



ANDHRA BANK
(A Govt. of India Undertaking)

Disclosures under Basel III Capital Regulations (Pillar III) as on 30.09.2017

(The Capital to Risk Weighted Assets Ratio (CRAR) reported in DF 2 pertains to Solo & Consolidated position of the Bank. The Composition of Capital furnished in DF 11, DF12 and table DF-17 & DF-18 pertain to the consolidated position of the Bank. All other disclosures in this report pertain to Andhra Bank (Solo)

Table DF-1: Scope of Application

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

(i) **Qualitative Disclosures:**

Name of the entity/ country of incorporation	Whether the entity is included under accounting scope of consolidation (yes/no)	Explain the method of consolidation	Whether the entity is included under regulatory scope of consolidation (yes/no)	Explain the method of consolidation	Explain the reasons for difference in the method of consolidation	Explain the reasons if consolidated under only one of the scopes of consolidation
Subsidiary:						
Andhra Bank Financial Services Limited/India	Yes	AS21- Line by line aggregation of each item of asset/ liability/ income/expenses	Yes	AS21- Line by line aggregation of each item of asset/ liability/income/ expenses	NA	NA
Associate:						
Chaitanya Godavari Grameena Bank/India	Yes	AS23- Equity Method	Yes	AS23- Equity Method	NA	NA
Joint Ventures:						
India First Life Insurance Company Limited/India	Yes	AS27- Proportionate consolidation	No	NA	Regulatory guidelines applied to an Insurance entity.	The entity is engaged in Insurance activity. Hence, excluded from the regulatory scope of consolidation in terms of Circular no. DBOD.No.BP.BC.72/21.04.018/2 001-02 dated February 25, 2003.

ASREC (India) Limited/India	Yes	AS27- Proportionate consolidation	Yes	AS27- Proportionate consolidation	NA	NA
India International bank (Malaysia) BHD / Malaysia	Yes		Yes		NA	NA

a. List of group entities considered for consolidation:

- (i) Andhra Bank Financial Services Limited/India, Subsidiary
- (ii) Chaitanya Godavari Grameena Bank/India, Associate
- (iii) ASREC (India) Limited/India, Joint Venture
- (iv) India International bank (Malaysia) BHD / Malaysia, Joint Venture

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

Name of the entity/ country of incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Regulatory treatment of Bank's investments in the capital instruments of the entity	Total Balance Sheet assets (as stated in the accounting balance sheet of the legal entity)
NIL					

(ii) Quantitative Disclosures:

c. List of group entities considered for consolidation:

(Rs. in Million)			
Name of the entity / country of incorporation	Principle activity of the entity	Total balance Sheet equity (as stated in the accounting balance sheet of the legal entity)	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
Andhra Bank Financial Services Limited/India	Leasing, Hire Purchase, Merchant Banking and other financial services for which it was established. However, no activity is undertaken now.	(13.40)	348.22
Chaitanya Godavari Grameena Bank/India	Banking	3261.71	49833.55
ASREC (India) Limited/India	Securitization and Reconstruction of Financial Assets	1423.92	1905.81
India International bank (Malaysia) BHD / Malaysia	Banking	4784.22	6800.11

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:

(Rs. in Million)

Name of the subsidiaries/ country of incorporation	Principle activity of the entity	Total Balance Sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in the total equity	Capital deficiencies
Nil				

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

(Rs. in Million)

Name of the insurance entities / country of incorporation	Principle activity of the entity	Total Balance Sheet equity (as stated in the accounting balance sheet of the legal entity)	% of Bank's holding in the total equity / proportion of voting power	Quantitative impact on regulatory capital of using risk weighting method versus using the full deduction method
India First Life Insurance Company Limited/India	Insurance Business	5408.57	30%	Does not pertain to the department

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

Table DF-2: Capital Adequacy

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 3-5 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 Million)	
Items	Amount as on 30.09.2017
(b) Capital requirements for credit risk	
▪ Portfolios subject to standardized approach	141160.24
▪ Securitization exposures	NIL
(c) Capital requirements for market risk	
- Standardized duration approach	
▪ Interest rate risk	9288.42
▪ Foreign exchange risk (including gold)	51.25
▪ Equity position risk	3959.32
(d) Capital requirements for operational risk	
- Basic indicator approach	12980.91
(e) Capital Adequacy Ratios (solo)	
▪ Common Equity Tier I	7.09%
▪ Tier 1 CRAR (%)	8.50%
▪ Total CRAR (%)	11.43%
Capital Adequacy Ratios for the consolidated Position	
▪ Common Equity Tier I	7.19%
▪ Tier 1 CRAR (%)	8.61%
▪ Total CRAR (%)	11.56%
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 securitization transaction undertaken in terms of guidelines on Securitization 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 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 organization of the Credit Risk management Cell

Credit Risk Management structure of the Bank is as under-

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

Scope and nature of 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:

a) The total Gross Credit Risk Exposures are :

(Rs. in Million)

Category	Amount as on 30.09.2017
Fund Based	1494541.50
Non Fund Based	216620.80

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

c) Industry type distribution of exposures:

INDUSTRY WISE INTERNAL (FUNDED) CREDIT EXPOSURE CEILINGS AND EXPOSURE AS ON 30.09.2017

TOTAL ADVANCES AS ON 30.06.2017 (PREVIOUS QUARTER) Rs. 1458010.70 Mio.

(Rs. in Million)		
Sl. No	Industry	Actual Fund based exposure as on 30.09.2017
1	TEXTILES	68775.10
2	PETROLEUM PRODUCTS	16793.50
3	POWER	147685.00
3.1	a)Renewable Energy	13035.00
4	ENGINEERING (HEAVY&LIGHT)	23232.90
5	NBFC	102652.70
5.1	a) NBFC of which against GOLD collaterals	17000.00
6	DIAMONDS GEMS & JEWELLERY	19108.30
7	RICE MILLS	36716.30
8	SUGAR	10340.60
9	DRUGS & PHARMACEUTICALS	23509.20
10	TOBACCO	9490.40
11	CEMENT & CEMENT PRODUCTS	11559.30
12	DISTILLERIES	1865.50
13	IRON & STEEL	78137.00
14	CONSTRUCTION & CONTRACTORS	57973.90
15	SOFTWARE	1329.20
16	HOSPITALS	7279.50
17	HOTELS	6908.10
18	EDUCATIONAL INSTITUTIONS	8506.00
19	REAL ESTATE	205291.60
19.1	COMMERCIAL REAL ESTATES	34288.70
19.2	HOUSING LOANS	171002.90
19.2.1	a)Housing Loans - Direct	157613.20
19.2.2	b) Housing Loans - Indirect	13389.70
	TOTAL	837154.10

INDUSTRY WISE INTERNAL (NON-FUNDED) CREDIT EXPOSURE CEILINGS AND EXPOSURE AS ON 30.09.2017

TOTAL NON-FUNDED LIMITS AS ON 30.06.2017 (PREVIOUS QUARTER) Rs.334259.30 Mio.

(Rs. in Million)

Sl. No	Industry	Actual Non Fund based exposure as on 30.09.2017
1	TEXTILES	7686.50
2	PETROLEUM PRODUCTS	447.20
3	POWER	32184.00
3.1	a) Renewable Energy	3031.70
4	ENGINEERING (HEAVY&LIGHT)	22279.50
5	NBFC	4407.90
5.1	a) NBFC of which against GOLD collaterals	0.00
6	DIAMONDS GEMS & JEWELLERY	1101.20
7	RICE MILLS	4446.80
8	SUGAR	1775.00
9	DRUGS & PHARMACEUTICALS	8199.20
10	TOBACCO	239.30
11	CEMENT & CEMENT PRODUCTS	720.70
12	DISTILLERIES	113.70
13	IRON & STEEL	18729.80
14	CONSTRUCTION & CONTRACTORS	109643.30
15	SOFTWARE	1011.10
16	HOSPITALS	2024.80
17	HOTELS	371.20
18	EDUCATIONAL INSTITUTIONS	1596.20
19	REAL ESTATE	1491.10
19.1	COMMERCIAL REAL ESTATES	1491.10
19.2	HOUSING LOANS	0.00
19.2.1	a) Housing Loans - Direct	0.00
19.2.2	b) Housing Loans - Indirect	0.00
	TOTAL	218468.50

d) Residual contractual Maturity breakdown of assets:

(Rs. in Million)

Maturity Pattern	Advances (Net)	Investments	Foreign Currency Assets
0 to 1 day	3008.77	151.90	1093.70
2 to 7 days	6244.85	1579.60	1374.60
8 to 14 days	19247.57	100.00	1226.90
15 to 30 days	16041.47	14791.30	956.50
31 days to 2 months	54132.01	5783.10	2017.70
Over 2 months to 3 months	44889.72	14914.50	1663.20
Over 3 months & upto 6 months	79584.48	36925.80	11834.30
Over 6 months & upto 1 year	125738.41	20970.50	12901.60
Over 1 year & upto 3 years	601590.56	58529.40	1.00
Over 3 year & upto 5 years	152728.83	41543.90	0.00
Over 5 years	298047.69	453333.70	0.00
Total	1401254.38	648623.70	33069.40

e) Amount of NPAs (Gross):

