



आन्ध्रा बैंक ANDHRA BANK

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

Disclosures under Basel III Capital Regulations (Pillar III) as on 31.12.2015

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

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

Table DF-2: Capital Adequacy

a) Qualitative disclosures:

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

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

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

Quantitative disclosures:

(Rs. in Cr.)

Items	Amount as on 31.12.2015
(b) Capital requirements for credit risk <ul style="list-style-type: none">▪ Portfolios subject to standardized approach▪ Securitisation exposures	10700.74 NIL
(c) Capital requirements for market risk <ul style="list-style-type: none">- Standardized duration approach<ul style="list-style-type: none">▪ Interest rate risk▪ Foreign exchange risk (including gold)▪ Equity position risk	461.82 1.20 100.70
(d) Capital requirements for operational risk <ul style="list-style-type: none">- Basic indicator approach	884.58

(e) Capital Adequacy Ratios (solo)	
▪ Common Equity Tier I	7.38%
▪ Tier 1 CRAR (%)	7.84%
▪ Total CRAR (%)	10.92%
Capital Adequacy Ratios for the consolidated Position	
▪ Common Equity Tier I	7.45%
▪ Tier 1 CRAR (%)	7.90%
▪ Total CRAR (%)	10.98%
Total and Tier I CRAR for the Significant Subsidiary which is not under consolidated group	NA
f) Leverage Ratio (Consolidated)	
▪ Tier 1 Capital	10712.21
▪ Total Exposure	212452.33
▪ Leverage Ratio(%)	5.04%

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

Qualitative Disclosures:

(a) General qualitative disclosures with respect to credit risk

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

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

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

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

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

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

- i. the outstanding balance remains continuously in excess of the sanctioned limit/drawing power;
- ii. the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Balance Sheet; or
- iii. credits are not enough to cover atleast the interest debited during the same period.

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

Bank ensures that drawings in the working capital accounts are covered by the adequacy of current assets, since current assets are first appropriated in times of distress. Drawing power is arrived at based on the stock statement not older than 3 months. In case Drawings allowed against Stock statements and/or Book debts statements of more than three months old are treated as irregular drawings and accounts where such irregular drawings are allowed for a continuous period of 90 days are to be treated as NPA.

A working capital borrowal account will become NPA if drawings are permitted against stock statement of older than 3 months in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory.

- An account where the regular/ ad hoc credit limits have not been reviewed/ renewed within 180 days from the due date/ date of ad hoc sanction will be treated as NPA.

Agricultural advances:

A loan granted for short duration crops is treated as NPA, if the installment of principal or interest thereon remains overdue for two crop seasons. A loan granted for long duration crops is treated as NPA, if the installment of principal or interest thereon remains overdue for one crop season. For the purpose of these guidelines, "long duration" crops are crops with crop season longer than one year and crops, which are not "long duration" crops, are treated as "short duration" crops. The crop season for each crop,

which means the period up to harvesting of the crops raised, would be as determined by the State Level Bankers' Committee in each State. Depending upon the duration of crops raised by an agriculturist, the above NPA norms are also made applicable to agricultural term loans availed of by him.

Discussion of the Bank's Credit Risk Management Policy

Strategies and Processes:

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

Credit risk may take the following forms:

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

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

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

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

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

Structure and organization of the Credit risk management function

Credit Risk Management structure of the Bank is as under-

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

Scope and nature of credit risk reporting and measurement systems:

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

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

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

Quantitative Disclosures:

b) The total Gross Credit Risk Exposures are :

(Rs. in Cr.)

