BASEL- III DISCLOSURES – QUARTER ENDED 30th June, 2024

Table DF 1 – SCOPE OF APPLICATION

Qualitative Disclosures (a) List of group entities considered for consolidation	The Bank does not belong to any group.
(b) List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation	Not Applicable
Quantitative Disclosures (c) List of group entities considered for consolidation	Not Applicable
(d) The aggregate amount of capital deficiencies in all subsidiaries which are not included in the regulatory scope of consolidation i.e. that are deducted	Not Applicable
(e) The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk-weighted.	Not Applicable
(f) Any restrictions or impediments on transfer of funds or regulatory capital within the banking group	Not Applicable

Table DF 2 - CAPITAL ADEQUACY

Qualitative disclosures

Bank is already geared up to adopt global best practices while implementing risk management stipulations that are in conformity with the Basel III framework.

Comprehensive risk management architecture is in place to address various issues concerning Basel III. A quarterly review is carried out to assess the capital need of the Bank, keeping in view the anticipated growth in Risk Weighted Assets.

Bank maintains capital as a cushion towards the risk of loss in value of exposure, businesses, etc., to protect the interest of stake holders, more particularly, depositors.

Bank has system in place for assessing the capital requirements based on current and future business activities and monitoring the same on an ongoing basis. The bank considers that capital availability is the central theme in the whole process and its computation is relatable to policy, strategy, business level/composition, and Supervisory concern and Disclosure issues. Towards this, bank has evolved a well laid down Internal Capital Adequacy Assessment Process (I-CAAP) framework and carries out capital calculation under Pillar-2 of Basel-III at periodical intervals besides Pillar 1 Capital calculation. The bank has formulated Stress Testing policy to measure impact of adverse stress scenarios on the adequacy of capital at periodical intervals.

In line with RBI guidelines, the bank has adopted following approaches for implementation of Basel III.

- Standardised Approach for credit risk
- Basic Indicator Approach for operational risk
- Standardised Duration Approach for market risk

Though the bank has implemented the Standardized Approach of credit risk, yet the bank shall continue its journey towards adopting Internal Rating Based Approaches.

The Bank has issued Tier II Bonds by way of Subordinated Debts in the form of Debentures at Coupon payable annually. These bonds have been issued after getting them duly rated by the Domestic Rating Agencies. All the outstanding bonds are listed at the National Stock Exchange Ltd., Mumbai. The other important features of these bonds are:

- The Bonds have a tenor ranging from 118 months to 127 months from date of the issue.
- The instruments are fully paid up, unsecured and subordinated to the claims of other creditors, free of restrictive clauses and not redeemable at the initiative of the holder or without the consent of the RBI.
- The instruments are subjected to progressive discounting @ 20 % per year over the last five years of their tenor. Such discounted amounts are not included in Tier II Capital for Capital Adequacy purposes.

The claims of the investors in these instruments shall rank superior to the claims of investors in instruments eligible for inclusion in Tier I Capital and subordinate to the claims of all other creditors.

Subordinated debt instruments shall be limited to 50% of Tier I Capital of the Bank and these instruments, together with other components of Tier II Capital shall not exceed 100% of Tier I Capital.

Capital requirements for credit risk:

	Amt. in Lacs
- Portfolios subject to standardized approach @ 9%	517444.50
- Securitization exposures	Nil

Capital requirements for market risk: Standardized duration approach

Capital Charge on account of General Market Risk	**Amt. in Lacs**
- Interest rate risk	10689.71
- Foreign exchange risk (including gold)	225.00
- Equity risk	588.30

Capital requirements for operational risk

	Amt. in Lacs
Basic indicator approach @8%	489449

Total and Tier 1 capital ratio for the Bank

Total Capital to Risk Weighted Assets Ratio as per Basel III	17.30%
Common Equity Tier I Capital to Risk Weighted Assets Ratio as per Basel III	14.80%
Tier I Capital to Risk Weighted Assets Ratio as per Basel III	14.80%

Table DF 3 - CREDIT RISK: GENERAL DISCLOSURES

Qualitative Disclosures

The Bank follows the basic prudential guidelines issued by the RBI on classification of Non-Performing Asset (NPA) as under:

a) Interest and / or installment of principal remain overdue for a period of more than 90 days in respect of a term loan.
b) The account remains 'out of order' if the outstanding balance remains continuously in excess of sanctioned limit / DP for more than 90 days and / or 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, in respect of Overdraft/Cash Credit (OD/CC).
c) The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted.
d) The installment of principal or interest thereon remains overdue for two crop seasons for short duration crops.
e) The installment of principal or interest thereon remains overdue for one crop season for long duration crops.
f) The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of guidelines on securitization dated May 7, 2012.
g) In respect of derivative transactions, the overdue receivables representing positive mark-to market value of a derivative contract, if these remains unpaid for a period of 90 days from the specified due date for repayment.