(Rs. in Million)

CATEGORY	Amount as on 30.09.2017
Sub-Std	45925.20
Doubtful-1	73410.10
Doubtful-2	50677.10
Doubtful-3	27832.20
Loss	541.20
Total	198385.80

f) Net NPAs:

(Rs. in Million)

	Amount as on 30.09.2017
Net NPAs	105736.00

g) NPA Ratios:

	% as on 30.09.2017
Gross NPA to Gross Advances (%)	13.27%
Net NPA to Net Advances (%)	7.55%

h) **Movement of NPAs (Gross):**

	(Rs. in Million)
	30.09.2017
(a) Opening Balance	176699.80
(b) Additions during the year	37921.00
(c) Reductions during the year	16235.00
(d) Closing Balance	198385.80

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

	(Rs. in Million)
Movement of Specific Provisions for NPAs	30.09.2017
(a) Opening Balance	73151.70
(b) Provisions made during the year	27951.30
(c) Write-off / Write-back of excess provisions	8453.20
(d) Closing Balance	92649.80

j) **Amount of Non-Performing Investments** : Rs. 5198.30 Mio.

k) **Amount of provisions held for non-performing investments** : Rs. 3355.80 Mio.

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

	(Rs. in Million)
	30.09.2017
(a) Opening Balance	4329.70
(b) Provisions made during the period	2305.60
(c) Write –off	6.00
(d) Write back of excess provisions	796.80
(e) Closing Balance	5832.50

m) **Write-offs and recoveries that have been booked directly to the Income statement during the FY 2017-18 (HY):**

	(Rs. in Million)
Write-offs and recoveries that have been booked directly to the income statement during the FY 2017-18 (HY)	
Recovery in Technically Write Off accounts	556.60
Interest recovery in NPA accounts directly booked to Income statement	1194.40

n) By major industry or counter party type:

(Rs. in Million)

Industry	NPA Amount	Provisions	Write-offs during the current year
IRON & STEEL	46826.90	20019.30	244.30
INFRASTRUCTURE	36677.50	18743.80	2370.10
CONSTRUCTION	12521.30	7220.40	114.10
TEXTILES - COTTON	12516.30	6094.50	1535.40
ENGINEERING - OTHERS	12377.70	4168.60	0.10
OTHER INDUSTRIES	6769.70	4467.90	358.90
OTHER METAL & METAL PRODUCTS	6109.70	2631.80	39.30
CHEMICALS - OTHERS	2381.10	962.80	624.60
FOOD PRODUCTS - OTHERS	5034.10	1990.90	3.30
VEHICLES, VEHICLE PARTS	4720.10	1647.30	0.00
TEXTILES - OTHERS	2597.00	1262.90	36.60
PETROLEUM	2593.10	648.30	0.00
FOOD PRODUCTS - SUGAR	2314.00	1188.30	0.00
GEMS & JEWELLERY	2199.40	895.80	46.40
CHEMICALS - DRUGS AND PHARMACEUTICALS	2133.40	639.60	0.00
FOOD PRODUCTS - EDIBLE OILS & VANASPATHI	1311.50	403.20	6.50
TEXTILES - JUTE	1081.00	800.20	317.10
MINING AND QUARRYING	985.20	888.70	0.20
WOOD AND WOOD PRODUCTS	912.20	161.10	0.00
RUBBER, PLASTIC AND THEIR PRODUCTS	645.70	292.00	139.30
CEMENT AND CEMENT PRODUCTS	641.40	160.80	26.00
CHEMICALS - FERTILIZERS	579.40	242.10	0.00
ENGINEERING - ELECTRONICS	495.00	94.20	305.30
PAPER AND PAPER PRODUCTS	450.60	245.50	61.20
GLASS & GLASSWARE	336.40	133.60	0.00
BEVERAGES	103.00	27.40	0.00
LEATHER AND LEATHER PRODUCTS	78.00	27.60	0.70
TEXTILES - MAN-MADE	25.60	13.10	0.70
TOTAL	165416.30	76071.70	6230.10

o) Amount of NPAs broken down by significant geographic areas including the amounts of specific provisions related to each geographical area.

STATE-WISE NPA & PROVISIONS AS ON 30.09.17

(Rs. in Million)

Sr. No.	Name of State	NPA Amount	Provision
1.	DELHI	49549.60	22087.60
2.	TELANGANA	45960.70	23105.90
3.	MAHARASHTRA	40542.70	19607.80
4.	ANDHRA PRADESH	13283.80	7118.80
5.	CHANDIGARH	12953.90	4755.40
6.	TAMILNADU	11142.70	4714.80
7.	WEST BENGAL	9630.50	4288.20
8.	KARNATAKA	5421.70	1938.00
9.	ODISHA	2760.30	2088.20
10.	GUJARAT	2068.90	867.80
11.	PUNJAB	2013.60	1007.20
12.	UTTAR PRADESH	638.70	223.50
13.	HARYANA	588.40	138.40
14.	GOA	526.90	97.90
15.	MADHYA PRADESH	375.40	86.60
16.	RAJASTHAN	366.30	275.60
17.	CHATTISGARH	167.00	103.40
18.	KERALA	128.60	42.50
19.	JHARKHAND	98.50	55.50
20.	BIHAR	60.90	15.70
21.	PUDUCHERRY	59.60	14.70
22.	UTTARAKHAND	38.40	13.20
23.	DADRA NAGAR HAVELI	5.10	1.10
24.	HIMACHAL PRADESH	1.60	0.40
25.	ASSAM	1.40	1.00
26.	JAMMU & KASHMIR	0.60	0.60
	TOTAL	198385.80	92649.80

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

Qualitative Disclosures:

(a) For portfolios under the standardized approach:

Name of the credit rating agencies approved by the Reserve Bank of India and used.

- 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
- Informerics Valuation rating 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 outstanding (rated & unrated) in the following major risk buckets as well as those that are deducted:

	(Rs. in Million)	
	30.09.2017	
	Fund Based	Non Fund Based
Below 100% risk weight	635411.85	85486.03
100% risk weight	485824.26	63000.73
More than 100% risk weight	264394.03	42399.47
Deducted (Mitigants)	108911.36	25734.57
Total	1494541.45	216620.80

Table DF-5: Credit Risk Mitigation: Disclosures for Standardized Approaches

Qualitative Disclosures

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

(a) Policies and processes for, and an indication of the extent to which the bank makes use of, on and off-balance sheet netting

The Bank makes use of on-balance sheet and off-balance sheet netting only in cases where deposits/cash is held against the particular loan asset.

Policies and processes for collateral valuation and management:

A Board approved Policy on valuation of properties obtained by the Bank, is in place.

As per RBI guidelines, the Bank adopts the comprehensive approach, which allows full offset of collateral (after appropriate haircuts) against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral.

Description of the main types of collateral taken by the Bank:

The main types of collateral commonly used by the Bank as risk mitigants comprise -

1. Cash / Bank's deposits
2. Gold
3. Securities issued by Central and State Government
4. NSCs and KVPs
5. LIC policies with a declared surrender value
6. Debt securities (as defined in the New Capital Adequacy Framework)
7. Units of Mutual Funds.
8. Plant & Machinery, Land & Building (In case of NPAs only)

The Credit Risk Mitigants are applied in accordance with the RBI guidelines.

Main types of Guarantor counterparty and their creditworthiness:

Wherever required, the Bank obtains Personal or Corporate guarantee, as an additional comfort for mitigation of credit risk, which can be translated into a direct claim on the guarantor, and is unconditional and irrevocable. The Creditworthiness of the guarantor is normally not linked to or affected by the borrower's financial position. The Bank also accepts guarantee given by State / Central Government as a security comfort. Such Guarantees remain continually effective until the facility covered is fully repaid or settled.

Information about risk concentration (market or credit) within the mitigation taken:

Bank has a well dispersed portfolio of assets which are secured by various types of securities, such as:

- Eligible financial collaterals listed above
- Guarantees by sovereigns and well-rated corporates
- Fixed and current assets of the counterparty

(b) Quantitative Disclosures:

		(Rs. in Million)
Particulars		Amount
a. Total exposure covered by eligible financial collateral after application of haircuts.		
Of which :		134645.88
i) Gold :		90335.93
ii) Bank Deposits :		43931.25
iii) Insurance Policies :		358.10
iv) NSCs / KVPs etc. :		20.60
b. Total exposure covered by guarantees		57901.73
Total exposure covered by credit derivatives		-

Table DF-6: Securitization Exposures: Disclosure for Standardized Approach:

NIL

Table DF-7: Market Risk in Trading Book

(a) Qualitative Disclosures:

Strategies and processes:

The Bank has in place a well-defined Board approved 'Market Risk Management Policy' and organizational structure for Market risk management functions. The objectives of the policy are-

- to capture all the market related risks inherent in on and off-balance sheet items, monitor and manage them in the best interests of the bank.
- to ensure that the bank's NII is protected from the volatilities in the market related factors
- to improve the sophistication levels of the risk management systems pertaining to Market Risk; and
- to prepare the bank for adoption of the advanced methods of capital computation to ensure optimum utilization of the capital sources.

