
Basel III- Pillar III Disclosures

September 30,2017



ADDITIONAL DISCLOSURES IN TERMS OF COMPLIANCE OF BASEL III REQUIREMENTS AS STIPULATED BY RBI

Table DF – 1

Scope of Application

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

(i) Qualitative Disclosures:

a. List of group entities considered for consolidation

| 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 |
|---|--|--|---|--|---|---|
| IndBank Merchant Banking Services Ltd. (Subsidiary) | Yes | Consolidated in accordance with Accounting Standard 21- Consolidated Financial Statement | Yes | Consolidated in accordance with Accounting Standard 21- Consolidated Financial Statement | Not Applicable | Not Applicable |
| Ind Bank Housing Ltd (Subsidiary) | Yes | Consolidated in accordance with Accounting Standard 21- Consolidated Financial Statement | Yes | Consolidated in accordance with Accounting Standard 21- Consolidated Financial Statement | Not Applicable | Not Applicable |

| 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 |
|---|--|--|---|-------------------------------------|---|---|
| Pallavan Grama Bank (Associates) | Yes | Consolidated under Equity Method in accordance with Accounting Standard 23- Consolidated Financial Statement | No | Not Applicable | Treated as associates | Risk weighted for capital adequacy purposes |
| Saptagiri Grameena Bank (Associates) | Yes | Consolidated under Equity Method in accordance with Accounting Standard 23- Consolidated Financial Statement | No | Not Applicable | Treated as associates | Risk weighted for capital adequacy purposes |
| Puduvai Bharathiar Grama Bank (Associates) | Yes | Consolidated under Equity Method in accordance with Accounting Standard 23- Consolidated Financial Statement | No | Not Applicable | Treated as associates | Risk weighted for capital adequacy purposes |

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 | Principal 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:
(₹ in million)

| Name of the entity / country of incorporation (as indicated in (i)a. above) | Principal 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) |
|--|----------------------------------|--|--|
| IndBank Merchant Banking Services Ltd (India) | Merchant Banking services | 443.78 | 701.24 |
| Ind Bank Housing Ltd (India) | Housing Finance | 100.00 | 1496.15 |

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:

| Name of the subsidiaries / country of incorporation | Principal 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:

| Name of the insurance entities / country of incorporation | Principal 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 |
|---|----------------------------------|--|--|---|
| NOT APPLICABLE | | | | |

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

There is no restriction or impediments on transfer of funds or regulatory capital within the banking group.

Table DF – 2: Capital Adequacy**Assessment of Capital Adequacy:**

- (a) Bank maintains capital to protect the interest of depositors, general creditors and stake holders against any unforeseen losses

As per the RBI guidelines, Banks have to maintain a Minimum Common Equity Tier 1 (CET 1) of 6.75% (including Capital Conservation Buffer of 1.25%) and minimum CRAR of 10.25%. Bank maintains Common Equity Tier 1 (CET 1) of more than 6.75% and CRAR of more than 10.25%.

- (b) In line with RBI guidelines, Bank has adopted following risk management approaches for assessing the capital adequacy:

- **Credit Risk:** Standardised Approach
- **Market Risk:** Standardised Duration Approach
- **Operational Risk:** Basic Indicator Approach

- (c) Bank projects capital for the next 3 financial years based on business projections, policy guidelines, macro-economic scenarios, risk appetite etc

- (d) Under Pillar II, Bank considers the following as risks while assessing / planning capital:

- Liquidity Risk
- Credit Concentration Risk
- Interest Rate Risk in Banking Book
- Pension Obligation Risk
- Under estimation of Credit risk under Standardized approach
- Strategic Risk
- Reputation Risk
- Counterparty Credit Risk
- Country Risk

- (e) Bank also periodically undertakes stress testing in various risk areas to assess the impact of stressed scenario or plausible events on asset quality, liquidity, interest rate, derivatives and forex on its profitability and capital adequacy.

A comprehensive stress testing framework is put in place. Bank conducts stress test on quarterly basis based on scenarios prescribed by RBI as well as bank specific scenarios. The Stress test results were placed to various apex level committees.

The Bank assesses the impact on the following risks, as part of Stress Test:

- Credit Risk
- Market Risk
- Credit Concentration Risk
- Default Risk
- Liquidity Risk
- Interest Rate Risk in Banking Book (IRRBB)

Bank is conducting the Stress Test on quarterly basis and the result of the same is placed to Credit Risk Management Committee (CRMC)/Risk Management Committee (RMC) of the Board

Quantitative disclosures (as per Basel III guidelines)

(a) Capital requirements for credit risk: (₹ in Million)

| Particulars | Solo (Global) | Consolidated |
|---|---------------|--------------|
| Portfolios subject to standardized approach | 112445.22 | 112497.93 |
| Securitization exposures | -- | -- |

b)Capital requirements for market risk:
Standardized duration approach (₹ in Million)

| Particulars | Solo (Global) | Consolidated |
|--|---------------|--------------|
| Interest Rate Risk | 8727.42 | 8727.42 |
| Foreign Exchange Risk (including gold) | 63.00 | 63.00 |
| Equity Risk | 4116.97 | 4116.97 |

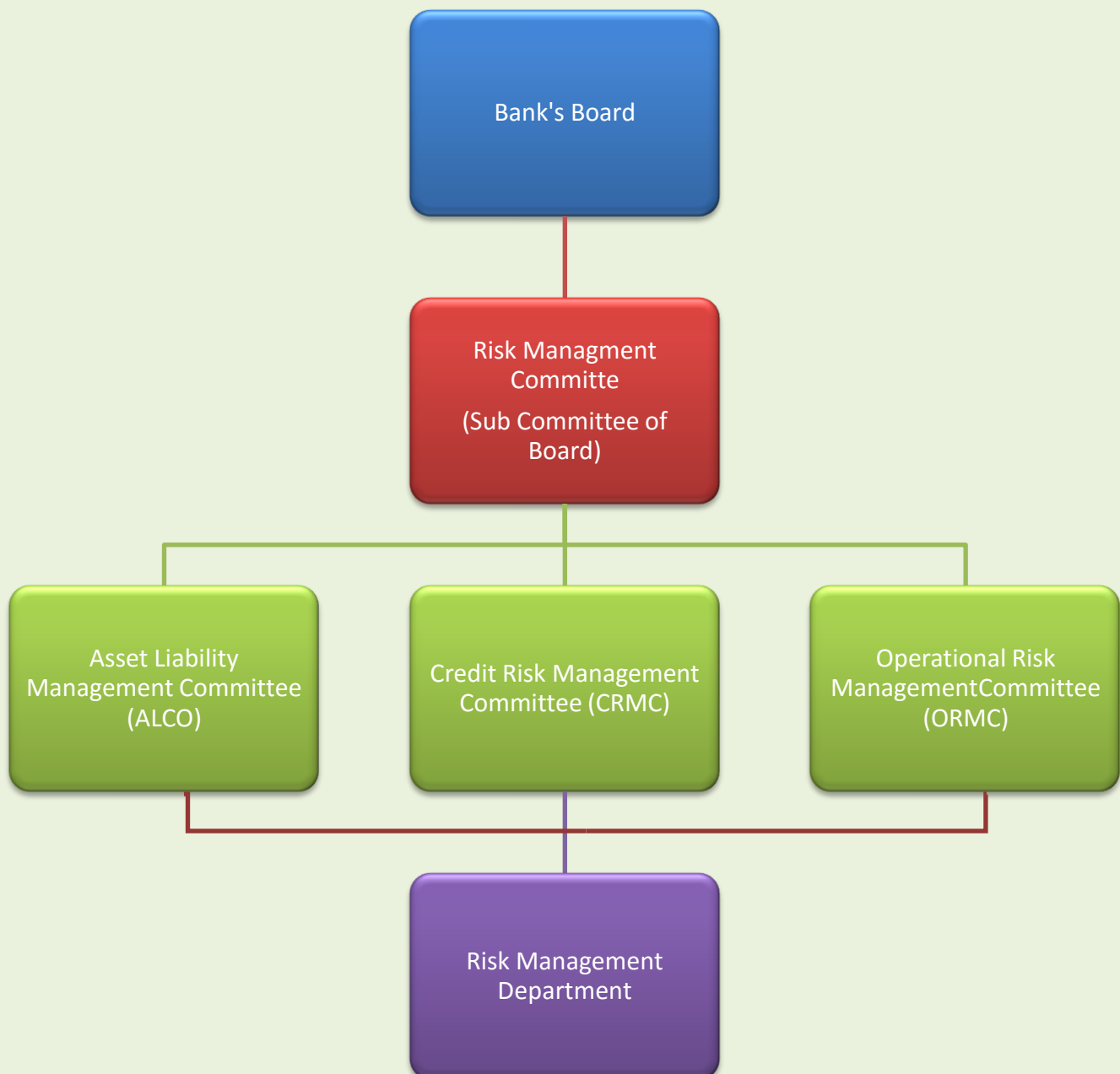
(c)Capital requirements for operational risk: (₹ in Million)

| Particulars | Solo (Global) | Consolidated |
|--------------------------|---------------|--------------|
| Basic Indicator Approach | 9339.33 | 9356.40 |

(d)Common Equity Tier 1 (CET 1), Tier 1 and Total capital ratio (as per Basel III guidelines):

| Particulars | Solo (Global) | Consolidated |
|-------------------------------|---------------|--------------|
| Common Equity Tier 1 (CET 1), | 11.30% | 11.51% |
| Tier 1 Capital Adequacy Ratio | 11.66% | 11.87% |
| Total Capital Adequacy Ratio | 13.16% | 13.37% |

Organisation Structure:



Risk Management Architecture:

The Bank's risk management framework is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. An independent Risk Management Department is functioning for effective Enterprise-Wide Risk Management and responsible for assessment, monitoring and reporting of risk exposures across the bank. All the risks the Bank is exposed to, are managed through following three committees viz.,

- (i) Credit Risk Management Committee (CRMC)
- (ii) Asset and Liabilities Management Committee (ALCO)
- (iii) Operational Risk Management Committee (ORMC)

These committees work within the overall guidelines and policies approved by the Board and Risk Management Committee of the Board.

The Bank has put in place various policies to manage the risks. To analyze the enterprise-wide risk and with the objective of integrating all the risks of the Bank, an Integrated Risk Management policy has also been put in place. The important risk policies comprise of Credit Risk Management Policy, Asset Liability Management Policy, Market Risk Management Policy, Operational Risk Management Policy, Internal Capital Adequacy Assessment Process (ICAAP) Policy, Stress Testing Policy, Collateral Management Policy and Disclosure Policy, Reputational Risk Management Policy and Strategic Risk Management Policy.