Out of Order means: An account should be treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. 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 should be treated as 'out of order'.

Here, `Overdue' mean any amount due to the Bank under any credit facility, if it is not paid on the due date fixed by the Bank.

In addition to above, an account may also be classified as NPA in terms of the following:

Account with temporary deficiencies/irregularities (Refer RBI MC point 4.2.4)

Where the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter, the account is classified as non-performing asset and ceases to generate income for the bank.

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

i) Banks should ensure that drawings in the working capital accounts are covered by the adequacy of current assets, since current assets are first appropriated in times of distress. Drawing power is required to be arrived at based on the stock statement which is current. However, considering the difficulties of large borrowers, stock statements relied upon by the banks for determining drawing power should not be older than three months. The outstanding in the account based on drawing power calculated from stock statements older than three months, would be deemed as irregular.

A working capital borrowal account will become NPA if such irregular drawings are permitted in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory.

ii) Regular and ad hoc credit limits need to be reviewed/ regularized not later than three months from the due date/date of ad hoc sanction. In case of constraints such as non-availability of financial statements and other data from the borrowers, the branch should furnish evidence to show that renewal/ review of credit limits is already on and would be completed soon. In any case, delay beyond six months is not considered desirable as a general discipline. Hence, an account where the regular/ ad hoc credit limits have not been reviewed/ renewed within 180 days from the due date/ date of ad hoc sanction will be treated as NPA.

Besides above, Bank also follows the guidelines issued by RBI in respect of classification of assets under a) Restructured accounts, b) Project under implementation involving time overrun, c) Post shipment Suppliers' Credit, d) Export Project Finance, e) Take over Finance, f) Government guaranteed Advances, g) Advances under Rehabilitation approved by BFIR / TLI, h) Advances under Debt Waiver & Debt Relief Scheme 2009, i) Sale of Financial Assets to Securitization Company /Reconstruction Company, j) Purchase/ Sale of Non-Performing Financial Assets, k) Up-gradation of accounts, l) Accounts regularized near about the Balance Sheet date etc.

B. CREDIT RISK MANAGEMENT AND OBJECTIVES:

The main objective of Credit Risk Management Department is to effectively identify, assess, measure, and manage the credit risk exposure of the Bank, with a view to contain it within desired limits in relation to the risk appetite of the Bank and commensurate with the availability of Capital. In doing so, the Bank's Credit Risk philosophy aims at minimizing risk and maintaining it within the levels which shall ensure safety of the Bank's financial resources, including stakeholders' equity and, at the same time, also ensure a steady and healthy financial growth.

STRATEGIC POLICY OF THE BANK - CREDIT RISK:

The Bank has a comprehensive and well-defined Loan Policy which covers various aspects of strategic planning. The loan policy of the Bank is reviewed from time to time, depending on requirements of the changes in loan portfolio and general economic and market scenario. The loan policy is also subjected to a comprehensive review by the Board at least once a year. The loan policy of the Bank addresses, among other things:

- Exposure ceilings and prudential caps in different industry segments and borrower categories.
- Pricing based on risk profile linked to credit ratings and/or retail segments.
- Guidelines relating to procedures and systems for appraisal, sanction, and monitoring of loans and modes of dispensation of credit.
- Credit Rating framework.
- Inspection mechanism and compliance of regulatory and policy guidelines.

CREDIT RISK MANAGEMENT ARCHITECTURE:

- The organizational structure of the Bank for Credit Risk Management function has the Board of Directors at the Apex level that has the overall oversight of management of risks.
- The Risk Management Committee (RMC) which is the sub-committee of the Board which devises the policy and strategy for integrated risk management including credit risk.