Category	Amount as on 31.12.2015
Fund Based	135971
Non Fund Based	18833

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

d) Industry type distribution of exposures:

INDUSTRY WISE INTERNAL (FUNDED) EXPOSURE CEILINGS AND EXPOSURE AS ON 31.12.2015

TOTAL ADVANCES AS ON 30.09.2015 (PREVIOUS QUARTER), Rs 130907.76 Cr.					
Sl. No	Industry	Ceilings as % of total advances of previous quarter	Ceiling amount on total advances of previous quarter	Actual Fund based exposure as on 31.12.2015	Exposure as % of total advances of previous quarter
1	TEXTILES	9.00	11781.70	5903.69	4.51
2	PETROLEUM PRODUCTS	10.00	13090.78	878.98	0.67
3	POWER	22.00	28799.71	15878.56	12.13
	a)Renewable Energy	2.00	2618.16	1037.09	0.79
4	ENGINEERING (HEAVY&LIGHT)	5.00	6545.39	2371.01	1.81
5	NBFC	10.00	13090.78	10586.49	8.09
	a) NBFC of which against GOLD collaterals	3.00	3927.23	1603.31	1.22
6	DIAMONDS GEMS & JEWELLERY	5.00	6545.39	1978.46	1.51
7	RICE MILLS	6.00	7854.47	3409.92	2.60
8	SUGAR	3.00	3927.23	1491.69	1.14
9	DRUGS & PHARMACEUTICALS	5.00	6545.39	1905.06	1.46
10	TOBACCO	2.00	2618.16	766.17	0.59
11	CEMENT & CEMENT PRODUCTS	5.00	6545.39	907.94	0.69
12	DISTILLERIES	1.00	1309.08	256.08	0.20
13	IRON & STEEL	10.00	13090.78	6795.01	5.19
14	CONSTRUCTION & CONTRACTORS	10.00	13090.78	3838.92	2.93
15	SOFTWARE	1.50	1963.62	309.06	0.24
16	HOSPITALS	3.00	3927.23	768.35	0.59

(Rs in cr)

17	HOTELS	3.00	3927.23	1029.95	0.79
18	EDUCATIONAL INSTITUTIONS	2.00	2618.16	657.59	0.50
19	COMMERCIAL REAL ESTATES	7.00	9163.54	3307.66	2.53
20	HOUSING LOANS	15.00	19636.16	13683.47	10.45

INDUSTRY WISE INTERNAL (NON-FUNDED) EXPOSURE CEILINGS AND EXPOSURE AS ON 31.12.2015

TOTAL NON-FUNDED Limits AS ON 30.09.2015 (PREVIOUS QUARTER), Rs. 30392.03 Cr.

(Rs. in Cr.)

Sl. No	Industry	Ceilings as % of Non Fund Limits of previous quarter	Ceiling amount on Non Fund Limits of previous quarter	Actual Non Fund based exposure as on 31.12.2015	Exposure as % of Non Fund Exposure of Previous Quarter
1	TEXTILES	4.00	1215.68	1160.69	3.82
2	PETROLEUM PRODUCTS	1.00	303.92	30.51	0.10
3	POWER	10.50	3191.16	2007.77	6.61
4	ENGINEERING (HEAVY&LIGHT)	12.00	3647.04	2510.17	8.26
5	NBFC	5.00	1519.60	102.00	0.34
6	DIAMONDS GEMS & JEWELLERY	3.00	911.76	51.16	0.17
7	RICE MILLS	2.00	607.84	227.88	0.75
8	SUGAR	2.00	607.84	275.07	0.91
9	DRUGS & PHARMACEUTICALS	6.00	1823.52	1014.95	3.34

10	TOBACCO	0.50	151.96	22.51	0.07
11	CEMENT & CEMENT PRODUCTS	2.00	607.84	218.17	0.72
12	DISTILLERIES	0.50	151.96	62.93	0.21
13	IRON & STEEL	14.00	4254.88	2669.56	8.78
14	CONSTRUCTION & CONTRACTORS	50.00	15196.02	6628.87	21.81
15	SOFTWARE	1.00	303.92	93.10	0.31
16	HOSPITALS	1.50	455.88	59.95	0.20
17	HOTELS	1.50	455.88	27.16	0.09
18	EDUCATIONAL INSTITUTIONS	2.00	607.84	153.94	0.51
19	COMMERCIAL REAL ESTATES	2.00	607.84	133.43	0.44

e) **Residual contractual Maturity breakdown of assets:**

(Rs. in Cr.)