All the policies are reviewed at a minimum on annual basis by Risk Management Committee (RMC)/ Board. In order to disseminate the risk management concepts and also to sensitize the field level functionaries, the relevant policies were circulated to the branches, in addition to imparting training at the Bank's training colleges.

Credit Risk:

Risk Management Systems are in place to identify and analyze the risks at the early stage and manage them by setting and monitoring prudential limits besides taking other corrective measures to face the changing risk environment.

Limit Framework:

In order to limit the magnitude of credit risk and concentration risk, a limit framework has been laid down for following type of exposures:

- Single and group borrower exposure
- sensitive sector exposure
- unsecured exposure
- interbank exposure
- country-wise exposure
- Internal rating wise exposure
- Geographical exposure
- Term loan exposure
- Industry-wise exposure
- Interbank exposure

These exposure limits are monitored on regular basis and placed to various apex level committees of the Board.

Rating Model: All credit proposals are subject to a rigorous credit risk rating/scoring process to support credit decision making as well as to enhance risk management capabilities for portfolio management, pricing and risk based capital measurement.

Software driven rating mechanism is in place to assign the rating to ensure credit quality besides an entry level scoring system. The output of the rating models is used in decision making i.e. sanction,

pricing and monitoring of credit portfolio. In order to ensure robustness of the rating models, the rating models have been subjected to validation by an external agency.

Scoring model: The Bank has developed entry level scoring models. All the fresh sanctions coming under personal loan products are subjected to entry level scoring

Loan review mechanism and Credit audit system are in place for the periodical review/audit of the large value accounts and bring about qualitative improvements in credit administration of the Bank. In addition, Standard Assets Monitoring Committee reviews the Special Mention Accounts periodically to initiate timely action to prevent slippage of standard assets to non performing assets. As a part of monitoring mechanism, accounts which are downgraded from investment category are identified and monitored closely on quarterly basis.

Migration analysis of ratings is done on annual basis. Also weighted average rating of industry-wise portfolio of the Bank is done on quarterly basis. Analysis of rating wise distribution of advances is also carried out on quarterly basis.

Adopting best risk management practices, credit proposals (except schematic loan proposals) coming under sanctioning powers of Corporate Office are scrutinised by the Risk Management Department.

Asset Liability Management:

Asset liability Management framework facilitates bank to measure, monitor and control liquidity risk and interest rate risk on its balance sheet. This helps in providing suitable strategies for asset liability management. The asset liability management framework consists of the following key components

- Liquidity risk management
- Interest rate risk management
- Balance sheet and Basel III liquidity ratios
- Stress Testing and scenario analysis
- Contingency funding plan

Bank has set in place ALM policy to achieve two primary objectives as listed below:

Short Term Objective:

- To optimize the Net Interest Margin (NIM) of the Bank
- To provide adequate liquidity
- To manage re-pricing risk

Long Term Objective:

- To maximize the shareholder's wealth

Asset Liability Management is the function of Asset Liability Management Committee (ALCO). It operates under the guidance and supervision of the Board and/or Sub-Committee of Board on Risk Management. It meets at regular intervals to review the interest rate scenario, product pricing for both deposits and advances, maturity profile of the incremental assets and liabilities, demand for Bank funds, cash flows of the Bank, profit planning and overall Balance Sheet Management.

Liquidity risk is measured and monitored through two approaches-Flow approach and Stock approach. Flow approach involves comprehensive tracking of cash flow mismatches and is done through preparation of Structural liquidity statement on a daily basis. Appropriate tolerance levels/prudential limits have been stipulated for mismatches in different time buckets. Under Stock Approach various balance sheet ratios are prescribed with appropriate limits. The compliance of ratios to the prescribed limits ensures that the Bank has managed its liquidity through appropriate diversification and kept it within the sustainable limit. The Bank also assesses its short-term liquidity mismatches and reports the same in the short term dynamic liquidity report which represents the cash flow plans of various asset and liability generating units and seasonal variation of cash flow patterns of assets and liabilities of the bank over a period of 1-90 days.

For measurement and monitoring of Interest rate risk, currency wise, both Traditional gap approach and Duration gap approaches are followed. The short-term impact of interest rate movements on NIM is worked out through “Earnings at Risk” approach taking into consideration Yield curve risk, Basis risk and Embedded Options Risk. The long-term impact of interest rate movements on Market Value of Equity is also worked out through Duration Gap approach. The monthly interest rate sensitivity statement is reviewed by ALCO and Quarterly interest rate sensitivity is reviewed by RMC.

Stress testing of liquidity risk and interest rate risk is conducted on regular interval as per the RBI defined and internally defined stress scenarios. The results from internal Liquidity stress testing are used to draw contingency funding plan under different liquidity stress scenarios.

In addition to the above, bank is computing Liquidity Coverage Ratio (LCR) as per latest guidelines issued by RBI and is using it as a risk measurement tool to manage short term liquidity. On a monthly basis LCR statement is reviewed by ALCO and Quarterly interest rate sensitivity is reviewed by RMC.

Market Risk Management:

Market risk is the possibility of loss caused by adverse movements in the market variables. The Bank for International Settlements (BIS) defines market risk as “the risk that the value of ‘on’ or ‘off’ balance sheet positions will be adversely affected by movements in equity and interest rate markets, currency exchange rates and commodity prices”. Thus, Market Risk is the risk to the bank’s earnings and capital due to changes in the market level of interest rates or prices of securities, foreign exchange and equities, as well as the volatilities of those changes. The objective of market risk management is to assist the business units in maximizing the risk adjusted return by providing analytics driven inputs regarding market risk exposures, portfolio performance vis-à-vis risk exposures and comparable benchmarks. Following risks are managed under Market Risk.

- Interest Rate Risk
- Exchange Rate Risk
- Equity Price Risk

The market risk may also arise from changes in commodity prices and volatility. However, Bank does not have any exposure to commodity related markets.

Market Risk Management (MRM) Framework of the bank is as follows:

- a) **Risk Identification:** The Policy is focused on setting a framework for identifying, assessing and managing market risk in order to provide clarity on various dimensions of risk identification and recognition to each of the business functions.
- b) **Risk Measurement and Limits:** Bank recognizes that no single risk statistic can reflect all aspects of market risk. Therefore, various statistical and non-statistical risk measures are used to enhance the stability of risk measurement of market risk. Together, these risk measures provide a more comprehensive view of market risk exposure than any single measure. Market risk is managed with various metrics viz. Value at Risk (VaR), Earnings at Risk (EaR), Modified duration (MD), PV01 Limits, Net Overnight Open Position Limits (NOOPL), Individual Gap Limit (IGL) and Aggregate Gap Limit (AGL) currency wise and also through sensitivity analysis. Stress testing is also conducted on a regular basis to monitor the vulnerability of the bank to extreme but plausible unfavourable shocks.
- c) **Risk Monitoring:** Bank monitors and controls its risk, using various internal and regulatory risk limits for trading book which are set based on economic scenario, business strategy, management experience and Bank’s risk appetite. Rate scan is carried out to ensure that transactions are executed and revalued at prevailing market rates.
- d) **Risk Reporting:** Mid Office monitors treasury operations on day to day basis. A daily report is placed to Chief Risk Officer and on monthly basis to ALCO. Capital charge on account of Market Risk is computed and reported to ALCO and Board on quarterly basis. Stress testing is done for assessing market risk as per framework prescribed in Stress Test Policy and reported to ALCO on Quarterly basis.

Market risk management is governed by comprehensive board approved Market Risk Management Policy, Investment Policy, Stress Testing Policy and Derivative Policy to ensure that the risks spread across different activities carrying an underlying market risk are within the stipulated risk appetite of the bank. All the policies are benchmarked with industry-best practices and RBI regulations. The risk reporting mechanism in the Bank comprises disclosures and reporting to the various management committees.

Operational Risk:

Operational risk is now on the focus of intense interest among industry participants, regulators and other stake holders. The bank has put in place Operational Risk Management Frame work (ORMF) and Operational Risk Management systems (ORMS) to ensure effective governance, risk capture and assessment and quantification of operational risk exposure. Operational risk is well managed by using appropriate qualitative & quantitative methods and established internal control systems in day to day management processes and adopting various risk mitigating strategies. The risk perceptions in various products / processes are critically analysed and corrective actions if required, are initiated.

Bank has implemented a sophisticated web-based Operational Risk Management System to capture, measure, monitor and manage its operational risk exposure. Bank has built up internal loss data base for more than 10 years.

During the year, monitoring of operational risk through credit spurt and Analysis of frequency & severity of operational loss through statistical technique have been done.

Table DF-3**Credit Risk: General disclosures for all banks****Qualitative Disclosures:****(a) Credit Risk Management:**

Credit risk is defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties.

Architecture:

In adherence with various guidelines and leading industry practices, the Bank has set up a robust governance structure for the management of credit risk, ensuring an adequate oversight, monitoring and reporting. The framework establishes the responsibilities of the board of directors.

The Bank has established a Board level sub-committee known as 'Risk Management Committee (RMC)' constituted in terms of RBI guidance note on Risk Management system.

Risk Management Committee (RMC):

The RMC evaluates overall risks faced by the Bank and is responsible for the establishment of an effective system to identify measure, monitor and control risk and recommend to the Board for its approval, clear policies, strategy, risk appetite and credit standards.

The Board has delegated authority to the RMC for credit risk related responsibilities.

The committee oversees credit risk management and ensures that the principal credit risks facing the Bank have been properly identified and are being appropriately managed. The committee approves and periodically reviews the overall risk appetite and credit risk management strategy. The committee reviews the risk management policies, the Bank's compliance with risk management guidelines stipulated by the RBI.

The risk committee also reviews credit risk profile and any major development, internal and external, and their impact on portfolio and as a whole on the bank

Credit Risk Management Committee (CRMC):

CRMC deals with the issues relating to credit policy and procedures, and analyzes, manages and controls credit risk on a bank wide basis.

Loan Review Management Committee: (LRMC):

As a part of Credit risk management process, Loan Review Management Committee (LRMC), at Corporate Office, has been constituted to undertake review of borrowal accounts sanctioned by various Committees at CO and Zonal Credit Committee.

Definitions of past due and impaired (for accounting purpose)

Bank has adopted the definitions of the past due and impaired (for accounting purposes) as defined by RBI for Income Recognition and Asset Classification norms.