- At the operational level, the Credit Risk Management Committee (CRMC) manages the credit risk. The main function includes implementation of credit risk management policies approved by the Board, monitoring credit risk on a bank wide basis, recommending to the board for its approval all policies relating to credit risk management, prudential limits on credit exposures, portfolio management, loan products etc. There is a structured and standardized credit approval process including a comprehensive credit appraisal procedure. In order to assess the credit risk associated with any financing proposal, the Bank assesses a variety of risks relating to the borrower and the relevant industry.
- The Risk Management Department (RMD) headed by the Chief Risk Officer, measures, controls and manages credit risk on bank wide basis within the limits set by the Board and enforces compliance with risk parameters set by Board/RMC/CRMC. The RMD is duly supported by Credit Risk Management Cell, Market Risk Management Cell, ALM cell and Operations Risk Management Cell.
- The Inspection Department as well as Credit Monitoring Department headed by a General Manager/ Deputy General Manager monitor the quality of loan portfolio identifies problems and takes steps to correct deficiencies. Loan review / credit audit is undertaken by the Credit Audit function.

TOOLS USED FOR CREDIT RISK MANAGEMENT / MITIGATION

- Credit Approving Authority – Delegation of Powers. The Bank has a well-defined scheme of delegation of powers with a multi-tier risk based approving system, which is reviewed periodically and revised as and when necessary to meet the compulsions of business environment.
- Large Exposure Framework limits on various aspects of credit / investment like Single / Group borrower limits for various types of borrowers are in place.
- Risk Rating/Pricing - The bank has introduced rating models for various segments, which serve as a single point indicator of diverse risk factors of a counter party and support credit and pricing decisions.
- Credit Audit/Loan review mechanism is an effective tool for constantly evaluating the quality of loan book and to bring about qualitative improvements in credit administration
- The Bank accepts a range of collaterals and techniques to mitigate the credit risks to which they are exposed to, provided the collaterals are legally enforceable and the Bank has a priority claim on the sale proceeds of the collateralized assets in the case of obligor's default or occurrence of adverse credit events.

RISK MEASUREMENT

At present Credit Risk is assessed through Risk rating at the individual level and through Risk Weighting of the assets at the portfolio level and capital is maintained based on Risk Weights.

Sr. No.	Category	Balance O/s Amt. in Lacs
1	Fund Based Credit	8773811.38
2	Non-Fund Based Credit	367525.03

Geographic distribution of Advances

Sr. No.	Category	Balance O/s Amt. in Lacs
1	**Overseas** Fund Based Credit	Nil
	Non-Fund Based Credit	Nil
2	**Domestic** Fund Based Credit	8773811.38
	Non-Fund Based Credit	367525.03

INDUSTRY TYPE DISTRIBUTION OF ADVANCES

Balance O/s Amt. in Lacs

INDUSTRY	FUNDED	NON-FUND
A. MINING & QUARRYING	18382.38	9195.03
B. FOOD PROCESSING	122643.01	3942.51
C.BEVERAGES & TOBACCO	5737.10	695.24
D.TEXTILES	116246.55	3130.35
E. LEATHER & LEATHER PRODUCTS	9885.80	39.44
F. WOOD & WOOD PRODUCTS	10790.07	1297.34
G. PAPER & PAPER PRODUCTS	12626.52	101.88
H. PETRO. /COAL/NUCLEAR FUELS	153082.05	9.10
I.CHEMICALS & CHEMICAL PRODUCTS	29492.17	283.01
J. RUBBER, PLASTIC & ITS PRODUCTS	18627.02	745.85
K. GLASS & GLASSWARE	3290.66	14.42
L.CEMENT AND CEMENT PRODUCTS	6989.30	4506.28
M.BASIC METAL & METAL PRODUCTS	213278.63	5408.20
N.ALL ENGINEERING	59344.34	11107.92
O. VEHCLES/VEHICLE PARTS	20234.25	7962.06
P. GEMS & JEWELLARY	3943.63	3.55
Q. CONSTRUCTIONS	52137.16	13020.22
R. INFRASTRUCTURE	1461049.88	176979.23
S. OTHER INDUSTRIES	14110.06	392.58
T. Residuary	6441920.80	128690.82
Grand Total	8773811.38	367525.03

Significant exposure:

Industry where the total is more than 5% of Total Fund based and non-fund based Credit