Maturity Pattern	Advances (Net)	Investments	Foreign Currency Assets
0 to 1 day	322.70	18.47	387.42
2 to 7 days	614.08	1604.63	52.39
8 to 14 days	1813.55	391.92	67.42
15 to 28 days	1571.44	1014.48	134.08
29 days to 3 months	11173.74	2377.10	694.48
Over 3 months & upto 6 months	6397.40	849.45	812.2
Over 6 months & upto 1 year	10853.54	1037.03	15.17
Over 1 year & upto 3 years	61764.17	5750.20	0.00
Over 3 year & upto 5 years	14564.12	6020.76	0.00
Over 5 years	22219.06	31474.66	0.00
Total	131293.79	50538.7	2163.16

f) **Amount of NPAs (Gross):**

(Rs. in Cr)

CATEGORY	AMOUNT As on 31.12.2015
Sub-Std	3658.64
Doubtful-1	1409.22
Doubtful-2	3381.25
Doubtful-3	1021.23
Loss	50.58
Total	9520.92

Net NPAs:

(Rs. in Cr)

	31.12.2015
Net NPAs	5102.81

g) **NPA Ratios:**

	31.12.2015
Gross NPA to Gross Advances (%)	7.00%
Net NPA to Net Advances (%)	3.89%

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

(Rs. in Cr.)

	31.12.2015
(a) Opening Balance	6876.54
(b) Additions during the year	4006.73
(c) Reductions during the year	1362.35
(d) Closing Balance	9520.92

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

(Rs. in Cr.)

	31.12.2015
Movement of Specific Provisions for NPAs	
(a) Opening Balance	3187.91
(b) Provisions made during the year	1957.12
(c) Write-off / Write-back of excess provisions	726.92
(d) Closing Balance	4418.11

j) **Amount of Non-Performing Investments** : 211.55

k) **Amount of provisions held for Non-Performing Investments:** 140.95

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

(Rs. in Cr.)

	31.12.2015
(a) Opening Balance	219.22
(b) Provisions made during the period	240.42
(c) Write –off	0.00
(d) Write back of excess provisions	136.50
(e) Closing Balance	323.14

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

Qualitative Disclosures:

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

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

Types of exposure for which each agency is used:

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

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

No such process is applied

Quantitative Disclosures:

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

(Rs. in Cr.)

	31.12.2015	
	Fund Based	Non Fund Based
Below 100% risk weight	54937	4509
100% risk weight	43933	7914
More than 100% risk weight	24347	4492
Deducted (Mitigants)	12754	1918
Total	135971	18833

Table DF-13: Main features of Regulatory Capital Instruments

Disclosure template for main features of regulatory capital instruments as on 31.12.2015

			VI Issue	VII Issue	VIII Issue	Innovative Perpetual Debt Bonds	Upper I Issue	Upper II Issue	Upper III Issue	Perpetual	A-Series	B-Series
	Particulars	Equity shares	Lower Tier II	Lower Tier II	Lower Tier II	Tier I	Tier II	Tier II	Tier II	BASEL III Compliant Additional Tier I	BASEL III Compliant Tier II	BASEL III Compliant Tier II
1	Issuer	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank	Andhra Bank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE434A0101 3	INE434A0907 3	INE434A0908 1	INE434A0913 1	INE434A0909 9	INE434A0910 7	INE434A0911 5	INE434A0912 3	INE434A09149	INE434A0802 6	INE434A0803 4
3	Governing law(s) of the instrument	Applicable Indian statutes and regulatory requirements										
	Regulatory treatment											
4	Transitional Basel III rules	Equity Tier I	Tier II	Tier II	Tier II	Tier I	Upper Tier II	Upper Tier II	Upper Tier II	Additional Tier I	Tier II	Tier II
5	Post-transitional Basel III rules	Equity Tier I	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Additional Tier I	Tier II	Tier II
6	Eligible at solo/group/group & solo	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group	Solo & Group
7	Instrument type	Equity shares	Debt Bonds	Debt Bonds	Debt Bonds	Debt Bonds	Debt Bonds	Debt Bonds	Debt Bonds	Debt Bonds	Debt Bonds	Debt Bonds
8	Amount recognized in regulatory capital (Rs. in million, as of most recent reporting date)	6523.10	2800.00	2400.00	1920.00	1400.00	2000.00	5200.00	2800.00	5000.00	5000.00	5000.00