The policy of the bank for classifying bank's loan assets is as under:

Non Performing Asset (NPA): A non performing asset (NPA) is a loan or an advance where:

- Interest and/ or installment of principal remain overdue for a period of more than 90 days in respect of a term loan,
- The account remains 'out of order' in respect of an Overdraft/Cash Credit (OD/CC)
- The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- The installment of principal or interest thereon remains overdue for two crop seasons for short duration crops
- The installment of principal or interest thereon remains overdue for one crop season for long duration crops

An OD/CC account is treated as '**out of order**' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for more than 90 days. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of Balance Sheet or credits are not enough to cover the interest debited during the same period, these accounts are treated as '**out of order**'.

Non Performing Assets of the Bank is further classified in to three categories as under:

➤ **Sub standard Assets**

A sub standard asset is one which has remained NPA for a period less than or equal to 12 months.

➤ **Doubtful Assets**

An asset would be classified as doubtful if it has remained in the sub standard category for 12 months.

➤ **Loss Assets**

A loss asset is one where loss has been identified by the bank or by internal or external auditors or the RBI inspection.

Credit Risk Management Policy:

The Bank has put in place the Credit Risk Management Policy and the same has been circulated to all the branches. The main objective of the policy is to ensure that the operations are in line with the expectation of the management and the strategies of the top management are translated into meaningful directions to the operational level. The Policy stipulates prudential limits on large credit exposures, standards for loan collateral, portfolio management, loan review mechanism, risk concentrations, risk monitoring and evaluation, provisioning and regulatory / legal compliance.

The Bank identifies the risks to which it is exposed and applies suitable techniques to measure, monitor and control these risks.

While the Board / Risk Management Committee of the Board devises the policy and fixes various credit risk exposures, Credit Risk Management Committee implements these policies and strategies approved by the Board / RMC, monitors credit risks on a bank wide basis and ensures compliance of risk limits.

The Bank studies the concentration risk by (a) fixing exposure limits for single and group borrowers (b) rating grade limits (c) industry wise exposure limits and (d) analyzing the geographical distribution of credit across the Zones. All the Zones are categorized under four segments namely North, South, East and West.

Bank considers rating of a borrower account as an important tool to measure the credit risk associated with any borrower and accordingly implemented rating software .

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

(₹ in Million)

| Particulars | Solo (Global) | Consolidated |
|--|-------------------|-------------------|
| Gross Credit Risk Exposures | | |
| Fund Based | | |
| Loans and Advances | 1442062.51 | 1442062.57 |
| Investments | 389358.65 | 389394.98 |
| Other Assets | 220784.46 | 221242.19 |
| Total Fund Based | 2052205.62 | 2052709.51 |
| Non Fund Based including contingent credit, contracts and derivatives* | 663193.47 | 663426.05 |
| Total Credit Risk Exposure | 2715399.09 | 2716125.79 |

*includes notional principles of derivatives exposures, fund based unavailed limits, LC, acceptances Guarantees

(c) Geographic distribution of credit risk exposures Fund based and Non-fund based (solo) separately

(₹ in Million)

| Geographical Region | Fund Based | Non Fund Based including contingent credit, contracts and derivatives | Total |
|---------------------|-------------------|---|-------------------|
| Overseas | 76285.69 | 11956.15 | 88241.84 |
| Domestic | 1975919.93 | 651237.32 | 2627157.25 |
| Total | 2052205.62 | 663193.47 | 2715399.09 |

(d) Industry-wise distribution of exposures (solo) as on 30.09.2017

(₹ in Million)

| SL. NO. | MAJOR INDUSTRIES/SECTORS | OUTSTANDING | | Global Committed Exposure as on 30.09.2017 |
|---------|---|-------------|----------|--|
| | | FB BAL | NFB BAL | |
| 1 | GEMS and JEWELLERY INCLUDING DIAMOND | 1290.14 | 100.00 | 1715.13 |
| 2 | INFRASTRUCTURE | | | |
| | 2.1 POWER | 94757.09 | 11850.17 | 138514.95 |
| | of which Central Government | 5677.80 | 0.00 | 7707.50 |
| | State Government | 41008.60 | 5306.50 | 66351.70 |
| | Private Sector | 48070.70 | 6543.70 | 64455.80 |
| | 2.2 PORTS/ROADS | 48132.84 | 1038.19 | 58402.39 |
| | 2.3.TELECOM | 4892.35 | 30606.99 | 37213.69 |
| | 2.4.OTHER INFRASTRUCTURE | 47700.40 | 4229.76 | 81483.80 |
| | 2.5.EDUCATIONAL INSTITUTION | 24692.89 | 1140.17 | 36716.01 |
| | 2.6.HOSPITAL | 4445.22 | 474.41 | 8201.84 |
| | 2.7.HOTELS | 7643.55 | 251.65 | 8300.51 |
| 3 | PETROLEUM AND PETROLEUM PRODUCTS | 26016.34 | 36102.42 | 76313.39 |
| 4 | TEXTILES | 46600.62 | 1883.99 | 60717.78 |
| 5 | IRON AND STEEL | 40655.34 | 2984.29 | 48979.76 |
| 6 | ALL ENGINEERING | | | |
| | 6.1. ALL ENGINEERING-OTHERS | 18803.00 | 21975.10 | 55671.80 |
| | 6.2 .ELECTRONICS and COMPUTERS(HW and SW) | 7070.91 | 1650.68 | 10771.11 |
| 7 | CHEMICAL & CHEMICAL PRODUCTS | | | |
| | 7.1.FERTILIZER | 727.47 | 570.40 | 3213.06 |
| | 7.2.PETROCHEMICAL | 23.68 | 0.00 | 61.00 |
| | 7.3.DRUGS & PHARMACEUTICALS | 4308.02 | 364.56 | 5563.39 |
| | 7.4.OTHERS(CHEMICALS & CHEMICAL PRODUCTS | 4457.26 | 1405.29 | 8716.74 |
| 8 | FOOD PROCESSING | | | |
| | 8.1.SUGAR | 6988.06 | 795.37 | 8786.78 |
| | 8.2.EDIBLE OIL & VASANPATI | 958.70 | 1815.46 | 3577.10 |
| | 8.3.TEA/COFFEE | 1206.65 | 13.71 | 1377.83 |
| | 8.4.OTHERS(FOOD PROCESSING) | 27719.50 | 2432.78 | 39808.50 |
| 9 | COLLIERY, MINING AND QUARRYING | 4478.05 | 151.25 | 5501.44 |
| 10 | CEMENT AND CEMENT PRODUCTS | 13208.30 | 2366.33 | 17862.36 |
| 11 | LEATHER AND LEATHER PRODUCTS | 1336.80 | 238.38 | 1900.48 |
| 12 | CONSTRUCTION CONTRACTORS | 19681.96 | 29151.31 | 63579.53 |
| 13 | RUBBER, PLASTICS AND THEIR PRODUCTS(INCLUDING TYRE) | 11056.33 | 3076.89 | 20729.28 |
| 14 | AUTHOMOBILES(VEHICLES, VEHILCE PARTS AND TRANSPORT EQUIPMENT) | 6453.28 | 1102.02 | 10778.68 |
| 15 | BEVERAGES AND TOBACCO | 2303.24 | 666.70 | 5517.04 |
| 16 | WOOD AND WOOD PRODUCTS | 2002.24 | 164.15 | 2648.09 |

| | | | | |
|----|--------------------------------|-----------|---------|-----------|
| 17 | PAPER AND PAPER PRODUCTS | 6669.38 | 382.94 | 8191.89 |
| 18 | GLASS AND GLASSWARE | 2781.28 | 1951.00 | 6428.33 |
| 19 | OTHER METAL AND METAL PRODUCTS | 11337.06 | 276.34 | 12617.91 |
| 20 | PRINTING AND PUBLISHING | 3221.04 | 102.56 | 4232.51 |
| 21 | AVIATION | 5435.21 | 0.00 | 5454.60 |
| 22 | MEDIA AND ENTERTAINMENT | 1507.31 | 4197.69 | 5974.97 |
| 23 | LOGISTICS | 2097.90 | 2240.72 | 5772.10 |
| 24 | SHIP BUILDING | 1245.44 | 1926.46 | 8024.68 |
| 25 | NBFC(INCLUDING MFI/HFC) | 118084.80 | 1536.78 | 159672.85 |
| | Of which MFI @ | 7441.50 | 0.00 | 8068.90 |
| 26 | CME | 94.80 | 3864.70 | 10601.90 |
| 27 | CRE | 50409.80 | 1397.50 | 66175.20 |

As on 30.09.2017, the Bank's exposure to the industries stated below was more than 5% of the total gross credit exposure

| Sl.No | Industry Classification | Percentage of the total gross credit exposure |
|-------|-------------------------|---|
| 1 | NBFC | 5.88% |
| 2 | Power | 5.10% |

(e) Residual contractual maturity break-up of advances and investments

(₹ in Million)

| | Advances | Investments |
|---------------------------|-------------------|------------------|
| 1 day | 13968.59 | 194904.80 |
| 2-7 days | 22928.50 | 10520.90 |
| 8 -14 days | 61231.75 | 11806.90 |
| 15 to 30 days | 48627.07 | 15799.10 |
| 31 days to 2 months | 76262.36 | 12730.00 |
| 2 months to 3 months | 60761.33 | 12739.70 |
| Over 3 months to 6 months | 106280.80 | 30277.30 |
| Over 6 months to 1 year | 219850.65 | 80641.30 |
| Over 1 year to 3 years | 433358.85 | 149452.70 |
| Over 3 years to 5 years | 158491.08 | 39978.10 |
| Over 5 years | 190299.86 | 125480.10 |
| Total | 1392060.83 | 684330.90 |

| | | |
|-----|--|----------|
| (f) | Amount of NPAs (Gross) – (Solo-Global) | 96239.51 |
| | ➤ Substandard | 15758.88 |
| | ➤ Doubtful 1 | 21453.91 |
| | ➤ Doubtful 2 | 48066.16 |
| | ➤ Doubtful 3 | 6686.82 |
| | ➤ Loss | 4273.74 |
| (g) | Net NPAs | 47482.00 |
| (h) | NPA Ratios | |
| | ➤ Gross NPAs to gross advances | 6.67% |
| | ➤ Net NPAs to net advances | 3.41% |

| | | |
|-----|--|----------|
| (i) | Movement of NPAs (Gross) | |
| | ➤ Opening Balance | 98651.39 |
| | ➤ Additions | 10656.20 |
| | ➤ Reductions | 13068.00 |
| | ➤ Closing Balance | 96239.59 |
| (j) | Movement of provisions for NPAs | |
| | ➤ Opening Balance | 37928.49 |
| | ➤ Provisions made during the period | 5551.88 |
| | ➤ Write Off / Write-back of excess provisions | 266.59 |
| | ➤ Closing balance | 43213.78 |
| (k) | Amount of Non-Performing investments | 268.32 |
| (l) | Amount of Provisions held for non-performing investments | 268.32 |
| (m) | Movement of provisions for depreciation on investments | |
| | ➤ Opening balance | 2963.29 |
| | ➤ Provisions made during the period | 682.03 |
| | ➤ Write-off | 0.00 |
| | ➤ Write-back of excess provisions | 1639.97 |
| | ➤ Closing balance | 2005.35 |