Structure and organization of the Market Risk management function:

Market Risk Management structure of the Bank is as under-

- Board of Directors
- Risk Management Committee of the Board
- Asset Liability Management Committee (ALCO)
- Chief Risk Officer
- Market Risk Management Cell, Integrated Risk Management Department, Head Office-
 - Integrated Mid Office
 - Asset Liability Management Cell

Scope and nature of risk reporting and measurement systems:

- Bank has put in place various exposure limits for market risk management such as Overnight limit, Intraday limit, Aggregate Gap limit, Stop Loss limit, VaR limit, Broker Turnover limit, Capital Market Exposure limit, Product-wise Exposure limit, Issuer-wise Exposure limit etc.
- A risk reporting system is in place for monitoring the risk limits across different levels of the bank from trading desk to the Board level.
- The rates used for marking to market for risk management or accounting purposes are independently verified.
- The reports are used to monitor performance and risk, manage business activities in accordance with bank's strategy.
- The reporting system ensures timelines, reasonable accuracy with automation. The reports are flexible and enhance decision-making process.
- The Dealing room activities are centralized
- The reporting formats & the frequency is periodically reviewed so as to ensure that they suffice the risk monitoring, measuring and mitigation requirements of the Bank.

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

Bank has a Board approved Integrated (Investments & Forex) Policy which covers Market Risk Management, Country Risk Management and Counterparty Bank Risk Management. Bank has in place Hedging Policy for management of unhedged foreign currency exposures of the counterparties of the Bank. The Integrated Risk Management Policy, which is also approved by the Board, covers the Liquidity Management, Asset Liability Management and monitoring of adherence to various regulatory and internal risk limits. The policies provide the framework for risk assessment, identification, measurement & mitigation, risk limits & triggers, risk monitoring and reporting.

As part of Liquidity risk management Bank has various guidelines in place to ensure that the liquidity position is comfortable during times of stress. A Contingency Funding Plan is also put in place.

Portfolios covered by the Standardized approach: Securities held under Held for Trading (HFT) and Available for Sale (AFS) categories.

(b) Quantitative Disclosures:

	(Rs. in Million)
Capital requirements for market risk	
- Standardized duration approach	
▪ Interest rate risk	9288.42
▪ Foreign exchange risk (including gold)	51.25
▪ Equity position risk	3959.32

Table DF-8: Operational Risk

Qualitative Disclosures:

Strategies and processes:

The Operational Risk Management process of the Bank is driven by a strong organizational culture and sound operating procedures, involving corporate values, attitudes, competencies, internal control culture, effective internal reporting and contingency planning. Policies are put in place for effective management of Operational Risk in the Bank.

The main objectives of the policy are –

- To have common understanding of Operational Risk and facilitate its management.
- Put in place a suitable Organizational Structure.
- Identification of the Operational Risks faced by the Bank in each of the products / activities / processes.
- Developing sound Operational Risk Management systems consistent with the guidelines issued by Reserve Bank of India for management / mitigation of operational risks faced by the Bank.
- Suggesting measures for strengthening of internal control systems & procedures based on the deficiencies observed.
- To facilitate the Bank moving over to Advanced Methodology for calculation of capital.

Structure and organization of Operational Risk management Cell:

The Operational Risk Management Structure in the Bank is as under:

- Board of Directors
- Risk Management Committee of the Board
- Operational Risk Management Committee (ORMC)
- Chief Risk Officer, Head Office (CRO)
- Operational Risk Management Cell (IRMD), Head Office

Scope and nature of risk reporting and measurement systems:

Operational Risk Management is an important component of sound risk management. The Risk reporting consists of operational risk loss incidents / events occurred in branches / offices relating to people, process, technology and external events. The data collected from different sources are used for preparation of MIS on loss event types.

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

Bank has put in place an Operational Risk Management Policy covering the terms of operational risk, risk management structure, identification, assessment, measurement and monitoring of operational risk.

Operational risk capital assessment:

The Bank has adopted Basic Indicator Approach for calculating capital charge for Operational Risk, as stipulated by the Reserve Bank of India.

Table DF-9: Interest Rate Risk in the Banking Book (IRRBB)**(a) Qualitative Disclosures:**

With the deregulation of interest rates, liberalization of exchange rate system, development of secondary markets for bonds and deepening and widening of financial system, Banks are exposed to interest rates risk, liquidity risk, exchange rate risk etc.; Asset Liability Management outlines a comprehensive and dynamic framework for measuring, monitoring and managing various risks. Primary objective of ALM is to maximize the Net Interest Income within the overall risk bearing capacity of the Bank.

Various stress tests are conducted by varying the liquidity and interest rate structure to estimate the resilience and/or the impact. It evaluates the Earnings at Risk by means of parallel shift in the interest rates across assets and liabilities as also basis risk. The stress tests are carried out by assuming stress conditions wherein embedded options are exercised like prepayment of loans and premature closure of deposits much above the revelations of the behavioral studies to test the stress levels.

Traditional Gap Analysis method suggested by RBI is followed for calculation of IRR from Earnings perspective.

Modified Duration Gap method is followed, as per RBI guidelines, to assess the effect of interest rate changes on the Market Value of Equity in percentage terms.

The ALCO decides on the fixation of interest rates on both assets and liabilities after considering the macro economic outlook – both global and domestic, as also the micro aspects like cost-benefit, spin offs, financial inclusion and a host of other factors.

Strategies and process:

The strategy adopted for mitigating the risk is conducting stress tests before hand by simulating various scenarios so as to be in preparedness for the plausible event and if possible in mitigating it. The process for mitigating the risk is initiated by altering the mix of asset and liability composition, bringing the duration gap closer to zero, change in interest rates etc.

Structure and organization of the relevant risk management functions:

The ALM cell reports to the Chief Risk Officer (CRO) - Integrated Risk Management Department and the ALM reports on various subjects/ topics along with the structural liquidity, and the interest rate sensitivity statements are presented to the ALCO and the Risk Management Committee of the Board on a periodical basis. The ALCO is chaired by the Managing Director & CEO of the Bank and has the Executive Directors and GMs of functional Departments as its members.

Scope and nature of risk reporting and measurement systems:

The liquidity and interest rate sensitivity statements reveal the liquidity position and the Interest rate risk of the Bank. With the approval by the Board, tolerance level is stipulated, within which the Bank is to operate. Any breach in the limits is reported to the ALCO which in turn directs remedial measures to be initiated.

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

Mitigating measures are initiated in the ALCO on how to contain the liquidity risk and interest rate risk. The fortnightly statements presented to the ALCO reveal the liquidity and interest rate structure based on residual maturity. The gap position under various time buckets denotes the liquidity risk and interest rate risk. The ALCO on studying the gap position in detail evolves the strategies to reduce the mismatches in order to minimize the liquidity and interest rate risks.

The nature of Interest rate risk in banking book and key assumptions including assumptions regarding loan prepayments and behaviour of non-maturity deposits and Frequency of IRRBB measurement

IRRBB is calculated every month as on the last day of each month. IRRBB is calculated from Economic value perspective (Modified duration gap method) & Earnings perspective (Traditional gap analysis method). Following are the Methodology followed & Assumptions made for calculating IRRBB - Economic value perspective.

- All rate sensitive assets and liabilities are distributed into 10 time buckets, based on the residual maturity/repricing date.
- Assets, liabilities and off balance sheet items are grouped under the broad heads viz., Deposits, Borrowings, Other liabilities, Provisions, Balance with other banks, Investments (HTM), Advances & Non performing assets.
- Bucket-wise cash flows for each item/category of asset/liability/off balance sheet item are arrived at.
- The mid-point of each time bucket is taken as proxy duration for the maturity of all assets and liabilities in the respective time bucket
- Modified duration of each category of asset/liability/off balance sheet item is calculated using the maturity date, coupon, yield and interest frequency.
- Weighted average modified duration of all the assets (DA) and all the liabilities (DL) is calculated including the off balance sheet items.

Assumptions:

1. Entire overdue deposits are placed in 1-28 days time bucket.
2. Entire Current account deposits and saving account deposits are bucketed as per behavioral studies.
3. Demand and Term Loans are distributed into various buckets based on the behavioral pattern of prepayments as per bank's behavioral studies instead of the original maturity. Domestic Retail Term Deposits are distributed as per behavioral studies.