S.No.	Industry	Balance O/S Amount (Rs. In Lacs)
1	INFRASTRUCTURE	1461049.88

RESIDUAL CONTRACTUAL MATURITY BREAKDOWN OF ASSETS AND LIABILITIES

(in Lakh)

Bucket	Day 1	2 To 7 Days	8 To 14 Days	15 To 30 Days	31 To 2 Months	Over 2 Months To 3 Months	Over 3 Months To 6 Months	Over 6 Months To 1 Year	Over 1 Year To 3 Years	Over 3 Years To 5 Years	Over 5 Years	Total
DEPOSITS(TD+SB+CA)	73991	99481	90053	464082	977334	822793	1004841	3597490	1678885	581132	2669253	12059336
ADVANCES (net)	62976	86558	65257	254583	133589	461224	553005	839364	3211968	1021720	1814356	8504601
INVESTMENTS (net)	0	8265	5616	12470	19802	39963	87804	73972	658398	467756	3093230	4467276
BORROWINGS	710253	0	4475	0	4611	9475	29249	50912	151027	4468	73729	1038199
FOREIGN CURRENCY ASSETS	14841	980	1396	4616	7520	8552	5236	0	1017	0	0	44158
FOREIGN CURRENCY LIABILITIES	10174	71	62	832	947	1427	1528	3936	4137	96	0	23210

Amount of NPAs (Gross) in Lacs:

Category	Amt. in Lacs
Substandard	84998.38
Doubtful 1	65659.90
Doubtful 2	82412.46
Doubtful 3	129274.64
Loss	52147.18
Total	**414492.56**

Net NPAs

	Amt. in Lacs
Net NPAs	135024.57

NPA Ratios

	Category	Percent
1	Gross NPAs to Gross advances	4.72%
2	Net NPAs to Net advances	1.59%

Movement of NPAs (Gross)

	Amt. in Lacs
Opening Balance as on 01.04.23	466534.50
Additions	27861.33
Reductions	79903.17
Closing Balance	**414492.66**

Movement of Provisions for NPAs

Amt. in Lacs

Sr.No	Provision	Provisions for NPAs
	Opening Balance as on 01.04.2023	322636.62
Add	Provisions made during the period (A)	14570.66
Less:	Upgraded Accounts	1767.17
	Write-off/ Write-back of excess provisions	20003.00
	Reversal in closed (NPA) accounts	41488.15
	Others	4926.57
	Sub- Total (B)	68184.89
	Closing Balance	269022.39

Details of write offs & recoveries that have been booked directly to the Income statement

Amt. in Lacs

Interest Income Recovered- Technically Written Off Cases	66.13
Miscellaneous Income-Recovery In Technical Write Off A/Cs	3281.40
TOTAL	**3347.53**

Amount of Non-Performing Investments

Amt. in Lacs

Amount of Non-Performing Investments	81698.75

Amount of provisions held for non-performing investments

Amt. in Lacs

Provisions held for non-performing investments	81698.75

Movement of provisions for depreciation on investments

	Amt. in Lacs
Opening Balance 01.10.2024	152.00
Provisions made during the period	0.00
Write-off	0.00
Write-back of excess provisions	50.00
Closing Balance	102.00

जोखिम प्रबंधन विभाग
पंजाब एण्ड सिंध बैंक Punjab & Sind Bank

Major Industry Breakup of NPA

Amt. in Lacs

Industry	Gross NPA	Provision for NPA
ENERGY	4406.91	4122.49
TRANSPORT	55791.68	50141.72
WATER SANITATION	20.63	6.55
SOCIAL & COMM.	6621.48	6073.68
TEXTILES	16099.07	13395.99

Geography wise Distribution of NPA & Provision

Amt. in Lacs

Industry	Gross NPA	Provision for NPA	Provision for Standard Advances
Domestic	414492.66	269022.39	60449.74

Table DF 4 - CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

Qualitative Disclosures

1. The Bank has approved using the general rating of the following credit rating agencies for risk weighting under the standardized approach for CRAR calculations: CRISIL, ICRA, India Rating, ACUITE, CARE and Infomerics for domestic claims and S&P, FITCH and Moody's for claims on non-resident corporates, foreign banks and foreign sovereigns.

   The ratings of all these agencies are being used for all exposures subjected to rating for risk weighting purposes under the standardized approach for CRAR calculations under Basel III as defined by RBI.