Write off and recoveries that have been booked directly to the income statement:

(₹ in Million)

| | |
|---|---------|
| Recovery in Accounts under collection | 1026.90 |
| Memorandum of Interest / legal charges / Recovery in written off accounts | 275.20 |

Amount of NPA by Major Industry type

(₹ in Million)

| Industry | Gross NPA | Provision | Net NPA |
|--------------------------------|-----------|-----------|----------|
| Iron and Steel | 25550.29 | 8903.62 | 16646.67 |
| Infrastructure including Power | 15912.55 | 8883.13 | 7029.42 |
| Textiles | 5823.46 | 3523.96 | 2299.50 |
| All engineering | 9790.39 | 6246.68 | 3543.71 |
| Other Metal and Metal Products | 5412.01 | 4105.94 | 1306.07 |

Technical write off during the half year: Rs.7073.12 million
Geography-wise NPA

(₹ in Million)

| | Domestic | Overseas | Global |
|-------------------------------|-----------------|----------------|-----------------|
| Amount of NPAs (Gross) | | | |
| ➤ Substandard | 14560.21 | 1198.67 | 15758.88 |
| ➤ Doubtful 1 | 20560.68 | 893.23 | 21453.91 |
| ➤ Doubtful 2 | 48023.86 | 42.30 | 48066.16 |
| ➤ Doubtful 3 | 6664.86 | 21.96 | 6686.82 |
| ➤ Loss | 4273.74 | 0.00 | 4273.74 |
| Total | 94083.35 | 2156.16 | 96239.51 |

Table DF – 4
Credit Risk: disclosures for portfolios subject to the standardized approach
Qualitative Disclosures:

(a)The Bank uses ratings assigned by the seven Rating Agencies approved by the Reserve Bank of India namely a) CRISIL, b) ICRA, c) CARE, d)India Ratings, e)BRICKWORKS f) SMERA and g) INFOMERICS for the eligible exposures such as Corporate, Public Sector Enterprises, Capital Market Exposures etc. according to the Basel III framework. For overseas credit exposure, bank accepts rating of Standard & Poor, Fitch, Moody's.

The Bank has used the solicited ratings assigned by the above approved credit rating agencies for all eligible exposures, both on balance sheet and off balance sheet, whether short term or long term, in the manner permitted in the RBI guidelines on Basel III capital regulations.

Ratings published by the rating agencies on their website are used for this purpose. Only ratings which are in force as per monthly bulletin published in the website of the concerned rating agencies are taken into account.

For assets in the Bank's portfolio that have contractual maturity less than or equal to one year, short term ratings accorded by the chosen credit rating agencies are considered relevant. For other assets, which have a contractual maturity of more than one year, long term ratings accorded by the chosen credit rating agencies are considered relevant.

Long term/short term ratings issued by the chosen domestic credit rating agencies have been mapped to the appropriate risk weights applicable as per the standardised approach under Basel III capital regulations.

Use of multiple rating assessment:

- If there are two ratings accorded by chosen credit rating agencies that map into different risk weights, the higher risk weight are applied
- If there are three or more ratings accorded by chosen credit rating agencies with different risk weights, the ratings corresponding to the two lowest risk weights should be referred to and the higher of those two risk weights should be applied. i.e., the second lowest risk weight

Quantitative Disclosures:

(b)The total credit risk exposure (Solo-Global) bifurcated after the credit risk mitigation under Standardized Approach is as under:

(₹ in Million)

| Solo (Global) | Book Value | Risk Weighted value |
|------------------------|-------------------|---------------------|
| Below 100% Risk weight | 1799599.75 | 368872.03 |
| 100% Risk weight | 601042.31 | 445093.70 |
| Above 100% Risk weight | 314757.03 | 283060.78 |
| Total | 2715399.09 | 1097026.51 |

The total credit risk exposure (Consolidated) bifurcated after the credit risk mitigation under Standardized Approach is as under:

(₹ in Million)

| Consolidated | Book Value | Risk Weighted value |
|------------------------|-------------------|----------------------------|
| Below 100% Risk weight | 1799823.42 | 368883.31 |
| 100% Risk weight | 601545.34 | 445596.72 |
| Above 100% Risk weight | 314757.03 | 283060.78 |
| Total | 2716125.79 | 1097540.81 |

Table DF-5 :Credit Risk Mitigation: disclosures for standardized approaches**Qualitative Disclosures**

The Bank has put in place Credit Risk Mitigation & Collateral Management Policy with the primary objective of a) Mitigation of credit risks & enhancing awareness on identification of appropriate collateral taking into account the spirit of Basel III / RBI guidelines and (b) Optimizing the benefit of credit risk mitigation in computation of capital charge as per approaches laid down in Basel III / RBI guidelines.

The Bank generally relies on Risk Mitigation techniques like Loan participation, Ceiling on Exposures, Escrow mechanism, Forward cover, higher margins, loan covenants, Collateral and insurance cover.

Valuation methodologies are detailed in the Credit Risk Management Policy.

Eligible collateral for which CRM benefit taken for Computation of Capital Charge:

The following collaterals are recognized for availing CRM benefit for Computation of Capital Charge:

- i) Cash (as well as certificates of deposit or comparable instruments, **including fixed deposit receipts**, issued by the lending bank) on deposit with the bank, which is incurring the counterparty exposure.
- ii) Gold: Gold would include both bullion and jewellery. However, the value of the collateralized jewellery should be benchmarked to 99.99 purity.
- iii) Securities issued by Central and State Governments
- iv) Kisan Vikas Patra and National Savings Certificates provided no lock-in period is operational and if they can be encashed within the holding period
- v) Life insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator

Main types of guarantor counterparty and their creditworthiness

The Bank considers credit protection in terms of the guarantees which are direct, explicit, irrevocable and unconditional. The bank takes into account such credit protection in calculating capital requirements

Only guarantees issued by entities with a lower risk weight than the counterparty will lead to reduced capital charges, since the protected portion of the counterparty exposure is assigned the risk weight of the guarantor, whereas the uncovered portion retains the risk weight of the underlying counterparty

Credit protection given by the following entities is recognised as counterparty Guarantor:

- (i) Sovereigns (Central and State Governments)
- (ii) Sovereign entities (including ECGC and CGTMSE)
- (iii) Banks with a lower risk weight than the counterparty

All types of securities eligible for mitigation are easily realizable financial securities. Hence, presently no limit / ceiling has been prescribed to address the concentration risk in credit risk mitigants recognized by the Bank.

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

Quantitative Disclosures

For each separately disclosed credit risk portfolio (Solo-Global / Consolidated), the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts:

(₹ in Million)

| Type of Exposure | Eligible financial Collateral | Guarantees |
|---|-------------------------------|-----------------|
| Gross Credit Risk Exposures | | |
| Fund Based | | |
| Loans and Advances | 238626.38 | 43416.81 |
| Investments | 0.00 | 362.71 |
| Other Assets | 0.00 | 0.00 |
| Total Fund Based | 238626.38 | 43779.52 |
| Non Fund Based including contingent credit, contracts and derivatives | 24464.23 | 1220.36 |
| Total | 263090.61 | 44999.88 |

Table DF – 6**Securitization: disclosure for standardized approach**

| | |
|--|-----|
| Qualitative Disclosures: The Bank has not undertaken any securitization activity. | |
| Quantitative Disclosures: | NIL |

Table DF – 7
Market risk in trading book

Market Risk :

Market risk is the possibility of loss caused by changes in the market variables. The Bank for International Settlements (BIS) defines market risk as “the risk that the value of ‘on’ or ‘off’ balance sheet positions will be adversely affected by movements in equity and interest rate markets, currency exchange rates and commodity prices”. Thus, Market Risk is the risk to the bank’s earnings and capital due to changes in the market level of interest rates or prices of securities, foreign exchange and equities, as well as the volatilities of those changes. The objective of market risk management is to assist the business units in maximizing the risk adjusted rate of return by providing analytics driven inputs regarding market risk exposures, portfolio performance vis-à-vis risk exposures and comparable benchmarks. Following risks are managed under Market Risk.

- Interest Rate Risk
- Exchange Rate Risk
- Equity Price Risk

The market risk may also arise from changes in commodity prices and volatility. However, Bank does not have any exposure to commodity related markets.

Market Risk Management (MRM) Framework of the bank is as follows:

- a) **Risk Identification:** The Policy is focused on setting a framework for identifying, assessing and managing market risk in order to provide clarity on various dimensions of risk identification and recognition to each of the business functions.
- b) **Risk Measurement and Limits:** Bank recognizes that no single risk statistic can reflect all aspects of market risk. Therefore various statistical and non-statistical risk measures are used to enhance the stability of risk measurement of market risk. Market risk is managed with various metrics viz. Value at Risk (VaR), Earnings at Risk, Modified duration, PV01 Limits, Net Overnight Open Position Limits (NOOPL), Individual Gap Limit (IGL) and Aggregate Gap Limit (AGL) currency wise and also through sensitivity analysis. Stress testing is also conducted on a regular basis to monitor the vulnerability of the bank to extreme but plausible unfavorable shocks.
- c) **Risk Monitoring:** Bank monitors and controls its risk, using various internal and regulatory risk limits for trading book which are set based on economic scenario, business strategy, management experience and Bank’s risk appetite. Rate scan is carried out to ensure that transactions are executed and revalued at prevailing market rates.
- d) **Risk Reporting:** Monitoring of Treasury operations is done by Mid Office and a daily report is put up to Chief Risk Officer. Capital charge on account of Market Risk is computed and reported to ALCO and Board on quarterly basis. Stress testing is done for assessing market risk by following assumptions prescribed in Stress Test Policy and reported to ALCO on Quarterly basis.

Market risk management is governed by comprehensive board approved market risk management policy, Investment Policy, Stress testing Policy and Derivative Policy to ensure that the risks spread across different activities carrying an underlying market risk are within the stipulated risk appetite of the bank. All the policies are benchmarked with industry-best practices and RBI regulations. The risk reporting mechanism in the Bank comprises disclosures and reporting to the various management committees.