Following is the Methodology followed / Assumptions made for calculating IRRBB - Earnings perspective.

- Rate Sensitive Assets (RSA) and Rate sensitive Liabilities (RSL) upto one year are considered for calculation of IRR from earnings perspective.
- Bank is preparing interest rate sensitivity statement on Monthly basis, duly taking into consideration the various behavioral studies as envisaged in RBI guidelines as part of ALM process.
- Rate sensitive assets and Rate sensitive liabilities upto one year are taken to arrive at the gap.
- Rate sensitive liabilities are reduced from Rate sensitive assets to arrive at the rate sensitive gap.
- The rate sensitive gap is multiplied by assumed interest rate changes to arrive at the interest rate shock.
- A uniform shift (parallel) in yield curve across all the maturity buckets is assumed.

(b) Quantitative Disclosures:

EARNINGS AT RISK

(Rs. in Million)

Change in interest rate	Re-pricing up to 1 year
0.25%	399.00
0.50%	798.00
0.75%	1197.00
1.00%	1598.00

ECONOMIC VALUE OF EQUITY

(Rs. in Million)

For a 200 bps rate shock the drop in equity value (including reserves)	11618.60
--	----------

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

Qualitative Disclosures:

Counterparty Credit Risk is defined as the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows and is the primary source of risk for derivatives and securities financing transactions. Unlike a Bank's exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, the counterparty credit risk is bilateral in nature i.e. the market value of the transaction can be positive or negative to either counterparty to the transaction and varying over time with the movement of underlying market factors. An economic loss would occur if the transactions or portfolio of transactions with the counterparty has a positive economic value at the time of default.

The bank has a board approved policy for the counterparty exposure limits. The exposure limits are fixed on the basis of an "Internal Rating Assessment Method" (IRAM) which takes into account various parameters relating to Capital Adequacy, Asset quality, Liquidity, Profitability etc. These limits are fixed as a percentage of net worth of the counter party bank/institution based on the score arrived as per the Internal Rating Assessment Method. CCR limits are set on the amount and tenor while fixing the limits to respective counterparties. Capital for CCR exposure is assessed based on Standardized Approach.

Quantitative Disclosures:

SI No	Particulars	Notional Amount	Current Exposure
		30.09.2017	30.09.2017
A	Forward Contracts	1037291.11	21,330.65
	Out of above---		
	Forward Forex contracts	969899.84	19,982.83
	Forward Forex contracts (Original maturity less than 14 days)	67391.27	1,347.82
B	Cross Currency Interest rate Swaps	NIL	NIL
	Out of above—	-	-
	With Banks	-	-
	With RBI	-	-
	Inter Bank (Original maturity less than 14 days)	-	-
C	Single Currency Interest Rate Swaps	Nil	Nil
	Total (A+B+C)	1037291.11	21,330.65

Table DF-11: Composition of Capital

(Rs. in Million)

F-11 : COMPOSITION OF CAPITAL		Amounts subject to Pre-Basel III Treatment	Ref No
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	42,724.76	a+b
2	Retained earnings	(3,296.00)	c-d
3	Accumulated other comprehensive income (and other reserves including Revaluation Reserve at a discount of 55%)	78,157.16	e+f+g+h-j+(i*45%)+Part of m
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies ¹)	-	
	Public sector capital injections grandfathered until 1 January 2018	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory adjustments	117,585.92	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	29.00	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	382.51	
10	Deferred tax assets	-	
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitization gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined-benefit pension fund net assets	-	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	264.81	
17	Reciprocal cross-holdings in common equity	126.11	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
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)	NA	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	NA	
22	Amount exceeding the 15% threshold	NA	
23	of which: significant investments in the common stock of financial entities	NA	
24	of which: mortgage servicing rights	NA	
25	of which: deferred tax assets arising from temporary differences	NA	
26	National specific regulatory adjustments(26a+26b=26c+26d)	-	
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	-	
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-	
	of which: [INSERT TYPE OF ADJUSTMENT]	-	
	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	802.43	
29	Common Equity Tier 1 capital (CET1)	116,783.49	
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	22,000.00	
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)	22,000.00	Part of k
33	Directly issued capital instruments subject to phase out from Additional Tier 1	1,000.00	Part of k
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	23,000.00	
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]- Goodwill and Intangible assets	-	
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)	23,000.00	
44a	Additional Tier 1 capital reckoned for capital adequacy	23,000.00	
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)	139,783.49	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	20,000.00	Part of I
47	Directly issued capital instruments subject to phase out from Tier 2	11,280.00	Part of I
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	16,769.22	n+o1+o2
51	Tier 2 capital before regulatory adjustments	48,049.22	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	232.60	Part of s
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	

55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments (56a+56b)	-	
56a	of which: Investments in the Tier 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	232.60	
58	Tier 2 capital (T2)	47,816.62	
58a	Tier 2 capital reckoned for capital adequacy	47,816.62	
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	-	
58c	Total Tier 2 capital admissible for capital adequacy (58a + 58b)	47,816.62	
59	Total capital (TC = T1 + T2) (45 + 58c)	187,600.11	
60	Total risk weighted assets (60a + 60b + 60c)	1623491.88	
60a	of which: total credit risk weighted assets	1366232.94	
60b	of which: total market risk weighted assets	130615.94	
60c	of which: total operational risk weighted assets	126643.00	
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	7.19%	
62	Tier 1 (as a percentage of risk weighted assets)	8.61%	
63	Total capital (as a percentage of risk weighted assets)	11.56%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	6.75%	
65	of which: capital conservation buffer requirement	1.25%	
66	of which: bank specific countercyclical buffer requirement	0.00	
67	of which: G-SIB buffer requirement	0.00	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	1.59%	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	

71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities	6814.24	Part of r & s
73	Significant investments in the common stock of financial entities	1,875.00	Part of t
74	Mortgage servicing rights (net of related tax liability)	NA	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	NIL	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	16769.22	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	17052.60	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	NA	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	NA	

Notes to DF-11 (Composition of capital)

Row No. of DF-11	Particulars	(Rs. in Million)
10	Deferred tax assets associated with accumulated losses	0.00
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	0.00
	Total as indicated in row 10	0.00
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	0.00
	of which: Increase in Common Equity Tier 1 capital	0.00
	of which: Increase in Additional Tier 1 capital	0.00
	of which: Increase in Tier 2 capital	0.00
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	0.00
	(i) Increase in Common Equity Tier 1 capital	0.00
	(ii) Increase in risk weighted assets	0.00
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	0.00

	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	0.00
50	Eligible Provisions included in Tier 2 capital	16769.22
	Eligible Revaluation Reserves included in Tier 2 capital	0
	Total of row 50	16769.22
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)	0

Table DF-12: Composition of Capital – Reconciliation Requirements

(Rs in Million)

DF-12- Composition of Capital- Reconciliation Requirements		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
Step-1		As on 30-09-2017	As on 30-09-2017
A	Capital & Liabilities		
i	Paid-up Capital	8,728.01	8,728.01
	Reserves & Surplus	113,209.24	113,461.67
	Minority Interest	-	-
	Total Capital	121,937.25	122,189.68
ii	Deposits	1,946,032.35	1,946,032.35
	of which: Deposits from banks	630.16	630.16
	of which: Customer deposits	1,945,402.19	1,945,402.19
	of which: Other deposits (Certificate of Deposit)	-	-
iii	Borrowings	112,162.87	112,162.87
	of which: From RBI	25,000.00	25,000.00
	of which: From banks	105.26	105.26
	of which: From other institutions & agencies	12,287.02	12,287.02
	of which: Others (pl specify)- Outside India Line of Credit	4,570.59	4,570.59
	of which: Capital instruments	70,200.00	70,200.00
iv	Other liabilities & provisions	84,457.85	51,188.48
	Total	2,264,590.32	2,231,573.38

B	Assets		
i	Cash and balances with Reserve Bank of India	92,253.06	92,252.70
	Balance with banks and money at call and short notice	10,460.31	8,766.10
ii	Investments:	672,631.93	642,765.72
	of which: Government securities	600,832.01	592,978.44
	of which: Other approved securities	4,736.77	-
	of which: Shares	13,028.15	7,449.62
	of which: Debentures & Bonds	22,301.32	19,603.26
	of which: Subsidiaries / Joint Ventures / Associates	1,141.60	3,016.60
	of which: Others (Commercial Papers, Mutual Funds etc.)	30,592.08	19,717.80
iii	Loans and advances	1,401,525.29	1,401,512.12
	of which: Loans and advances to banks	-	-
	of which: Loans and advances to customers	1,401,525.29	1,401,512.12
iv	Fixed assets	15,159.53	15,109.91
v	Other assets	72,531.20	71,137.83
	of which: Goodwill and intangible assets	-	-
	of which: Deferred tax assets	8,066.28	8,066.28
vi	Goodwill on consolidation	29.00	29.00
vii	Debit balance in Profit & Loss account	-	-
	Total Assets	2,264,590.32	2,231,573.38