2. The process used to transfer public issue ratings on to comparable assets in the banking book is as per regulatory requirements of RBI. The public ratings published by the rating agencies on their website are used for this purpose. Only, ratings which are in force as per monthly bulletin of the concerned rating agency and which have been reviewed at least once during the previous 15 months are used.

3. For all the exposures on a particular counterparty, bank uses the rating of only one agency, even though these exposures are rated by more than one with exception being where each of the exposures is rated by only one of the approved rating agencies.

4. To be eligible for risk-weighting purposes, it is ensured that the external credit assessment takes into account and reflects the entire amount of credit risk exposure the bank has with regard to all payments owed to it i.e., both principal and interest.

External assessments for one entity within a corporate group is not used to risk weight other entities within the same group.

5. For assets that have contractual maturity less than or equal to one year, short term ratings are used while for other assets, long term ratings are used. For Cash Credit exposures long term ratings are taken.

6. Where an issuer has a long-term exposure with an external long term rating that warrants a risk weight of 150%, all unrated claims on the same counterparty, whether short-term or long-term, also receive a 150% risk weight, except in cases where credit risk mitigation techniques are used for such claims. Similar is the case with short-term rating.

7. The Short-term ratings assigned by the approved rating agencies are directly mapped to the risk weights under the Standardized Approach for short-term exposures.

A mechanism for mapping of internal ratings of short term loans (up to 1 year) with Short Term ratings of External Credit Rating Agencies, on similar lines as risk weight mapping given by RBI, is already in vogue in our bank.

8. If there are two ratings accorded by eligible credit rating agencies, which map into different risk weights, the higher risk weight is applied. If there are three or more ratings accorded by eligible credit rating agencies with different risk weights, the ratings corresponding to the two lowest risk weights are referred to and the higher of those two risk weights are applied, i.e., the second lowest risk weight.

9. The RW of the investment claim is based on specific rating by a chosen credit rating agency, where the claim is not an investment in a specific assessed issue:

i) the rating applicable to the specific debt (where the rating maps into a risk weight lower than that which applies to an unrated claim) is applied to the bank's un-assessed claim only if this claim ranks *paripassu* or senior to the specific rated debt in all respects and the maturity of the un-assessed claim is not later than the maturity of the rated claim, except where the rated claim is a short term obligation.

ii) if either the issuer or single issue has been assigned a rating which maps into a risk weight equal to or higher than that which applies to unrated claims, an unrated claim on the same counterparty, is assigned the same risk weight as is applicable to the rated exposure, if this claim ranks *paripassu* or junior to the rated exposure in all respects.

Exposure amounts after risk mitigation subject to the standardized approach

For exposure amounts after risk mitigation subject to the standardized approach, rated and unrated in the following three major risk buckets as well as those that are deducted are as under:

Amt. in Lacs

Risk Weight Category	Amount
Below 100 % risk weight	5778439
100 % risk weight	573505
More than 100 % risk weight	635812
Deducted	0

Table DF 5 - CREDIT RISK MITIGATION: DISCLOSURES FOR STANDARDISED APPROACHES

Qualitative Disclosures

1. Credit Risk Mitigation is a proactive management tool designed to enhance revenue growth, while protecting an entity's earnings from loss. Banks employ various methods and techniques to reduce the impact of the credit risks they are exposed to in their daily operations. Some of the credit risk mitigation techniques are permitted to be used by the supervisor for reducing the capital charge after adjustment for value, currency mismatch and maturity mismatch. Various Credit Risk Mitigants (CRM) recognized under Basel III are as follows:

- → Collateralised transactions
- → On-balance-sheet-netting
- → Guarantees

2. Eligible financial collateral:

All collaterals are not recognised as credit risk mitigants under the Standardised Approach. The following are the financial collaterals recognized:

i. Cash and Certain Deposits.
ii. Gold: benchmarked to 99.99% purity.
iii. Securities issued by Central and State Governments
iv. Kisan Vikas Patra and National Savings Certificates
v. Life insurance policies
vi. Debt securities -rated subject to conditions.
vii. Debt securities not rated issued by banks subject to conditions
viii. Units of mutual funds subject to conditions
ix. Re-securitisations, irrespective of any credit ratings, are not eligible financial collateral.