Quantitative Disclosures:

The capital requirements (Solo-Global / Consolidated) for:

| (₹ in Million) | |
|--|---------------------|
| Particulars | Consolidated |
| Interest Rate Risk | 8727.42 |
| Foreign Exchange Risk (including gold) | 63.00 |
| Equity Risk | 4116.97 |

Table DF – 8
Operational Risk**Qualitative Disclosures:**

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.

Operational risk is now on the focus of intense interest among industry participants, regulators and other stake holders. The bank has put in place Operational Risk Management Frame work (ORMF) and Operational Risk Management systems (ORMS) to ensure effective governance, risk capture and assessment and quantification of operational risk exposure. Operational risk is well managed by using appropriate qualitative & quantitative methods and established internal control systems in day to day management processes and adopting various risk mitigating strategies. The risk perceptions in various products / processes are critically analysed and corrective actions if required, are initiated.

Bank has implemented a sophisticated web-based Operational Risk Management System to capture, measure, monitor and manage its operational risk exposure. Bank has built up internal loss data base for more than 10 years.

During the year, monitoring of operational risk through credit spurt and Analysis of frequency & severity of operational loss through statistical technique have been done

Capital charge for Operational Risk is computed as per the Basic Indicator Approach.

Quantitative Disclosures

The average of the gross income, as defined in the New Capital Adequacy Framework guidelines, for the previous 3 years i.e. 2016-17, 2015-16 and 2014-15 is considered for computing the capital charge. The required capital is ₹ 9339.33 Million (Solo-global) and ₹ 9356.40 Million (Consolidated).

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

IRRBB refers to the potential adverse financial impact on the Bank's banking book from changes in interest rates.

The interest rate risk is measured and monitored through two approaches:

(i) Earning at Risk (Traditional Gap Analysis) :

The immediate impact of the changes in the interest rates on net interest income of the bank is analyzed under this approach.

(ii) Economic Value of Equity (Duration Gap Analysis):

Modified duration of assets and liabilities is computed separately to finally arrive at the modified duration of equity.

This approach assumes parallel shift in the yield curve for a given change in the yield. Impact on the Economic Value of Equity is also analyzed for a 200 bps rate shock as required by RBI. Market linked yields for respective maturities are used in the calculation of the Modified Duration.

The analysis of bank's Interest Rate Risk in Banking Book (IRRBB) is done for both Domestic as well as Overseas Operations.

The changes in market interest rates have earnings and economic value impacts on the bank's banking book. Thus, given the complexity and range of balance sheet products, IRR measurement systems are used that assess the effects of the rate changes on both earnings and economic value. Techniques followed are simple maturity (fixed rate) and repricing (floating rate) gaps and duration gaps based on current on-and-off-balance sheet positions, to a little higher technique that incorporate assumptions on behavioural pattern of assets, liabilities and off-balance sheet items and can easily capture the full range of exposures against basis risk, embedded option risk, yield curve risk, etc.

The analysis of bank's Interest Rate Risk in Banking Book (IRRBB) is done for Global position. The Impact on Economic value of equity for Domestic Operations is measured and monitored on a monthly basis and placed to ALCO.

Quantitative Disclosures:

The increase (decline) in earnings and economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB (Solo-Global).

- i) Earnings at Risk for 25 bps interest rate decrease as on 30.09.2017 for one year time horizon is ₹ (-)236.80 Million
- ii) Change in Economic Value of Equity for 200 bps interest rate shock is ₹ 9004 Million

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

Counterparty Credit Risk is the risk that the counterparty to a derivative transaction can default before the final settlement of the transaction's cash flow. The Bank sets limits as per the norms on exposure stipulated by RBI for both fund and non fund based facilities including derivatives. Limits are set as a percentage of the capital funds and are monitored on regular basis. For corporates the derivatives limits are assessed and sanctioned in conjunction with regular credit limit as part of regular appraisal.

All the Derivative transactions with the Counterparty are evaluated as per Board approved Derivative Policy of the Bank.

The derivative exposure calculated using Current Exposure Method (CEM) and outstanding as on 30.09.2017 is given below:

(₹ in Million)

| Derivatives | Notional Principle | Current Credit Exposure(+veMTM) | Current Exposure |
|-------------------|--------------------|---------------------------------|------------------|
| FORWARD CONTRACTS | 109324.61 | 1102.07 | 3330.09 |
| IRS | 1500 | 2.55 | 10.05 |

| DF-11: Composition of Capital | | | (Rs. in million) | |
|---|---|-----------|--|-------------------|
| | | | 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) | 18059.65 | | A=A1+A2 |
| 2 | Retained earnings | 3369.58 | | B5 |
| 3 | Accumulated other comprehensive income (and other reserves) | 137032.12 | | B1+B2+B3+B4+B6+B7 |
| 4 | <i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies¹)</i> | 0.00 | | |
| | Public sector capital injections grandfathered until January 1, 2018 | 0.00 | | |
| 5 | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | 0.00 | | |
| 6 | Common Equity Tier 1 capital before regulatory adjustments | 158461.35 | | |
| Common Equity Tier 1 capital: regulatory adjustments | | | | |
| 7 | Prudential valuation adjustments | 0.00 | | |
| 8 | Goodwill (net of related tax liability) | 0.00 | | |
| 9 | Intangibles other than mortgage-servicing rights (net of related tax liability) | 0.00 | | |
| 10 | Deferred tax assets | 0.00 | 0 | |
| 11 | Cash-flow hedge reserve | 0.00 | | |
| 12 | Shortfall of provisions to expected losses | 0.00 | | |
| 13 | Securitisation gain on sale | 0.00 | | |
| 14 | Gains and losses due to changes in own credit risk on fair valued liabilities | 0.00 | | |
| 15 | Defined-benefit pension fund net assets | 0.00 | | |
| 16 | Investments in own shares (if not already netted off paid-in capital on reported balance sheet) | 0.00 | | |
| 17 | Reciprocal cross-holdings in common equity | 43.64 | 0 | D |
| 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) | 0.00 | | |
| 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) | 0.00 | | |
| 20 | Mortgage servicing rights (amount above 10% threshold) | 0.00 | | |

| DF-11: Composition of Capital | | | | (Rs. in million) |
|---|---|------------------|--|------------------|
| | | | Amounts Subject to Pre-Basel III Treatment | Ref No. |
| Common Equity Tier 1 capital: instruments and reserves | | | | |
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | 0.00 | | |
| 22 | Amount exceeding the 15% threshold | 0.00 | | |
| 23 | of which: significant investments in the common stock of financial entities | 0.00 | | |
| 24 | of which: mortgage servicing rights | 0.00 | | |
| 25 | of which: deferred tax assets arising from temporary differences | 0.00 | | |
| 26 | National specific regulatory adjustments (26a+26b+26c+26d) | | | |
| 26a | of which: Investments in the equity capital of the unconsolidated insurance subsidiaries | 0.00 | | |
| 26b | of which: Investments in the equity capital of unconsolidated non-financial subsidiaries | 0.00 | | |
| 26c | of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank | 0.00 | | |
| 26d | of which: Unamortised pension funds expenditures | 0.00 | 0 | |
| | Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment | 0.00 | 0 | |
| | of which: Total equity investment in other financial subsidiaries | 0.00 | 0 | |
| 27 | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | 0.00 | | |
| 28 | Total regulatory adjustments to Common equity Tier 1 | 43.64 | | |
| 29 | Common Equity Tier 1 capital (CET1) | 158417.71 | | |
| Additional Tier 1 capital: instruments | | | | |
| 30 | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32) | 5000.00 | | |
| 31 | of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares) | 0.00 | | |
| 32 | of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments) | 5000.00 | | |
| 33 | Directly issued capital instruments subject to phase out from Additional Tier 1 | 0.00 | | |

| DF-11: Composition of Capital | | | (Rs. in million) | |
|---|--|----------------|--|---------|
| | | | Amounts Subject to Pre-Basel III Treatment | Ref No. |
| Common Equity Tier 1 capital: instruments and reserves | | | | |
| 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) | 0.00 | | |
| 35 | <i>of which: instruments issued by subsidiaries subject to phase out</i> | 0.00 | | |
| 36 | Additional Tier 1 capital before regulatory adjustments | 5000.00 | | |
| Additional Tier 1 capital: regulatory adjustments | | | | |
| 37 | Investments in own Additional Tier 1 instruments | 0.00 | | |
| 38 | Reciprocal cross-holdings in Additional Tier 1 instruments | 0.00 | | |
| 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) | 0.00 | | |
| 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) | 0.00 | | |
| 41 | National specific regulatory adjustments (41a+41b) | 0.00 | | |
| 41a | Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries | 0.00 | | |
| 41b | Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank | 0.00 | | |
| | Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment | 0.00 | | |
| | <i>of which: Phase out form ATI</i> | 0.00 | | |
| | <i>of which: existing adjustments which are deducted from Tier 1 at 50%</i> | 0.00 | | |
| | <i>of which: DTA</i> | 0.00 | | |
| 42 | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | 0.00 | | |
| 43 | Total regulatory adjustments to Additional Tier 1 capital | 0.00 | | |
| 44 | Additional Tier 1 capital (AT1) | 5000.00 | | |

| DF-11: Composition of Capital | | | (Rs. in million) | |
|---|--|-----------------|--|---------|
| | | | Amounts Subject to Pre-Basel III Treatment | Ref No. |
| Common Equity Tier 1 capital: instruments and reserves | | | | |
| 44a | Additional Tier 1 capital reckoned for capital adequacy¹¹ | 5000.00 | | |
| 45 | Tier 1 capital (T1 = CET1 + AT1) (29 + 44a) | 163417.71 | | |
| Tier 2 capital: instruments and provisions | | | | |
| 46 | Directly issued qualifying Tier 2 instruments plus related stock surplus | 6000.00 | | |
| 47 | Directly issued capital instruments subject to phase out from Tier 2 | 10000.00 | | C1+C2 |
| 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) | 0.00 | | |
| 49 | <i>of which: instruments issued by subsidiaries subject to phase out</i> | 0.00 | | |
| 50 | Provisions | 9799.72 | | C3+C4 |
| 51 | Tier 2 capital before regulatory adjustments | 25799.72 | | |
| Tier 2 capital: regulatory adjustments | | | | |
| 52 | Investments in own Tier 2 instruments | 0.00 | | |
| 53 | Reciprocal cross-holdings in Tier 2 instruments | 213.24 | | |
| 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) | 0.00 | | |
| 55 | Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | 0.00 | | |
| 56 | National specific regulatory adjustments (56a+56b) | 0.00 | | |
| 56a | <i>of which: Investments in the Tier 2 capital of unconsolidated subsidiaries</i> | 0.00 | | |
| 56b | <i>of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank</i> | 0.00 | | |
| | Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment | 5000.00 | | |
| | <i>of which: existing adjustments which are deducted from Tier 2 at 50%</i> | 0.00 | | |
| | <i>of which: Phase out from Tier 2 Bonds</i> | 5000.00 | | |

