Private Placement	Private Placement
ISIN No.	INE434A09073	INE434A09081	INE434A09131	INE434A09099	INE434A09107	INE434A09115	INE434A09123	INE434A09149
Issue size	Rs.700.00 Crores	Rs.600.00 Crores	Rs.320.00 Crores	Rs.200.00 Crores	Rs.200.00 Crores	Rs.520.00 Crores	Rs.280.00 Crores	Rs.500.00 Crores
Face Value	Rs.10,00,000/- per bond	Rs.10,00,000/- per bond	Rs.10,00,000/- per bond	Rs.10,00,000/- per bond	Rs.10,00,000/- per bond	Rs.10,00,000/- per bond	Rs.10,00,000/- per bond	Rs.10,00,000/- per bond
Tenor	124 months	120 months	120 months	Perpetual	15 years	15 yrs	15 years	Perpetual
Coupon Rate	9.15% per annum	11.00% per annum	8.55% per annum	9.50% per annum	9.30% per annum	8.72% per annum	8.70% per annum	9.55% per annum
Coupon Type	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
Interest payment frequency	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual
Interest payment	Every year on 11th January	Every year on 10th September	Every year on 24th December	Every year on 31st December	Every year on 25th March	Every year on 8th June	Every year on 18th December	Every year on 26th December
Date of allotment	11.01.2008	10.09.2008	24.12.2009	31.12.2008	25.03.2009	08.06.2009	18.12.2009	26.12.2014
Date of maturity	11.05.2018	10.09.2018	24.12.2019	Perpetual	25.03.2024	08.06.2024	18.12.2024	Perpetual

Record date	Payment of interest will be made to the holders of the Bonds whose name is registered in the Registrar of Bondholders as on the Record Date. The Record Date/Book Closure Date for the Bonds shall be on the close of business hours on any day within 30 days before each interest payment and/or principal repayment date.	Payment of interest will be made to the holders of the Bonds whose name is registered in the Registrar of Bondholders as on the Record Date. The Record Date/Book Closure Date for the Bonds shall be on the close of business hours on any day within 30 days before each interest payment and/or principal repayment date.	The Record Date for the Bonds shall be 30 days prior to each interest payment / or principal repayment date.	The Record Date for the Bonds shall be 30 days prior to each interest payment and / or principal repayment date (in case of exercise of call option)	The Record Date for the Bonds shall be 30 days prior to each interest payment and/or principal repayment date (in case of exercise of call option).	The Record Date for the Bonds shall be 30 days prior to each interest payment and / or principal repayment date (in case of exercise of call option).	The Record Date for the Bonds shall be 30 days prior to each interest payment and/or principal repayment date (in case of exercise of call option)	The Record Date for interest and redemption payment would be 15 days prior to interest and / or redemption date.
Issue/Trading mode of the instrument	Demat only	Demat only	Demat only	Demat only	Demat only	Demat only	Demat only	Demat only
Listed on	National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE)	National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE)	National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE)	National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE)	National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE)	National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE)	National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE)	National Stock Exchange of India Ltd (NSE)
Put Option	None	None	None	None	None	None	None	None