(Rs in Million)				
DF-12- Composition of Capital- Reconciliation Requirements		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref No.
Step-2		As on 30-09-2017	As on 30-09-2017	
A	Capital & Liabilities			
i	Paid-up Capital	8,728.01	8,728.01	
	of which: Amount eligible for CET1	8,728.01	8,728.01	a
	of which: Amount eligible for AT1	-	-	
	Reserves & Surplus	113,209.24	113,461.67	

	of which:			
	Share premium	34,386.75	33,996.75	b
	Balance in Profit/Loss A/c	(3,938.43)	(3,296.00)	c
	of which:			
	(a) Current period profits not reconed for capital adequacy purpose	-	-	d
	Statutory Reserves	28,150.00	28,150.00	e
	General Reserve	25,770.36	25,770.36	f
	Capital Reserve	6,104.17	6,104.17	g
	Special Reserve u/s 36(1)(viii) of IT Act	14,550.00	14,550.00	h
	Revaluation Reserve	8,370.48	8,370.48	i
	Foreign Currency Translation Reserve	(184.08)	(184.08)	j
	Minority Interest	-	-	
	Of which considered under capital funds	-	-	
	Total Capital	121,937.25	122,189.68	
ii	Deposits	1,946,032.35	1,946,032.35	
	of which: Deposits from banks	630.16	630.16	
	of which: Customer deposits	1,945,402.19	1,945,402.19	
	of which: Other deposits (pl. specify)- Certificate of Deposit	-	-	
iii	Borrowings	112,162.87	112,162.87	
	of which: From RBI	25,000.00	25,000.00	
	of which: From banks	105.26	105.26	
	of which: From other institutions & agencies	12,287.02	12,287.02	
	of which: Others (pl specify)- Outside India Line of Credit	4,570.59	4,570.59	
	of which: Capital instruments	70,200.00	70,200.00	
	of which:			
	(a) Eligible AT1 capital	23,000.00	23,000.00	k
	(b) Eligible T2 capital issued by Bank	31,280.00	31,280.00	l
	© Eligible T2 capital issued by subsidiaries	-	-	
iv	Other liabilities & provisions	84,457.85	51,188.48	m
	of which:			
	Provision against standard assets	11,994.46	11,994.46	n

	Provision for ARCII	1,119.65	1,119.65	o
	Special Provisions – SRS	3,655.11	3,655.11	o
	DTLs related to goodwill	-	-	
	DTLs related to intangible assets	-	-	
	Total	2,264,590.32	2,231,573.38	
B	Assets			
i	Cash and balances with Reserve Bank of India	92,253.06	92,252.70	
	Balance with banks and money at call and short notice	10,460.31	8,766.10	
ii	Investments	672,631.93	642,765.72	
	of which: Government securities	600,832.01	592,978.44	p
	of which: Other approved securities	4,736.77	-	q
	of which: Shares	13,028.15	7,449.62	r
	of which: Debentures & Bonds	22,301.32	19,603.26	s
	of which: Subsidiaries / Joint Ventures / Associates	1,141.60	3,016.60	t
	of which: Others (Commercial Papers, Mutual Funds etc.)	30,592.08	19,717.80	u
iii	Loans and advances	1,401,525.29	1,401,512.12	
	of which: Loans and advances to banks	-	-	
	of which: Loans and advances to customers	1,401,525.29	1,401,512.12	
iv	Fixed assets	15,159.53	15,109.91	
	of which:			
	Intangibles other than mortgage - servicing rights (net of related tax liability)	405.46	382.51	v
v	Other assets	72,531.20	71,137.83	
	of which: Un amortized pension and gratuity	-	-	
	of which: Goodwill and intangible assets	-	-	
	Out of which:			
	Goodwill	-	-	
	Other intangibles (excluding MSRs)	-	-	
	Deferred tax assets	8,066.28	8,066.28	
vi	Goodwill on consolidation	29.00	29.00	w
vii	Debit balance in Profit & Loss account	-	-	
	Total Assets	2,264,590.32	2,231,573.38	

Extract of Basel III common disclosure template (with added column)			
Common Equity Tier 1 capital: instruments and reserves			
		Component of regulatory capital reported by bank	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	42724.76	a+b
2	Retained earnings	(3296.00)	c-d
3	Accumulated other comprehensive income (and other reserves)	78157.16	e+f+g+h-j+(i*45%)+Part of m
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory adjustments	117585.92	
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	29.00	100% of w

Table DF-13: Main features of Regulatory Capital Instruments

(Rs. in Million)

Disclosure template for main features of regulatory capital instruments as on 30.09.2017								
			Subordinated Debt Bonds VI Issue	Subordinated Debt Bonds VII Issue	Subordinated Debt Bonds VIII Issue	Innovative Perpetual Debt Bonds	Upper Tier-II Bonds - I Issue Series-A	Upper Tier-II Bonds - II Issue Series-B
	Particulars	Equity shares	Lower Tier II	Lower Tier II	Lower Tier II	Tier I	Tier II	Tier II
1	Issuer	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
3	Governing law(s) of the instrument	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements	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
5	Post-transitional Basel III rules	Equity Tier I	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible
6	Eligible at solo/group/ group & solo	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
8	Amount recognised in regulatory capital (Rs. in million, as of most recent reporting date)	6811.63	0.00	0.00	1280.00	1000.00	2000.00	5200.00
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/
10	Accounting classification	Shareholders' equity	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
12	Perpetual or dated	Perpetual	Dated	Dated	Dated	Perpetual	Dated	Dated
13	Original maturity date	No maturity	11.05.2018	10.09.2018	24.12.2019	Perpetual**	25.03.2024***	08.06.2024***
14	Issuer call subject to prior supervisory approval	NO	NO	NO	NO	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

16	Subsequent call dates, if applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Coupons / dividends	Dividend	Coupon	Coupon	Coupon	Coupon	Coupon	Coupon
17	Fixed or floating dividend/coupon	Not applicable	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.
19	Existence of a dividend stopper	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
21	Existence of step up or other incentive to redeem	NO	NO	NO	NO	Step-up	Step-up	Step-up
22	Non-cumulative or cumulative	Non-cumulative	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
24	If convertible, conversion trigger(s)	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
26	If convertible, conversion rate	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
28	If convertible, specify instrument type convertible into	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
30	Write-down feature	NO	NO	NO	NO	NO	NO	NO
31	If write-down, write-down trigger(s)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
32	If write-down, full or partial	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
33	If write-down, permanent or temporary	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

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
36	Non-compliant transitioned features	NO	NO	NO	NO	NO	NO	NO
37	If yes, specify non-compliant features	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

(Rs. in Million)

Disclosure template for main features of regulatory capital instruments as on 30.09.2017								
		Upper Tier-II Bonds - III Issue Series-C	BASEL III Compliant Additional Tier I Perpetual Debt Bonds - Series-I	BASEL III Compliant Tier II Bonds A-Series	BASEL III Compliant Tier II Bonds B-Series	BASEL III Compliant Additional Tier I Perpetual Debt Bonds - Series-II	Basel III Compliant Tier-II Bonds 8.65%-10 years- Series C	Basel III Compliant Additional Tier I Perpetual Debt Bonds Series - III
	Particulars	Tier II	Perpetual	Tier II	Tier-II	Perpetual	Tier-II	Perpetual
1	Issuer	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)	INE434A09123	INE434A09149	INE434A08026	INE434A08034	INE434A08042	INE434A08059	INE434A08067
3	Governing law(s) of the instrument	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements
	Regulatory treatment							
4	Transitional Basel III rules	Upper Tier II	Additional Tier I	Tier II	Tier II	Additional Tier I	Tier II	Additional Tier I
5	Post-transitional Basel III rules	Ineligible	Additional Tier I	Tier II	Tier II	Additional Tier I	Tier II	Additional Tier I
6	Eligible at solo/group/ group & solo	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group
7	Instrument type	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)	2800.00	5000.00	5000.00	5000.00	8000.00	10000.00	9000.00