| DF-11: Composition of Capital | | | (Rs. in million) | |
|---|---|------------|--|---------|
| | | | Amounts Subject to Pre-Basel III Treatment | Ref No. |
| Common Equity Tier 1 capital: instruments and reserves | | | | |
| 57 | Total regulatory adjustments to Tier 2 capital | 5213.24 | | |
| 58 | Tier 2 capital (T2) | 20586.47 | | |
| 58a | Tier 2 capital reckoned for capital adequacy | 20586.47 | | |
| 58b | Excess Additional Tier 1 capital reckoned as Tier 2 capital | 0.00 | | |
| 58c | Total Tier 2 capital admissible for capital adequacy (58a + 58b) | 20586.47 | | |
| 59 | Total capital (TC = T1 + T2) (45 + 58c) | 184004.18 | | |
| 60 | Total risk weighted assets (60a + 60b + 60c) | 1375837.70 | | |
| 60a | of which: total credit risk weighted assets | 1097540.81 | | |
| 60b | of which: total market risk weighted assets | 161342.33 | | |
| 60c | of which: total operational risk weighted assets | 116954.56 | | |
| Capital ratios | | | | |
| 61 | Common Equity Tier 1 (as a percentage of risk weighted assets) | 11.51% | | |
| 62 | Tier 1 (as a percentage of risk weighted assets) | 11.87% | | |
| 63 | Total capital (as a percentage of risk weighted assets) | 13.37% | | |
| 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) | 4.76% | | |
| National minima (if different from Basel III) | | | | |
| 69 | National Common Equity Tier 1 minimum ratio (if different from Basel III minimum) | 6.75% | | |
| 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) | 10.25% | | |
| Amounts below the thresholds for deduction (before risk weighting) | | | | |
| 72 | Non-significant investments in the capital of other financial entities | 0.00 | | |

| DF-11: Composition of Capital | | | (Rs. in million) | |
|---|--|----------------|--|---------|
| | | | Amounts Subject to Pre-Basel III Treatment | Ref No. |
| Common Equity Tier 1 capital: instruments and reserves | | | | |
| 73 | Significant investments in the common stock of financial entities | 0.00 | | |
| 74 | Mortgage servicing rights (net of related tax liability) | 0.00 | | |
| 75 | Deferred tax assets arising from temporary differences (net of related tax liability) | 0.00 | | |
| 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) | 9799.72 | | C4+C5 |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach (1.25% of Credit Risk RWA) | 13719.26 | | |
| 78 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | Not Applicable | | |
| 79 | Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | Not Applicable | | |
| Capital instruments subject to phase-out arrangements | | | | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | 0.00 | | |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | 0.00 | | |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | 0.00 | | |
| 83 | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | 0.00 | | |
| 84 | Current cap on T2 instruments subject to phase out arrangements | 5000.00 | | |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | 5000.00 | | |

| Notes to the Template | | |
|-------------------------|---|------------------|
| Row No. of the template | Particular | (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 | Not Applicable |
| | of which: Increase in Common Equity Tier 1 capital | Not Applicable |
| | of which: Increase in Additional Tier 1 capital | Not Applicable |
| | of which: Increase in Tier 2 capital | Not Applicable |
| 26b | If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then: | Not Applicable |
| | (i) Increase in Common Equity Tier 1 capital | Not Applicable |
| | (ii) Increase in risk weighted assets | Not Applicable |
| 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) | Not Applicable |
| | of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b | Not Applicable |
| 50 | Eligible Provisions included in Tier 2 capital | 9799.72 |
| | Eligible Revaluation Reserves included in Tier 2 capital | 0.00 |
| | Total of row 50 | 9799.72 |
| 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) | 0.00 |

| DF-12: Composition of Capital-Reconciliation Requirements -STEP 1 | | | (Rs. in million) |
|--|--|--|---|
| | | Balance sheet as in financial statements (stand alone) | Balance sheet under regulatory scope of consolidation |
| | | As on 30.9.2017 | As on 30.09.2017 |
| A | Capital & Liabilities | | |
| i | Paid-up Capital | 4802.92 | 4802.92 |
| | Reserves & Surplus | 174932.50 | 177991.15 |
| | Total Capital | 179735.42 | 182794.07 |
| | Minority Interest | 0.00 | 202.20 |
| ii | Deposits | 1986688.17 | 1986351.30 |
| | <i>of which:</i> Deposits from banks | 29904.54 | 29904.53 |
| | <i>of which:</i> Customer deposits | 1956783.64 | 1956446.77 |
| | <i>of which:</i> Other deposits (pl. specify) | 0.00 | 0.00 |
| iii | Borrowings | 81293.69 | 81293.69 |
| | From RBI | 0.00 | 0.00 |
| | From banks | 7.44 | 7.44 |
| | borrowings outside India | 11767.81 | 11767.81 |
| | From other institutions & agencies | 69518.44 | 69518.44 |
| | <i>of which:</i> Capital instruments | 21000.00 | 21000.00 |
| iv | Other liabilities & provisions | 51863.96 | 51959.55 |
| | Total Liabilities | 2299581.24 | 2302600.81 |
| B | Assets | | |
| i | Cash and balances with Reserve Bank of India | 41798.63 | 41798.66 |
| | Balance with banks and money at call and short notice | 40996.08 | 41052.45 |
| ii | Investments: | 686735.96 | 689320.86 |
| | <i>of which:</i> Government securities | 601055.53 | 601055.53 |
| | <i>of which:</i> Other approved securities | 362.71 | 362.71 |
| | <i>of which:</i> Shares | 6255.72 | 6277.26 |
| | <i>of which:</i> Debentures & Bonds | 74423.26 | 74423.26 |
| | <i>of which:</i> Subsidiaries / Joint Ventures / Associates | 466.46 | 3029.83 |
| | <i>of which:</i> Others (Commercial Papers, Mutual Funds etc.) | 4172.28 | 4172.28 |
| iii | Loans and advances | 1392060.83 | 1392022.97 |
| | <i>of which:</i> Loans and advances to banks | 13435.88 | 13435.88 |
| | <i>of which:</i> Loans and advances to customers | 1378624.95 | 1378587.09 |
| iv | Fixed assets | 34270.84 | 34309.85 |
| v | Other assets | 103718.90 | 104096.02 |
| | <i>of which:</i> Goodwill and intangible assets | 0.00 | 0.00 |
| | <i>of which:</i> Deferred tax assets | 0.00 | 42.20 |
| vi | Goodwill on consolidation | 0.00 | 0 |
| vii | Debit balance in Profit & Loss account | 0.00 | 0 |
| | Total Assets | 2299581.24 | 2302600.81 |

| DF-12: Composition of Capital- Reconciliation Requirements-STEP 2 | | | (Rs. in million) |
|---|--|---|---|
| | | Balance sheet as in financial statements (stand alone) | Balance sheet under regulatory scope of consolidation |
| | | As on 30.09.2017 | As on 30.09.2017 |
| A | Capital & Liabilities | | |
| i | Paid-up Capital | 4802.92 | 4802.92 |
| | <i>of which:</i> Amount eligible for CET1 | 4802.92 | 4802.92 |
| | | | |
| | Reserves & Surplus (1+2+3+4+5+6+7+8+9+10) | 174932.50 | 177991.15 |
| | <i>of which</i> | | |
| | 1.Share Premium | 13256.73 | 13256.73 |
| | 2.Statutory Reserves | 41106.08 | 41106.08 |
| | 3.Capital Reserves | 1604.12 | 1604.12 |
| | 4.Special Reserves | 7337.20 | 7337.20 |
| | <i>of which special reserve net of Tax</i> | 7337.20 | 7337.20 |
| | 5.Revenue Reserves | 72535.11 | 76528.94 |
| | 6.Profit and Loss account | 9210.58 | 8275.40 |
| | <i>Of which: Profit and Loss account (@ the end Prev FY)</i> | 971.09 | 3369.58 |
| | 7.Minority Interest | 0.00 | 202.20 |
| | <i>Of which considered for Capital funds</i> | 0.00 | 0.00 |
| | 8.Revaluation Reserve | 26609.29 | 26609.29 |
| | <i>Revaluation Reserve(Part of CET 1 capital @ discount of 55%)</i> | 11974.18 | 11974.18 |
| | 9.Investment Reserve | 399.22 | 399.22 |
| | 10.Foreign Currency Translation Reserve (FCTR) | 2874.17 | 2874.17 |
| | <i>of which considered for Capital funds (at 25% discount)</i> | 2155.63 | 2155.63 |
| | Total Capital | 179735.42 | 182794.07 |
| ii | Deposits | 1986688.17 | 1986351.30 |
| | <i>of which:</i> Deposits from banks | 29904.54 | 29904.53 |
| | <i>of which:</i> Customer deposits | 1956783.64 | 1956446.77 |
| | <i>of which:</i> Other deposits | 0.00 | 0.00 |
| iii | Borrowings | 81293.69 | 81293.69 |
| | From RBI | 0.00 | 0.00 |
| | From banks | 7.44 | 7.44 |
| | borrowings outside India | 11767.81 | 11767.81 |
| | From other institutions & agencies | 69518.44 | 69518.44 |
| | <i>of which:</i> Capital instruments | 21000.00 | 21000.00 |
| | <i>Upper Tier II Instruments (Non Basel III Compliant)</i> | 5000.00 | 5000.00 |
| | <i>Lower Tier II Instruments (Non Basel III Compliant)</i> | 5000.00 | 5000.00 |
| | <i>Tier II Instruments (Basel III Complaint)</i> | 6000.00 | 6000.00 |
| | <i>Perpetual Debt Instruments qualifying for AT 1</i> | 5000.00 | 5000.00 |
| iv | Other liabilities & provisions | 51863.96 | 51959.55 |
| | <i>Of which General Provisions</i> | 9799.72 | 9799.72 |
| | Total | 2299581.24 | 2302600.81 |
| | | | |

| B | Assets | | |
|------------|--|-------------------|-------------------|
| i | Cash and balances with Reserve Bank of India | 41798.63 | 41798.66 |
| | Balance with banks and money at call and short notice | 40996.08 | 41052.45 |
| ii | Investments | 686735.96 | 689320.86 |
| | <i>of which: Government securities</i> | 601055.53 | 601055.53 |
| | <i>of which: Other approved securities</i> | 362.71 | 362.71 |
| | <i>of which: Shares</i> | 6255.72 | 6277.26 |
| | | | |
| | <i>of which: Debentures & Bonds</i> | 74423.26 | 74423.26 |
| | <i>of which: Subsidiaries / Joint Ventures / Associates</i> | 466.46 | 3029.83 |
| | <i>of which: Others (Commercial Papers, Mutual Funds etc.)</i> | 4172.28 | 4172.28 |
| iii | Loans and advances | 1392060.83 | 1392022.97 |
| | <i>of which: Loans and advances to banks</i> | 13435.88 | 13435.88 |
| | <i>of which: Loans and advances to customers</i> | 1378624.95 | 1378587.09 |
| iv | Fixed assets | 34270.84 | 34309.85 |
| v | Other assets | 103718.90 | 104096.02 |
| | <i>of which: Goodwill and intangible assets</i> | | |
| | Out of which: | 0.00 | 42.20 |
| | Goodwill | 0.00 | 0.00 |
| | Other intangibles | 0.00 | 0.00 |
| | Deferred tax assets (net) | 0.00 | 42.20 |
| vi | Goodwill on consolidation | 0.00 | 0.00 |
| vii | Debit balance in Profit & Loss account | 0.00 | 0.00 |
| | Total Assets | 2299581.24 | 2302600.81 |