There are certain additional standards for availing capital relief for collateralized transactions, which have direct bearing on the management of collaterals, and these aspects are taken into account during Collateral Management.

3. On-balance-sheet-netting

On-balance sheet netting is confined to loans/advances (treated as exposure) and deposits (treated as collateral), where Bank has legally enforceable netting arrangements, involving specific lien with proof of documentation and which are managed on a net basis.

4. Guarantees Where guarantees are direct, explicit, irrevocable and unconditional, bank takes account of such credit protection in calculating capital requirements. The range of eligible guarantors / counter guarantors as per Basel III includes:

i. Sovereigns, sovereign entities (including BIS, IMF, European Central Bank and European Community as well as those MDBs, ECGC and CGTSI, CRGFTLIH), banks and primary dealers with a lower risk weight than the counterparty;
ii. Other entities that are externally rated except when credit protection is provided to a securitisation exposure. This would include credit protection provided by parent, subsidiary and affiliate companies when they have a lower risk weight than the obligor.
iii. When credit protection is provided to a securitisation exposure, other entities that currently are externally rated BBB- or better and that were externally rated A- or better at the time the credit protection was provided. This would include credit protection provided by parent, subsidiary and affiliate companies when they have a lower risk weight than the obligor.

The Bank accepts all types of collaterals against exposures. However, for Basel-III norms, the eligible collaterals are considered and given appropriate treatment before they are set-off against exposures. The bank has a well laid-out Credit Risk Management Policy and also guidelines for valuation of collaterals. The Bank also takes cognizance of eligible guarantees and substitution of rating of guarantor(s) in cases where these are better than that of the counter-party. Besides, for purposes of credit protection, Central Govt., State Govt., ECGC and CGTMSE coverages are also taken into account to apply appropriate risk weights.

Disclosed credit risk portfolio under the standardised approach, the total exposure that is covered by: Eligible financial collateral; after the application of haircuts – ₹ 362620 Lac

Table DF 6 -SECURITISATION: DISCLOSURE FOR STANDARDISED APPROACH

1. For Raising Resources

1.1 To raise resources for the Bank (through mortgage/ asset backed securitization) at a reasonable cost.
1.2 For better asset liability management as long tenure assets can be disposed off, in case of need, to reduce the maturity mismatches.
1.3 To manage the capital funds efficiently without effecting the growth of the Bank.
1.4 To rotate assets and to continue to book business even while capital availability is scarce.

1.5 To access to new source of funding and diversify the existing funding sources.
1.6 To maximize the returns by churning assets fast.
1.7 For better managing the credit portfolio. By hiring of assets in sectors of high concentration, the Bank would be in a position to continue to book additional business in these sectors and hence maintain market share, client relationship etc.

2. For Deploying Surplus Funds: Avenue for bulk deployment of surplus funds either by subscribing to the PTCs or by purchase of assets through bilateral assignment of debts with reasonable rate of return.

Exposure (balance outstanding) under Assignment of Standard Pool Assets – **Rs.2174.63 Cr**

Table DF 7 - MARKET RISK IN TRADING BOOK

Qualitative disclosures

Market risk refers to the uncertainty of future earnings resulting from changes in interest rates, foreign exchange rates, market prices and volatilities. The Bank assumes market risk in its lending and deposit taking businesses and in its investment activities, including position taking and trading. The market risk is managed in accordance with the investment policies, which are approved by the Board. These policies ensure that operations in securities, foreign exchange and derivatives are conducted in accordance with sound and acceptable business practices and are as per the extant regulatory guidelines, laws governing transactions in financial securities and the financial environment. Market Risk in Trading Book is assessed as per the Standardized Duration approach. The capital charge for Held for Trading (HFT) portfolios is computed as per Reserve Bank of India prudential guidelines.