9	Par value of instrument (Face value of each share / bond)	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	Borrowings	Borrowings	Borrowings	Borrowings	Borrowings	Borrowings	Borrowings
11	Original date of issuance (Date of allotment)	18.12.2009	26.12.2014	16.09.2015	18.12.2015	19.02.2016	27.06.2016	05.08.2016
12	Perpetual or dated	Dated	Perpetual	Dated	Dated	Perpetual	Dated	Perpetual
13	Original maturity date	18.12.2024***	Perpetual#	16.09.2025#	18.12.2025#	Perpetual#	27.06.2026#	Perpetual#
14	Issuer call subject to prior supervisory approval	YES	YES	YES	YES	YES	YES	YES
15	Optional call date, contingent call dates and redemption amount	Not applicable	26.12.2019****	16.09.2020****	18.12.2020****	19.02.2021****	27.06.2021****	05.08.2021****
16	Subsequent call dates, if applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Coupons / dividends	Coupon	Coupon	Coupon	Coupon	Coupon	Coupon	Coupon
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	8.70% p.a.	9.55% p.a.	8.58% p.a.	8.63% p.a.	10.95% p.a.	8.65%	10.99%
19	Existence of a dividend stopper	Not applicable	Not applicable	Not applicable	Not applicable	Applicable	Not applicable	Applicable
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	Step-up	NO	NO	NO	NO	NO	NO
22	Non-cumulative or cumulative	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
23	Convertible or 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
25	If convertible, fully or partially	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
27	If convertible, mandatory or optional conversion	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
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

30	Write-down feature	NO	YES	NO	NO	YES	NO	YES
31	If write-down, write-down trigger(s)	Not applicable	Trigger means that the Issuer's Common Equity Tier I Ratio is: (i) If calculated at any time prior to March 31, 2019, at or below 5.5% of RWAs; or (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).	Not applicable	Not applicable	Pre-specified Trigger means that the Issuer's Common Equity Tier I Ratio is: (i) If calculated at any time prior to March 31, 2019, at or below 5.5% of RWAs; or (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).	Not applicable	Pre-specified Trigger means that the Issuer's Common Equity Tier I Ratio is: (i) If calculated at any time prior to March 31, 2019, at or below 5.5% of RWAs; or (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).
32	If write-down, full or partial	Not applicable	Full or Partial	Not applicable	Not applicable	Full or Partial	Not applicable	Full or Partial
33	If write-down, permanent or temporary	Not applicable	Temporary	Not applicable	Not applicable	Temporary	Not applicable	Temporary
34	If temporary write-down, description of write-up mechanism	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	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	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

			prior approval of RBI			prior approval of RBI		and with the prior approval of RBI	
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All other creditors and Depositors of the Bank	(i)Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares; (ii)Subordinate to the claims of depositors, general creditors and subordinate debt bonds; (iii) Is neither secured or 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	(i)Superior to the claims of investors in equity shares and in instruments eligible for inclusion in Tier I Capital; (ii)Subordinate to the claims of all depositors and general creditors of the Bank; (iii) Is neither secured nor covered by a guarantee of the issuer or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-a-vis Bank Creditors;		(i)Superior to the claims of investors in equity shares and in instruments eligible for inclusion in Tier I Capital; (ii)Subordinate to the claims of all depositors and general creditors of the Bank; (iii) Is neither secured nor covered by a guarantee of the issuer or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-a-vis Bank's creditors;	(i)Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares; (ii)Subordinated to the claims of depositors, general creditors and subordinated debt bonds issued by the Bank; (iii)Is neither secured nor covered by a guarantee of the issuer nor covered by a guarantee of the issuer or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-a-vis Bank Creditors;	(i)Senior to the claims of investors in equity shares and in instruments eligible for inclusion in Tier I Capital; (ii)Subordinate to the claims of all depositors and general creditors of the Bank; (iii) Is neither secured nor covered by a guarantee of the issuer or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-a-vis Bank's creditors	(i)Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares; (ii)Subordinated to the claims of depositors, general creditors and subordinated debt bonds issued by the Bank; (iii)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	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	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

(*)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; Preferential allotment to Govt. of India .. 25.03.2015; Preferential allotment to Govt. of India..30.09.2015 and Preferential allotment to Life Insurance Corporation of India on 29.03.2016;

(**) 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.

(#) Exercise of Call Option by the Bank will be subject to all the conditions mentioned below :

a) The instrument has run for at least five years;

b) Prior approval of Reserve Bank of India;

c) (i) 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)

c) (ii) 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% of Risk Weighted Assets (RWAs) (including capital conservation buffer of 2.5% of RWAs) and Total capital of 11.5% of RWAs including any additional capital requirements identified under Pillar 2.

WRITE-OFF AT THE PONV (POINT OF NON-VIABILITY)

AS PER APPLICABLE RBI GUIDELINES

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

Name of the Issuer	Andhra Bank
Type of Instrument	Unsecured, Redeemable, Non-Convertible, Subordinated Bonds (VI Issue-Series F)
Nature of Instrument	Promissory Notes
Mode of Issue	Private Placement
ISIN No.	INE434A09073
Issue size	Rs.700.00 Crores
Face Value	Rs.10,00,000/- per bond
Tenor	124 months
Coupon Rate	9.15% per annum
Coupon Type	Fixed
Interest payment frequency	Annual
Interest payment	Every year on 11th January
Date of allotment	11.01.2008
Date of maturity	11.05.2018
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.
Issue/Trading mode of the instrument	Demat only
Listed on	National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE)
Put Option	None
Call Option	None
Trustees	IDBI Trusteeship Services Limited
Credit Rating at the time of issue	M/s.CARE: CARE AA+ (Double A Plus) M/s.India Ratings (FITCH): IND AA+/Outlook Stable
Step-up Option	None
Coupon with Step-option	Not applicable
Business Day definition	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.

Name of the Issuer	Andhra Bank
Type of Instrument	Unsecured, Redeemable, Non-Convertible, Subordinated Bonds (VII Issue-Series G)
Nature of Instrument	Promissory Notes
Mode of Issue	Private Placement
ISIN No.	INE434A09081
Issue size	Rs.600.00 Crores
Face Value	Rs.10,00,000/- per bond
Tenor	120 months
Coupon Rate	11.00% per annum
Coupon Type	Fixed
Interest payment frequency	Annual
Interest payment	Every year on 10th September
Date of allotment	10.09.2008
Date of maturity	10.09.2018
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.
Issue/Trading mode of the instrument	Demat only
Listed on	National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE)
Put Option	None
Call Option	None
Trustees	IDBI Trusteeship Services Limited
Credit Rating at the time of issue	M/s.CARE: CARE AA+ (Double A Plus) M/s.India Ratings (FITCH): IND AA+/Outlook Stable
Step-up Option	None
Coupon with Step-option	Not applicable
Business Day definition	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.
	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.

Name of the Issuer	Andhra Bank
Type of Instrument	Unsecured, Redeemable, Non-Convertible, Subordinated Bonds (VIII Issue-Series H)
Nature of Instrument	Promissory Notes
Mode of Issue	Private Placement
ISIN No.	INE434A09131
Issue size	Rs.320.00 Crores
Face Value	Rs.10,00,000/- per bond
Tenor	120 months
Coupon Rate	8.55% per annum
Coupon Type	Fixed
Interest payment frequency	Annual
Interest payment	Every year on 24th December
Date of allotment	24.12.2009
Date of maturity	24.12.2019
Record date	The Record Date for the Bonds shall be 30 days prior to each interest payment / or principal repayment date.
Issue/Trading mode of the instrument	Demat only
Listed on	National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE)
Put Option	None
Call Option	None
Trustees	IDBI Trusteeship Services Limited
Credit Rating at the time of issue	M/s.CARE: CARE AAA (Triple A) M/s. Brickwork: BWR AAA
Step-up Option	None
Coupon with Step-option	Not applicable
Business Day definition	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.
	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.

Name of the Issuer	Andhra Bank
Type of Instrument	Unsecured, Non-cumulative Subordinated Perpetual Bonds
Nature of Instrument	Promissory Notes
Mode of Issue	Private Placement
ISIN No.	INE434A09099
Issue size	Rs.200.00 Crores
Face Value	Rs.10,00,000/- per bond
Tenor	Perpetual
Coupon Rate	9.50% per annum
Coupon Type	Fixed
Interest payment frequency	Annual
Interest payment	Every year on 31st December
Date of allotment	31.12.2008
Date of maturity	Perpetual
Record 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)
Issue/Trading mode of the instrument	Demat only
Listed on	National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE)
Put Option	None
Call Option	After 10 years run of the instrument - with prior permission of Reserve Bank of India
Trustees	IDBI Trusteeship Services Limited
Credit Rating at the time of issue	M/s.CARE:CARE AA (Double A) M/s. Brickwork: BWR AA/ Positive
Step up option	with 0.50% after 10 years run of the instrument, if call option is not exercised
Coupon with Step-option	10.00% from 31.12.2018 if call option is not exercised
Business Day definition	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
	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.