Extract of Basel III common disclosure template – Table DF-12 STEP 3
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 | 18059.65 | A1+A2 |
| 2 | Retained earnings | 3369.58 | B5 |
| 3 | Accumulated other comprehensive income (and other reserves) | 140706.15 | B1+B2+B3+B4+B6+B7 |
| 4 | Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies) | 0 | |
| 5 | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | 0 | |
| 6 | Common Equity Tier 1 capital before regulatory adjustments | 162135.38 | |
| 7 | Prudential valuation adjustments | 0 | |
| 8 | Goodwill (net of related tax liability) | 0 | |

Table DF-13: Main Features of Regulatory Capital Instruments
Disclosure template for main features of regulatory capital instruments

| | | | |
|----|--|--|--|
| 1 | Issuer | Indian Bank | Indian Bank |
| 2 | Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement) | INE562A01011 | INE562A09055 |
| 3 | Governing law(s) of the instrument | Applicable Indian Laws and regulatory requirements | Applicable Indian Laws and regulatory requirements |
| | Regulatory treatment | | |
| 4 | Transitional Basel III rules | Common Equity Tier 1 | AT 1 bonds |
| 5 | Post-transitional Basel III rules | Common Equity Tier 1 | Eligible |
| 6 | Eligible at solo/group/group & solo | Group & Solo | Group & Solo |
| 7 | Instrument type | Common Shares | Perpetual bonds |
| 8 | Amount recognised in regulatory capital (Rs. in million, as of 31.03.2016) | 4802.92 | 5000 |
| 9 | Par value of instrument | Not Applicable | 5000 |
| 10 | Accounting classification | Share holder's equity | Borrowings |
| 11 | Original date of issuance | various dates | 30.03.2016 |
| 12 | Perpetual or dated | Perpetual | Perpetual |
| 13 | Original maturity date | Not Applicable | Perpetual |
| 14 | Issuer call subject to prior supervisory approval | No | Yes |
| 15 | Optional call date, contingent call dates and redemption amount (₹ In Millions) | Not Applicable | Optional Call date:30.03.2021 Contingent Call dates: Not applicable Redemption amount:5000 |
| 16 | Subsequent call dates, if applicable | Not Applicable | Not Applicable |
| | <i>Coupons / dividends</i> | <i>Dividend</i> | Coupon |
| 17 | Fixed or floating dividend/coupon | <i>Dividend</i> | Fixed |
| 18 | Coupon rate and any related index | Not Applicable | 11.15% p.a No related index |
| 19 | Existence of a dividend stopper | Not Applicable | Yes |
| 20 | Fully discretionary, partially discretionary or mandatory | Fully discretionary | Fully discretionary |
| 21 | Existence of step up or other incentive to redeem | No | No |
| 22 | Noncumulative or cumulative | Non Cumulative | Non Cumulative |
| 23 | Convertible or non-convertible | Not Applicable | Convertible at specific trigger/PONV event as described in RBI Master circular on Basel III dated 01.07.2015 |
| | | | |

Table DF-13: Main Features of Regulatory Capital Instruments
Disclosure template for main features of regulatory capital instruments

| | | | |
|----|---|----------------|---|
| 24 | If convertible, conversion trigger(s) | Not Applicable | Conversion at pre-specified trigger at minimum Common Equity Tier I capital ratio of 5.50% (before 31.03.2019) or 6.125% of Risk weighted Assets (RWAs) (on or after 31.03.2019) as prescribed in in RBI Master circular on Basel III dated 01.07.2015 |
| 25 | If convertible, fully or partially | Not Applicable | Fully |
| 26 | If convertible, conversion rate | Not Applicable | Based on market price prevailing at the time of conversion |
| 27 | If convertible, mandatory or optional conversion | Not Applicable | Mandatory on specific trigger |
| 28 | If convertible, specify instrument type convertible into | Not Applicable | Common equity shares |
| 29 | If convertible, specify issuer of instrument it converts into | Not Applicable | Not Applicable |
| 30 | Write-down feature | No | Yes |
| 31 | If write-down, write-down trigger(s) | Not Applicable | At Point of Non Viability (PONV) as set by RBI |
| 32 | If write-down, full or partial | Not Applicable | Full |
| 33 | If write-down, permanent or temporary | Not Applicable | Permanent |
| 34 | If temporary write-down, description of write-up mechanism | Not Applicable | Not Applicable |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Not Applicable | Subordinated to the claims of other creditors and depositors of the Bank and subordinate debt bonds |
| 36 | Non-compliant transitioned features | No | Not applicable |
| 37 | If yes, specify non-compliant features | Not Applicable | Not applicable |

| Table DF-13: Main Features of Regulatory Capital Instruments | | | |
|---|--|--|--|
| Disclosure template for main features of regulatory capital instruments | | | |
| 1 | Issuer | Indian Bank | Indian Bank |
| 2 | Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement) | INE562A09030 | INE562A09048 |
| 3 | Governing law(s) of the instrument | Applicable Indian Laws and regulatory requirements | Applicable Indian Laws and regulatory requirements |
| Regulatory treatment | | | |
| 4 | Transitional Basel III rules | Tier 2 | Tier 2 |
| 5 | Post-transitional Basel III rules | Ineligible | Ineligible |
| 6 | Eligible at solo/group/ group & solo | Group & Solo | Group & Solo |
| 7 | Instrument type | Lower Tier II (series II) | Upper Tier II (series III) |
| 8 | Amount recognised in regulatory capital (Rs. in million, as of 30.09.2016) | 3000 | 3000 |
| 9 | Par value of instrument | 5000 | 5000 |
| 10 | Accounting classification | Borrowings | Borrowings |
| 11 | Original date of issuance | 28/06/2010 | 16/07/2010 |
| 12 | Perpetual or dated | Dated | Dated |
| 13 | Original maturity date | 28/06/2020 | 16/07/2025 |
| 14 | Issuer call subject to prior supervisory approval | Yes | Yes |
| 15 | Optional call date, contingent call dates and redemption amount (₹ In Millions) | Call Option Date:Not Applicable Redemption Amount: 5000 | Optional Call date:16/07/2020 Contingent Call dates: Not applicable Redemption amount:5000 |
| 16 | Subsequent call dates, if applicable | Not Applicable | Not Applicable |
| Coupons / dividends | | Coupon | Coupon |
| 17 | Fixed or floating dividend/coupon | Fixed | Fixed |
| 18 | Coupon rate and any related index | 8.53% pa | 8.67% pa for first 10 years, If call not exercised: 9.17% |
| 19 | Existence of a dividend stopper | No | No |
| 20 | Fully discretionary, partially discretionary or mandatory | Mandatory | Mandatory |
| 21 | Existence of step up or other incentive to redeem | No | Yes step up by 50bps |
| 22 | Noncumulative or cumulative | Non Cumulative | Non Cumulative |
| 23 | Convertible or non-convertible | Non Convertible | Non Convertible |
| 24 | If convertible, conversion trigger(s) | Not Applicable | Not Applicable |
| 25 | If convertible, fully or partially | Not Applicable | Not Applicable |
| 26 | If convertible, conversion rate | Not Applicable | Not Applicable |
| 27 | If convertible, mandatory or optional conversion | Not Applicable | Not Applicable |
| 28 | If convertible, specify instrument type convertible into | Not Applicable | Not Applicable |
| 29 | If convertible, specify issuer of instrument it converts into | Not Applicable | Not Applicable |
| 30 | Write-down feature | No | No |
| 31 | If write-down, write-down trigger(s) | Not Applicable | Not Applicable |

| Table DF-13: Main Features of Regulatory Capital Instruments | | | |
|---|---|--|--|
| Disclosure template for main features of regulatory capital instruments | | | |
| 32 | If write-down, full or partial | Not Applicable | Not Applicable |
| 33 | If write-down, permanent or temporary | Not Applicable | Not Applicable |
| 34 | If temporary write-down, description of write-up mechanism | Not Applicable | Not Applicable |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Subordinated to the claims of other creditors and depositors of the Bank | Subordinated to the claims of other creditors and depositors of the Bank |
| 36 | Non-compliant transitioned features | Yes | Yes |
| 37 | If yes, specify non-compliant features | No loss absorbency features | No loss absorbency features |

| Table DF-13: Main Features of Regulatory Capital Instruments | | |
|---|--|--|
| Disclosure template for main features of regulatory capital instruments | | |
| 1 | Issuer | Indian Bank |
| 2 | Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement) | INE562A09030 |
| 3 | Governing law(s) of the instrument | Applicable Indian Laws and regulatory requirements |
| | Regulatory treatment | |
| 4 | Transitional Basel III rules | Tier 2 |
| 5 | Post-transitional Basel III rules | Eligible |
| 6 | Eligible at solo/group/ group & solo | Group & Solo |
| 7 | Instrument type | Lower Tier II (series II) |
| 8 | Amount recognised in regulatory capital (Rs. in million, as of 30.09.2016) | 6000 |
| 9 | Par value of instrument | 6000 |
| 10 | Accounting classification | Borrowings |
| 11 | Original date of issuance | 28/07/2016 |
| 12 | Perpetual or dated | Dated |
| 13 | Original maturity date | 28/07/2026 |
| 14 | Issuer call subject to prior supervisory approval | Yes |
| 15 | Optional call date, contingent call dates and redemption amount (₹ In Millions) | Call Option Date:28/07/2021 Redemption Amount: 6000 |
| 16 | Subsequent call dates, if applicable | Not Applicable |
| | Coupons / dividends | Coupon |
| 17 | Fixed or floating dividend/coupon | Fixed |
| 18 | Coupon rate and any related index | 8.10% pa |

| Table DF-13: Main Features of Regulatory Capital Instruments | | |
|--|---|--|
| Disclosure template for main features of regulatory capital instruments | | |
| 19 | Existence of a dividend stopper | No |
| 20 | Fully discretionary, partially discretionary or mandatory | Fully discretionary |
| 21 | Existence of step up or other incentive to redeem | No |
| 22 | Noncumulative or cumulative | Non Cumulative |
| 23 | Convertible or non-convertible | Non Convertible |
| 24 | If convertible, conversion trigger(s) | Not Applicable |
| 25 | If convertible, fully or partially | Not Applicable |
| 26 | If convertible, conversion rate | Not Applicable |
| 27 | If convertible, mandatory or optional conversion | Not Applicable |
| 28 | If convertible, specify instrument type convertible into | Not Applicable |
| 29 | If convertible, specify issuer of instrument it converts into | Not Applicable |
| 30 | Write-down feature | Yes |
| 31 | If write-down, write-down trigger(s) | At Point of Non Viability (PONV) as set by RBI |
| 32 | If write-down, full or partial | Full |
| 33 | If write-down, permanent or temporary | Permanent |
| 34 | If temporary write-down, description of write-up mechanism | Not Applicable |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Subordinated to the claims of other creditors and depositors of the Bank |
| 36 | Non-compliant transitioned features | Fully Compliant |
| 37 | If yes, specify non-compliant features | Not applicable |