Market risk management objectives:

The objectives of market risk management are as follows:

- Management of liquidity
- Management of interest rate risk and exchange rate risk.
- Proper classification and valuation of investment portfolio
- Adequate and proper reporting of investments and derivative products
- Compliance with regulatory requirements

Quantitative Disclosures

The capital requirements for:	**Amt. in Lacs**
Interest rate risk;	15443.80
Equity position risk;	1902.79
Foreign exchange risk;	225.00

पंजाब एण्ड सिंध बैंक Punjab & Sind Bank जोखिम प्रबंधन विभाग NBCC Complex, East Kidwai Nagar, Delhi

Table DF 8 - OPERATIONAL RISK

Qualitative disclosures

The Bank has formulated Policies on "Operational Risk Management" and "Business Continuity Plan & Disaster Recovery Management". These policies are being reviewed by the Board of the Bank on annual basis. Bank is collecting "Loss Data" from Zonal Offices/Head Offices and the same is being placed before ORMC for review on quarterly Basis. The Bank has loss data management framework to comply with overall operational risk management of the Bank.

Bank is conducting Risk and Control Self-Assessment (RCSA) workshop to assess the risk emanating from a particular product or activity as per RCSA framework approved by the Board. The result of RCSA workshop is being placed before ORMC for review. Further Bank is monitoring identified Key Risk Indicators (KRI) on quarterly basis to identify the early warning signals and hence trying to proactively manage/ mitigate the underlying issues and potential losses which is one of the objectives of KRI framework.

As per the policy on Operational Risk, the Operational Risk Management Committee (ORMC) has been set up which is headed by the Executive Director. Regular meetings of the ORMC are convened at least on quarterly basis. Inspection Department of the bank undertakes onsite "Risk Based Internal Audit" (RBIA) of the branches.

Inspection, Reconciliation and Vigilance Departments are reporting matters relating to Housekeeping, Reconciliation and Frauds etc. periodically to ACB. Regulatory reporting with regard to Operational Risk and Business Continuity Plan is made timely & regularly. Bank is presently following 'Basic Indicator Approach" for calculating Capital Charge on Operational Risk.

Table DF 9 -INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

Qualitative disclosures

The Interest rate risk in banking book is measured and managed by the bank through Traditional Gap for Earnings at Risk (Ear) approach and modified Duration Gap for Economic Value (MVE) Approach. Interest rate risk in banking book includes all advances and investments kept under Held to Maturity (HTM) portfolio. The strategies and process/structure of organization / scope and nature of risk reporting/policies etc. are the same as reported under DF – 7. The methodology adopted to measure the interest rate risk in banking book (IRRBB) is based on RBI suggested guidelines.

1.1 RBI has stipulated monitoring of interest rate risk through a Statement of Interest Rate Sensitivity to be prepared at monthly intervals. Accordingly, ALCO reviews Interest Rate Sensitivity statement on monthly basis and monitors the Earnings at Risk (EaR) which measures the change in net interest income of the Bank due to parallel change in interest rate on both the assets and liabilities.

1.2 RBI has also stipulated to estimate the impact of change in interest rates on economic value of bank's assets and liabilities through Interest Rate Sensitivity under Duration Gap Analysis (IRSD). Bank also carries out Duration Gap analysis as stipulated by RBI at monthly/quarterly intervals. The impact of interest rate changes on the Market Value of Equity (MVE) is monitored through Duration Gap Analysis. Using the above, Modified Duration of liabilities and assets for each bucket is calculated and the impact on their value for a change in interest rate by 200 bps is reckoned by adding up the net position to determine as to whether there will be a positive increase in the value or otherwise.

1.3 As a prudential measure limit has been fixed for EaR as well as for MVE of the assets and liabilities and the same is monitored at regular intervals.

Quantitative Disclosures

a) Earning at Risk

At 100 bps increase for gaps upto 1 year on average basis = **-18.79 Cr**

b) MVE

Change in Economic Value @200bps increase (MVE) = **-4.44%**

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

Qualitative Disclosures

Counter Party Credit Risk (CCR) is the risk of default by the Counterparty towards settlement of transaction before or at the maturity. All the Derivative Transactions with the Counterparty are to be evaluated through Board approved Integrated Treasury Policy of the Bank.

Bank does not have any policy related to Wrong Way Risk exposure.

Quantitative Disclosures

Bank does not recognize bilateral netting. For reporting purpose total exposure is considered.