Name of the Issuer	Andhra Bank
Type of Instrument	Unsecured, Redeemable, Non-Convertible (Upper Tier-II) Bonds - Issue-I Series-A
Nature of Instrument	Promissory Notes
Mode of Issue	Private Placement
ISIN No.	INE434A09107
Issue size	Rs.200.00 Crores
Face Value	Rs.10,00,000/- per bond
Tenor	15 years
Coupon Rate	9.30% per annum
Coupon Type	Fixed
Interest payment frequency	Annual
Interest payment	Every year on 25th March
Date of allotment	25.03.2009
Date of maturity	25.03.2024
Record 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).
Issue/Trading mode of the instrument	Demat only
Listed on	National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE)
Put Option	None
Call Option	After 10 years run of the instrument - with prior permission of Reserve Bank of India
Trustees	IDBI Trusteeship Services Limited
Credit Rating at the time of issue	M/s.CRISIL: CRISIL AA/Stable M/s. Brickwork: BWR AA/ Positive
Step-up Option	with 0.50% after 10 years run of the instrument, if call option is not exercised
Coupon with Step-option	9.80% from 25.03.2019 till 25.03.2024 if call-option is not exercised
Business Day definition	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.
	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.

Name of the Issuer	Andhra Bank
Type of Instrument	Unsecured, Redeemable, Non-Convertible (Upper Tier-II) Bonds - Issue-II Series-B
Nature of Instrument	Promissory Notes
Mode of Issue	Private Placement
ISIN No.	INE434A09115
Issue size	Rs.520.00 Crores
Face Value	Rs.10,00,000/- per bond
Tenor	15 yers
Coupon Rate	8.72% per annum
Coupon Type	Fixed
Interest payment frequency	Annual
Interest payment	Every year on 8th June
Date of allotment	08.06.2009
Date of maturity	08.06.2024
Record 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).
Issue/Trading mode of the instrument	Demat only
Listed on	National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE)
Put Option	None
Call Option	After 10 years run of the instrument - with prior permission of Reserve Bank of India
Trustees	IDBI Trusteeship Services Limited
Credit Rating at the time of issue	M/s.CRISIL:CRISIL AA/Stable M/s. Brickwork: BWR AA/ Positive
Step-up Option	with 0.50% after 10 years run of the instrument, if call option is not exercised
Coupon with Step-option	9.22% from 08.06.2019 till 08.06.2024 if call-option is not exercised
Business Day definition	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.
	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.

Name of the Issuer	Andhra Bank
Type of Instrument	Unsecured, Redeemable, Non-Convertible (Upper Tier-II) Bonds - Issue-III Series-C
Nature of Instrument	Promissory Notes
Mode of Issue	Private Placement
ISIN No.	INE434A09123
Issue size	Rs.280.00 Crores
Face Value	Rs.10,00,000/- per bond
Tenor	15 years
Coupon Rate	8.70% per annum
Coupon Type	Fixed
Interest payment frequency	Annual
Interest payment	Every year on 18th December
Date of allotment	18.12.2009
Date of maturity	18.12.2024
Record 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)
Issue/Trading mode of the instrument	Demat only
Listed on	National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE)
Put Option	None
Call Option	After 10 years run of the instrument - with prior permission of Reserve Bank of India
Trustees	IDBI Trusteeship Services Limited
Credit Rating at the time of issue	M/s.CARE:CARE AA + (Double A Positive) M/s. Brickwork: BWR AA+
Step-up Option	with 0.50% after 10 years run of the instrument, if call option is not exercised
Coupon with Step-option	9.20% from 18.12.2019 till 18.12.2024 if call-option is not exercised
Business Day definition	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.
	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.

Name of the Issuer	Andhra Bank
Type of Instrument	Unsecured, Non-Convertible BASEL III Compliant Additional Tier-1 Perpetual Debt Instruments - Series I
Nature of Instrument	Promissory Notes
Mode of Issue	Private Placement
ISIN No.	INE434A09149
Issue size	Rs.500.00 Crores
Face Value	Rs.10,00,000/- per bond
Tenor	Perpetual
Coupon Rate	9.55% per annum
Coupon Type	Fixed
Interest payment frequency	Annual
Interest payment	Every year on 26th December
Date of allotment	26.12.2014
Date of maturity	Perpetual
Record date	The Record Date for interest and redemption payment would be 15 days prior to interest and / or redemption date.
Issue/Trading mode of the instru	Demat only
Listed on	National Stock Exchange of India Ltd (NSE)
Put Option	None
Call Option	<p>Exercise of Call Option by the Bank will be subject to all of the below mentioned conditions:</p> <p>(a) The instrument has run for atleast five years;</p> <p>(b) With the prior approval of Reserve Bank of India;</p> <p>(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</p> <p>OR</p> <p>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.</p>
Trustees	IDBI Trusteeship Services Limited
Credit Rating at the time of issue	M/s.CRISIL: CRISIL AA-/Stable
Step-up Option	None
Coupon with Step-option	Not applicable
Business Day definition	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.

Name of the Issuer	Andhra Bank
Type of Instrument	Unsecured, Non-Convertible and Redeemable BASEL-III Compliant Tier-II Bonds - Series A
Nature of Instrument	Debentures
Mode of Issue	Private Placement
ISIN No.	INE434A08026
Issue size	Rs.500.00 Crores
Face Value	Rs.10,00,000/- per bond
Tenor	10 years
Coupon Rate	8.58% per annum
Coupon Type	Fixed
Interest payment frequency	Annual
Interest payment	Every year on 16th September
Date of allotment	16.09.2015
Date of maturity	16.09.2025
Record date	The Record Date for payment of interest / repayment of principal shall be the date falling 15 days prior to the interest and/or redemption date.
Issue/Trading mode of the instrument	Demat only
Listed on	National Stock Exchange of India Ltd (NSE)
Put Option	None
Call Option	<p>Exercise of Call Option by the Bank will be subject to all the conditions mentioned below :</p> <p>a) The instrument has run for at least five years;</p> <p>b) Prior approval of Reserve Bank of India;</p> <p>c) (i) 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;</p> <p>(or)</p> <p>c) (ii) 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% of Risk Weighted Assets (RWAs) (including capital conservation buffer of 2.5% of RWAs) and Total capital of 11.5% of RWAs including any additional capital requirements identified under Pillar 2.</p> <p>WRITE-OFF AT THE PONV (POINT OF NON-VIABILITY) .. as per applicable RBI Guidelines.</p>
Trustees	IDBI Trusteeship Services Limited
Credit Rating at the time of issue	CRISIL AA+/Stable by M/s.CRISIL Limited and CARE AA+(Double A Plus) by M/s.CARE Ratings
Step-up Option	None
Coupon with Step-option	Not applicable
Business Day definition	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.

Name of the Issuer	Andhra Bank
Type of Instrument	Unsecured, Non-Convertible and Redeemable BASEL-III Compliant Tier-II Bonds - Series B
Nature of Instrument	Debentures
Mode of Issue	Private Placement
ISIN No.	INE434A08034
Issue size	Rs.500.00 Crores
Face Value	Rs.10,00,000/- per bond
Tenor	10 years
Coupon Rate	8.63% per annum
Coupon Type	Fixed
Interest payment frequency	Annual
Interest payment	Every year on 18th December
Date of allotment	18.12.2015
Date of maturity	18.12.2025
Record date	The Record Date for payment of interest / repayment of principal shall be the date falling 15 days prior to the interest and/or redemption date.
Issue/Trading mode of the instrument	Demat only
Listed on	National Stock Exchange of India Ltd (NSE)
Put Option	None
Call Option	<p>Exercise of Call Option by the Bank will be subject to all the conditions mentioned below :</p> <p>a) The instrument has run for at least five years;</p> <p>b) Prior approval of Reserve Bank of India;</p> <p>c) (i) 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;</p> <p>(or)</p> <p>c) (ii) 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% of Risk Weighted Assets (RWAs) (including capital conservation buffer of 2.5% of RWAs) and Total capital of 11.5% of RWAs including any additional capital requirements identified under Pillar 2.</p> <p>WRITE-OFF AT THE PONV (POINT OF NON-VIABILITY) .. as per applicable RBI Guidelines.</p>
Trustees	IDBI Trusteeship Services Limited
Credit Rating at the time of issue	CRISIL AA+/Stable by M/s.CRISIL Limited and CARE AA+(Double A Plus) by M/s.CARE Ratings
Step-up Option	None
Coupon with Step-option	Not applicable
Business Day definition	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.