9	Par value of instrument (Face value of each share / bond)	Rs.10/-	7000.00 million and each instrument of Rs.10,00,000/	6000.00 million and each instrument of Rs.10,00,000/	3200.00 million and each instrument of Rs.10,00,000/	2000.00 million and each instrument of Rs.10,00,000/	2000.00 million and each instrument of Rs.10,00,000/	5200.00 million and each instrument of Rs.10,00,000/	2800.00 million and each instrument of Rs.10,00,000/	5000.00 million and each instrument of Rs.10,00,000/	50000.00 million and each instrument of Rs.10,00,000 /	
10	Accounting classification	Shareholders' equity	Borrowings	Borrowings	Borrowings	Borrowings	Borrowings	Borrowings	Borrowings	Borrowings	Borrowings	Borrowings
11	Original date of issuance (Date of allotment)	various dates*	11.01.2008	10.09.2008	24.12.2009	31.12.2008	25.03.2009	08.06.2009	18.12.2009	26.12.2014	16.09.2015	18.12.2015
12	Perpetual or dated	Perpetual	Dated	Dated	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** *	18.12.2024** *	Perpetual	16.09.2025#	18.12.2025#
14	Issuer call subject to prior supervisory approval	NO	NO	NO	NO	YES	YES	YES	YES	YES	YES	YES
15	Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	26.12.2019*** *	16.09.2020	18.12.2020
16	Subsequent call dates, if applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Coupons / dividends	Dividend	Coupon	Coupon	Coupon	Coupon	Coupon	Coupon	Coupon	Coupon	Coupon	Coupon
17	Fixed or floating dividend/coupon	Not applicable	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	Not applicable	9.15% p.a.	11.00% p.a.	8.55% p.a.	9.50% p.a.	9.30% p.a.	8.72% p.a.	8.70% p.a.	9.55% p.a.	8.58% p.a.	8.63% p.a.
19	Existence of a dividend stopper	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

20	Fully discretionary, partially discretionary or mandatory	Fully discretionay	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	NO	NO	NO	NO	Step-up	Step-up	Step-up	Step-up	NO	NO	NO
22	Non-cumulative or convertible	Non-cumulative	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
23	Convertible or non-convertible	Not applicable	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

30	Write-down feature	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	NO	NO
31	If write-down, write-down trigger(s)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	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
32	If write-down, full or partial	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Full or Partial	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	Not applicable	Not applicable	Temporary	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	Not applicable	Not applicable	Bank at its sole discretion may write-up the bonds to its original value in future, when it demonstrates that its capital position is well above the minimum capital requirements and with the prior approval of RBI	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	All other creditors and Depositors of the Bank	Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares; Subordinate to the claims of depositors, general creditors and subordinate debt bonds; Is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-a-vis Bank's creditors	(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 Creditors;
36	Non-compliant transitioned features	NO	NO	NO	NO	NO	NO	NO	NO	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	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;

(**) 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 AA+ (Double A Plus) M/s.Brickwork: BWR AA+/Negative Outlook
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.CRISIL:CRISIL AA/Stable (Reaffirmed) M/s.Brickwork: BWRAA/Negative Outlook
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/Negative outlook
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/Negative Outlook
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) M/s.Brickwork: BWR AA/ Negative Outlook
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 instrument	Demat only
Listed on	National Stock Exchange of India Ltd (NSE)
Put Option	None
Call Option	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.
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 Reference 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 Reference 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.