Call Option	None	None	None	After 10 years run of the instrument - with prior permission of Reserve Bank of India	<p>Optional Call Date..</p> <p>(a) The instrument has to run for atleast 5 years; (b) With the prior approval of Reserve Bank of India; (c) The instrument is replaced with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank OR The Bank demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised.</p> <p>Minimum refers to Common Equity Tier I of 8% Risk Weighted Assets (RWAs) (including capital conservation buffer of 2.5% of RWAs) and Total capital of 11.5% of RWAs including additional capital requirements identified under Pillar 2.</p>
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Trustees	IDBI Trusteeship Services Limited	IDBI Trusteeship Services Limited	IDBI Trusteeship Services Limited	IDBI Trusteeship Services Limited	IDBI Trusteeship Services Limited	IDBI Trusteeship Services Limited	IDBI Trusteeship Services Limited	IDBI Trusteeship Services Limited
Credit Rating	M/s.CARE: CARE AA+ (Double A Plus) M/s.India Ratings (FITCH): IND AA/Outlook Stable	M/s.CARE: CARE AA+ (Double A Plus) M/s.India Ratings (FITCH): IND AA/Outlook Stable	M/s.CARE: CARE AA+ (Double A Plus) M/s.Brickwork: BWR AAA/Outlook Negative	M/s.CRISIL: CRISIL AA+/Stable (Reaffirmed) M/s.Brickwork: BWRAA+/Outlook Negative	M/s.CRISIL: CRISIL AA+/Stable (Reaffirmed) M/s.Brickwork: BWR AA+/Outlook Negative	M/s.CRISIL:CR ISIL AA+/Stable (Reaffirmed) M/s.Brickwork: BWR AA+/Outlook Negative	M/s.CARE: CARE AA (Double A) M/s.Brickwork: BWR AA+/Outlook Negative	M/s.CRISIL: CRISIL AA-/Stable
Step-up Option	None	None	None	with 0.50% after 10 years run of the instrument, if call option is not exercised	Not applicable	Step-up Option	None	None
Coupon with Step-option	Not applicable	Not applicable	Not applicable	10.00% from 31.12.2018 if call option is not exercised	9.80% from 25.03.2019 till 25.03.2024 if call-option is not exercised	9.22% from 08.06.2019 till 08.06.2024 if call-option is not exercised	9.20% from 18.12.2019 till 18.12.2024 if call-option is not exercised	Not applicable

<p>Business Day definition</p>	<p>Business Day being a day on which commercial banks are open for business in the State of Andhra Pradesh, then payment of interest will be made on the next Business day but without liability for making payment of interest for the delayed period.</p>	<p>Business Day being a day on which commercial banks are open for business in the City of New Delhi, then payment of interest will be made on the next day that is a business day but without liability for making payment of interest for the intervening period.</p>	<p>Business day being a day on which commercial banks are open for business in the City of Hyderabad, then payment of interest will be made on the next day that is a business day but without liability for making payment of interest for the intervening period.</p>	<p>If any interest payments falls on a day which is not a Business day (Business Day being a day on which commercial banks are open for business in the City of New Delhi), then payment of interest will be made on the next day that is a business day but without liability for making payment of interest for the intervening period</p>	<p>If any interest date falls on a day which is not a Business Day (Business Day being a day on which commercial banks are open for business in the City of Hyderabad), then payment of interest will be made on the next day that is a business day but without liability for making payment of interest for the intervening period.</p>	<p>If any interest payment date falls on a day which is not a Business Day (Business Day, being a day on which commercial banks are open for business in the City of Hyderabad), then payment of interest will be made on the next day that is a business day but without liability for making payment of interest for the intervening period.</p>	<p>If any interest payment date falls on a day which is not a Business Day (Business Day, being a day on which commercial banks are open for business in the City of Hyderabad), then payment of interest will be made on the next day that is a business day but without liability for making payment of interest for the intervening period.</p>	<p>Business Day shall be a day on which commercial banks are open for business in the city of Hyderabad, Telangana. If any coupon payment date and/or redemption date falls on a day which is not a business day, payment of interest and/or principal amount shall be made on the next business day without liability for making payment of interest for the delayed period.</p>
		<p>Redemption proceeds: Business day being a day on which commercial banks are open for business in New Delhi, then the payment due shall be made on the next business day together with additional interest for the intervening period.</p>	<p>In case if the principal redemption date falls on a day which is not a business day (business day being a day on which commercial banks are open for business in Hyderabad, Andhra Pradesh), then the payment due shall be made on the next business day together with additional interest for the intervening period.</p>	<p>In case the date of redemption falls on a holiday, then the redemption proceeds will be paid on the next working day (i.e. a day on which scheduled commercial banks are open for business in Delhi), at the time of exercise of call option.</p>	<p>In case if the principal redemption date falls on a day which is not a Business Day (Business Day being a day on which Commercial Banks are open for business in the City of Hyderabad), then the payment due shall be made on the next Business Day together with additional interest for the intervening period.</p>	<p>In case if the principal redemption date falls on a day which is not a Business Day (Business Day being a day on which Commercial Banks are open for business in the City of Hyderabad), then the payment due shall be made on the next Business Day together with additional interest for the intervening period.</p>	<p>In case if the principal redemption date falls on a day which is not a Business Day (Business Day being a day on which Commercial Banks are open for business in the City of Hyderabad), then the payment due shall be made on the next Business Day together with additional interest for the intervening period.</p>	