Name of the Issuer	Andhra Bank
Type of Instrument	Unsecured, Non-Convertible BASEL III Compliant Additional Tier-1 Perpetual Debt Instruments - Series II
Nature of Instrument	Debentures
Mode of Issue	Private Placement
ISIN No.	INE434A08042
Issue size	Rs.800.00 Crores
Face Value	Rs.10,00,000/- per bond
Tenor	Perpetual
Coupon Rate	10.95% per annum
Coupon Type	Fixed
Interest payment frequency	Annual
Interest payment	Every year on 19 th February
Date of allotment	19.02.2016
Date of maturity	Perpetual
Record date	The Record Date for payment of interest / repayment of principal shall be the date falling 15 days prior to the relevant interest payment date and/or the redemption date.
Issue/Trading mode of the instrument	Demat only
Listed on	National Stock Exchange of India Ltd (NSE)
Put Option	None
Call Option	<p>Exercise of Call Option by the Bank will be subject to all of the below mentioned conditions:¹</p> <p>(a) The instrument has run for atleast five years;</p> <p>(b) With the prior approval of Reserve Bank of India;</p> <p>(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</p> <p style="text-align: center;">OR</p> <p>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.</p>
Trustees	IDBI Trusteeship Services Limited
Credit Rating at the time of issue	M/s.CARE RATINGS - CARE AA-/Stable (Double A Minus)
Step-up Option	None
Coupon with Step-option	Not applicable
Business Day definition	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 falls on a day that is not a Business Day, the payment shall be made by the Bank on the immediately succeeding Business Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon Payment Date. If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Bank on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment. In the event the Record Date falls on a day which is not a Business Day, immediately succeeding Business Day will be considered as the Record Date.

Name of the Issuer	Andhra Bank
Type of Instrument	Unsecured, Non-Convertible and Redeemable BASEL-III Compliant Tier-2 Bonds - Series C
Nature of Instrument	Debentures
Mode of Issue	Private Placement
ISIN No.	INE434A08059
Issue size	Rs. 1000.00 Crores
Face Value	Rs.10,00,000/- per bond
Tenor	10 years
Coupon Rate	8.65% per annum
Coupon Type	Fixed
Interest payment frequency	Annual
Interest payment	Every Year on 27th June
Date of allotment	27.06.2016
Date of maturity	27.06.2026
Record date	The Record Date for payment of interest / repayment of principal shall be the date falling 15 days prior to the interest and/or redemption date.
Issue/Trading mode of the instrument	Demat only
Listed on	National Stock Exchange of India Ltd (NSE)
Put Option	None
Call Option	Exercise of Call Option by the Bank will be subject to all the conditions mentioned below : a) The instrument has run for at least five years; b) Prior approval of Reserve Bank of India; c) (i) 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) c) (ii) 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% of Risk Weighted Assets (RWAs) (including capital conservation buffer of 2.5% of RWAs) and Total capital of 11.5% of RWAs including any additional capital requirements identified under Pillar 2. WRITE-OFF AT THE PONV (POINT OF NON-VIABILITY) .. as per applicable RBI Guidelines.
Trustees	IDBI Trusteeship Services Limited
Credit Rating at the time of issue	CRISIL AA+/Negative by M/s CRISIL Limited and CARE AA+ (Double A Plus) by M/s CARE Ratings
Step-up Option	None
Coupon with Step-option	Not applicable
Business Day definition	Business Day shall be a day on which commercial banks are open for business in the city of Hyderabad, Telangana. If any coupon date falls on a Day that is not a Business Day, the payment shall be made by the Bank on the immediately succeeding Business Day along with the interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon Payment Date. If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Bank on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment. In the event the Record Date on a Day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.

Name of the Issuer	Andhra Bank
Type of Instrument	Unsecured, Non-Convertible BASEL III Compliant Additional Tier-1 Perpetual Debt Bonds - Series III
Nature of Instrument	Debentures
Mode of Issue	Private Placement
ISIN No.	INE434A08067
Issue size	Rs. 900.00 Crores
Face Value	Rs.10,00,000/- per bond
Tenor	Perpetual
Coupon Rate	10.99% per annum
Coupon Type	Fixed
Interest payment frequency	Annual
Interest payment	Every Year on 05th August
Date of allotment	05.08.2016
Date of maturity	Perpetual
Record date	The Record Date for payment of interest / repayment of principal shall be the date falling 15 days prior to the interest and/or redemption date.
Issue/Trading mode of the instrument	Demat only
Listed on	National Stock Exchange of India Ltd (NSE)
Put Option	None
Call Option	Exercise of Call Option by the Bank will be subject to all the conditions mentioned below : a) The instrument has run for at least five years; b) Prior approval of Reserve Bank of India; c) (i) 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) c) (ii) 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% of Risk Weighted Assets (RWAs) (including capital conservation buffer of 2.5% of RWAs) and Total capital of 11.5% of RWAs including any additional capital requirements identified under Pillar 2. WRITE-OFF AT THE PONV (POINT OF NON-VIABILITY) .. as per applicable RBI Guidelines.
Trustees	IDBI Trusteeship Services Limited
Credit Rating at the time of issue	CARE AA- (Double A Minus) by M/s CARE Ratings and CRISIL AA-/ Negative by M/s CRISIL
Step-up Option	None
Coupon with Step-option	Not applicable
Business Day definition	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 falls on a day that is not a Business Day, the payment shall be made by the Bank on the immediately succeeding Business Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon Payment Date. If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Bank on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.

Table DF-16: Equities – Disclosure for Banking Book Positions

Qualitative Disclosures			
1	The general qualitative disclosure requirement (Para 2.1 of this annex) with respect to equity risk, including:		
	<ul style="list-style-type: none"> differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and 	Equity Holding of Quoted shares and units of Equity oriented Mutual Funds are acquired with a view to achieve short term capital gains. Equity Holding of Unquoted shares, Preference Shares and units of Venture Capital Funds acquired with a view to achieve long term capital gains. We also have equity holdings in Subsidiary, Associate and Joint Ventures for relationship and strategic reasons.	
	<ul style="list-style-type: none"> Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices. 	Shares under AFS and HFT are accounted for separately. Value in Venture Capital Funds are held in HTM for 3 years from the date of drawdown and then transferred to AFS.	The valuation of quoted shares is based on the Market value of the scrips. Unquoted shares are valued at break-up value ascertained from the latest balance sheet of the company. Private Equity Venture Capital funds are valued based on the Net Asset Value of the Funds. While the Venture Capital Funds in HTM are carried at Book Value, the Venture Capital Funds under AFS are subjected to valuation based on the Net Asset Value of the Fund. Subsidiaries and Joint Ventures are held in HTM category and carried at Book Value. There have been no significant changes in these practices since the practices are based on RBI Master Circular on Valuations.
Quantitative Disclosures		(Rs. in Mn)	
		BOOK VALUE 30.09.2017	FAIR VALUE 30.09.2017
1	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	4504.97	4653.26
	Publicly quoted share values where the share price is materially different	Nil	Nil

	from fair value.		
2	The types and nature of investments, including the amount that can be classified as:		
	• Publicly traded.	Nil	Nil
	Fis (IFCI)	Nil	Nil
	• Privately held.	4,504.97	4,653.26
	Financial Corporation	Nil	Nil
	JVs (In India)	2159.00	2159.00
	JVs (Outside India)	1432.81	1432.81
	RRBs	26.05	26.05
	Subsidiaries(In India)	50.00	0.00
	Subsidiaries(Outside India)	Nil	Nil
3	The cumulative realised gains (losses) arising from sales and liquidations in the reporting period.	Nil	--
4	Total unrealised gains (losses)1	Nil	--
5	Total latent revaluation gains (losses)2	198.28	--
6	Any amounts of the above included in Tier 1 and/or Tier 2 capital.	-	-
7	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirements.	-	-

1 Unrealized gains (losses) recognised in the balance sheet but not through the profit and loss account.

2 Unrealized gains (losses) not recognised either in the balance sheet or through the profit and loss account.

Table DF-17: Summary Comparison of Accounting Assets vs. Leverage Ratio Exposure Measure

The Basel III leverage ratio is defined as the capital measure (Tier-1 capital of the risk based capital framework) divided by the exposure measure, expressed as a percentage. As per RBI guidelines, disclosures required for leverage ratio for the Bank at the consolidated level at Sept 30, 2017 is as follows.

(Rs. in Million)		
S.No	Particulars	Amount
1	Total consolidated assets as per published financial statements	2264590.33
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-33016.95
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	
4	Adjustments for derivative financial instruments	
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	236762.86
7	Other adjustments	-773.42
8	Leverage ratio exposure	2467562.82

DF-18 – Leverage ratio common disclosure template

		(Rs. in Million)
Leverage ratio framework		
On-balance sheet exposures		Amount
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	2231573.38
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-773.42
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	2230799.96
Derivative exposures		Amount
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	471.84
5	Add-on amounts for PFE associated with all derivatives transactions	1134.13
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	
8	(Exempted CCP leg of client-cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	Total derivative exposures (sum of lines 4 to 10)	1605.97
Securities financing transaction exposures		Amount
12	Gross SFT assets (with no recognition of netting), after adjusting for	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	-
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	576137.84
18	(Adjustments for conversion to credit equivalent amounts)	-340980.94
19	Off-balance sheet items (sum of lines 17 and 18)	235156.90
Capital and total exposures		
20	Tier 1 capital	139783.49
21	Total exposures (sum of lines 3, 11, 16 and 19)	2467562.82
Leverage Ratio		5.66%