Table DF-14: Full Terms and Conditions of Regulatory Capital Instruments
Terms and conditions for Upper Tier II Bond

| | |
|------------------------------|--|
| Security Description | 8.67% Unsecured Redeemable Non-Convertible Subordinated Upper Tier II Bonds (Debt Capital Instruments) in the nature of Promissory Notes (Series III) of Rs.10,00,000 each aggregating to Rs.500 Crore) |
| Security offered through | Private Placement |
| Tax status | Not exempted from Tax |
| Date of opening of the issue | 16/07/2010 |
| Date of closing of the issue | 16/07/2010 |
| Series | Series III |
| ISIN Code | INE562A09048 |
| Face Value per instrument | Rs.10,00,000 |
| Paid up value per instrument | Rs.10,00,000 |
| Issue Size | Rs.500 Crore |
| Date of allotment | 16/07/2010 |
| Date of maturity | 16/07/2025 |
| Amount to be matured | Rs.500 Crore |
| Coupon rate (fixed) | 8.67% for the first 10 years. The rate will be stepped up by 50 basis points, in effect, the coupon rate on Bonds shall be 9.17% p.a from 11th year onwards, if call option not exercised by the Bank at the end of the 10th year from the date of allotment |
| Frequency of Interest | Annual and Non Cumulative |
| Interest due dates | 16th July every year |
| First Interest Payment date | 16th July 2011 |
| Call Option | Call Option is available on bonds which may be exercised by the Bank at the end of 10th year from the date of allotment, subject to prior approval of RBI and in accordance with the applicable laws and regulation in effect at the time relating to among other things, Capital adequacy position of the Bank both at the time of and after exercise of the Call option, in whole but not in part. In case of exercise of Call option by the Bank, the Bank shall notify its intention to do so through a notice sent by registered post/ courier to the Bond holders, at least 30(thirty) days prior to the due date. The bonds shall a step-up options which shall be exercised only once during the whole life of the bonds, in conjunction with the Call option, after the lapse of 10 years from the deemed date of allotment. The step-up shall be 50 bps, in effect, the coupon rate on bonds shall be stepped up to 9.17% p.a for subsequent years if call option is not exercised by the bank at the end of 10th year from the date of allotment. |

Terms and conditions for Lower Tier II Bond

| | |
|------------------------------|---|
| Security Description | 8.53% Unsecured Redeemable Non-Convertible Subordinated Lower Tier II Bonds (Debt Capital Instruments) in the nature of Promissory Notes (Series II) of Rs.10,00,000 each aggregating to Rs.500 Crore) |
| Security offered through | Private Placement |
| Tax status | Not exempted from Tax |
| Date of opening of the issue | 28/06/2010 |
| Date of closing of the issue | 28/06/2010 |
| Series | Series II |
| ISIN Code | INE562A09030 |
| Face Value per instrument | Rs.10,00,000 |
| Paid up value per instrument | Rs.10,00,000 |
| Issue Size | Rs.500 Crore |
| Date of allotment | 28/06/2010 |
| Date of maturity | 28/06/2020 |
| Amount to be matured | Rs.500 Crore |
| Coupon rate (fixed) | 8.53% |
| Frequency of Interest | Annual and Non Cumulative |
| Interest due dates | 28th June every year |
| First Interest Payment date | 28th June 2011 |

Terms and conditions for Basel III compliant Tier II Bond-series I

| | |
|------------------------------|--|
| Security Description | 8.10% Unsecured Redeemable Non-Convertible Subordinated Tier II Bonds (Debt Capital Instruments) in the nature of Promissory Notes (Series I) of Rs.10,00,000 each aggregating to Rs.600 Crore) |
| Security offered through | Private Placement |
| Tax status | Not exempted from Tax |
| Date of opening of the issue | 28/07/2016 |
| Date of closing of the issue | 28/07/2016 |
| Series | Series I |
| ISIN Code | INE562A08016 |
| Face Value per instrument | Rs.10,00,000 |
| Paid up value per instrument | Rs.10,00,000 |
| Issue Size | Rs.600 Crore |
| Date of allotment | 28/07/2016 |
| Date of maturity | 28/07/2026 |
| Call Option | At the end of 5 years ie: 28/07/2021 |
| Amount to be matured | Rs.600 Crore |
| Coupon rate (fixed) | 8.53% |
| Frequency of Interest | Annual and Non Cumulative |
| Interest due dates | 28th Jul every year |
| First Interest Payment date | 28th Jul 2017 |

| Table DF-14: Terms and Conditions of Regulatory Capital Instruments | |
|--|---|
| Terms and conditions for AT 1 Bonds | |
| Security Description | Unsecured BASEL III Compliant Additional Tier-1 Perpetual Debt Instruments |
| Security offered through | Private Placement |
| Tax status | Not exempted from Tax |
| Date of opening of the issue | 30/03/2016 |
| Date of closing of the issue | 30/03/2016 |
| Series | Series I |
| ISIN Code | INE562A09055 |
| Face Value per instrument | Rs.10,00,000 |
| Paid up value per instrument | Rs.10,00,000 |
| Issue Size | Rs.500 Crore |
| Date of allotment | 31/03/2016 |
| Date of maturity | Perpetual instruments |
| Coupon rate (fixed) | 11.15% p.a . |
| Frequency of Interest | Annual and Non Cumulative |
| Interest due dates | 30th March every year |
| First Interest Payment date | 30th March 2017 |
| Put option | None |
| Call Option | Only after completing 5 years. |
| Trustees | Axis Trustee Services Limited |
| Credit Rating | CARE AA dated 05 th March 2016 CRISIL AA/Negative dated 02nd March 2016 |

Table DF-15: Disclosure Requirements for Remuneration

-----Not applicable-----

As per RBI Master Circular on Basel III, this table is only applicable to all private sector and foreign banks operating in India.

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

Investments are classified at the time of purchase into Held for trade (HFT), Available for Sale (AFS) and Held to Maturity (HTM) categories in line with the RBI master circular on Prudential Norms for classification, valuation and operation of investments portfolio by Banks. Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified as AFS securities. Investments that the Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries/joint ventures are categorized as HTM in accordance with the RBI guidelines. All other investments are classified as AFS securities.

Equity investments under the HTM category are carried at acquisition cost. Equity investment under the banking book are the Bank's investments in subsidiaries and associates. As on 30/09/2017, Book value of equity shares under Banking book is ₹923.64 million. The Bank has not recognized any gain or loss in the consolidated profit and loss account or consolidated balance sheet.

Investments in subsidiaries have been reduced from CET 1 and investment in associates have been risk weighted at 250%.

| Table DF 17- Summary comparison of accounting assets vs. leverage ratio exposure measure | (Rs. in Million) |
|--|-------------------------|
| Item | 30.09.2017 |
| Total consolidated assets as per published financial Statement | 2302600.81 |
| Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | 0.00 |
| Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure | 0 |
| Adjustments for derivative financial instruments | 3340.14 |
| Adjustment for securities financing transactions (i.e. repos and similar secured lending) | 0.00 |
| Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures) | 219697.11 |
| Other adjustments | 5123.75 |
| Leverage ratio exposure | 2530761.81 |

| DF 18 – Leverage ratio common disclosure template | | Rs. in million |
|--|--|-----------------------|
| Item | | 30.09.2017 |
| On-balance sheet exposures | | Consolidated |
| 1 | On-balance sheet items (excluding derivatives and SFTs, but including collateral) | 2307768.20 |
| 2 | (Asset amounts deducted in determining Basel III Tier 1 capital) | 43.64 |
| 3 | Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2) | 2307724.56 |
| Derivative exposures | | |
| 4 | Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin) | 1104.62 |
| 5 | Add-on amounts for PFE associated with all derivatives transactions | 2235.53 |
| 6 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | 0 |
| 7 | (Deductions of receivables assets for cash variation margin provided in derivatives transactions) | 0 |
| 8 | (Exempted CCP leg of client-cleared trade exposures) | 0 |
| 9 | Adjusted effective notional amount of written credit derivatives | 0 |
| 10 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | 0 |
| 11 | Total derivative exposures (sum of lines 4 to 10) | 3340.14 |
| Securities financing transaction exposures | | |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions | 0.00 |
| 13 | (Netted amounts of cash payables and cash receivables of gross SFT assets) | 0 |
| 14 | CCR exposure for SFT assets | 0 |
| 15 | Agent transaction exposures | 0 |
| 16 | Total securities financing transaction exposures (sum of lines 12 to 15) | 0.00 |
| Other off-balance sheet exposures | | |

| | | |
|------------------------------------|---|--------------|
| 17 | Off-balance sheet exposure at gross notional amount | 552601.44 |
| 18 | (Adjustments for conversion to credit equivalent amounts) | 332904.33 |
| 19 | Off-balance sheet items (sum of lines 17 and 18) | 219697.11 |
| | | |
| Capital and total exposures | | |
| 20 | Tier 1 capital | 163417.71 |
| 21 | Total exposures (sum of lines 3, 11, 16 and 19) | 2530761.81 |
| | | |
| Leverage ratio | | |
| 22 | Basel III leverage ratio | 6.46% |