Amt. in Milions

Particulars	Notional Amount	Current Exposure
Foreign Exchange Contracts	4188.82	3.39

Table DF 11 – Composition of Capital

Amt. in Lacs

	Basel III common disclosure template to be used from March 31, 2017		Ref No.
S.No.	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	990976	
2	Retained earnings	0	
3	Accumulated other comprehensive income (and other reserves)	28639	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies1) Public sector capital injections grandfathered until 1/1/2018	N.A.	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	N.A.	
6	**Common Equity Tier 1 capital before regulatory adjustments**	**1019615**	
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Intangibles (net of related tax liability)	0.00	
10	Deferred tax assets (associated with accumulated losses (net of eligible DTL) to be deducted in full from CET1)	23420	
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitization gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined-benefit pension fund net assets	8273	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	4547	
	Adjustment for illiquid portfolio	-	
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)	N.A.	
20	Mortgage servicing rights (amount above 10% threshold)	N.A.	

	Basel III common disclosure template to be used from March 31, 2017		Ref No.
S.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)	37094	
22	Amount exceeding the 15% threshold	N.A.	
23	of which: significant investments in the common stock of financials	N.A.	
24	of which: mortgage servicing rights	N.A.	
25	of which: deferred tax assets arising from temporary differences	N.A.	
26	National specific regulatory adjustments (26a+26b+26c)	N.A.	
26a	Investments in the equity capital of unconsolidated insurance subsidiaries	N.A.	
26b	Investments in the equity capital of unconsolidated nonfinancial subsidiaries	N.A.	
26c	Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	N.A.	
26d	Unamortized pension funds expenditures	N.A.	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	N.A.	
28	Regulatory adjustments to Common equity Tier 1	73333	
	Common Equity Tier 1 capital (CET1)	946282	
	Other eligible deductions (Discounting on Recap Bonds)	0	
29	CET-1 after regulatory adjustments	946282	
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	0.00	
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)	0.00	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	0.00	
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	of which: instruments issued by subsidiaries subject to phase out	0.00	

	Basel III common disclosure template to be used from March 31, 2017		**Ref No.**
S.No.	Common Equity Tier 1 capital: instruments and reserves		
36	**Additional Tier 1 capital before regulatory adjustments**	0.00	
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 positions10)	0.00	
41	National specific regulatory adjustments	0.00	
41a	Of which : Investment in the Additional Tier I capital of unconsolidated insurance subsidiaries.	0.00	
41b	Of which : Shortfall in the Additional Tier I capital of majority owned financial entities which have not been consolidated with the bank..	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)	0	
45	Tier 1 capital (T1 = CET1 + AT1) (row 29 + row 44)	946282	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	93,730	
47	Directly issued capital instruments subject to phase out from Tier 2		
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	N.A.	
49	of which: instruments issued by subsidiaries subject to phase out	N.A.	
50	Provisions	31625	
	Any other instruments permitted by RBI for inclusion in TIER II Capital **(IFR)**	29846	
51	Tier 2 capital before regulatory adjustments	**159736**	
52	Investments in own Tier 2 instruments	0	

	Basel III common disclosure template to be used from March 31, 2017		Ref No.
S.No.	Common Equity Tier 1 capital: instruments and reserves		
53	Reciprocal cross-holdings in Tier 2 instruments	0	
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	
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	
56	National specific regulatory adjustments (56a+56b)		
56a	Of which: Investment in the Tier II capital of unconsolidated insurance subsidiaries.	0	
56b	Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	0	
57	**Total regulatory adjustments to Tier 2 capital**		
58	**Tier 2 capital (T2)**	**159736**	
59	**Total capital (TC = T1 + T2) (row 45+row 58)**	1106018	
60	**Total risk weighted assets (row 60a +row 60b +row 60c)**	6392765	
60a	of which: total credit risk weighted assets	**5749383**	
60b	of which: total market risk weighted assets	**151184**	
60c	of which: total operational risk weighted assets	**489449**	
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	14.80%	
62	Tier 1 (as a percentage of risk weighted assets)	14.80%	
63	Total capital (as a percentage of risk weighted assets)	17.30%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	8.00	
65	of which: capital conservation buffer requirement	2.50	
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) i.e. CET-1 above minimum requirement	9.30%	

	Basel III common disclosure template to be used from March 31, 2017		Ref No.
S.No.	Common Equity Tier 1 capital: instruments and reserves		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	
72	Non-significant investments in the capital of other financials	0.00	
73	Significant investments in the common stock of financials	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)	31625	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	71867	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	NA	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	NA	
	Capital instruments subject to phase-out arrangements (only applicable between April 1, 2018 and March 31, 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	NA	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

Table DF 12 –Composition of Capital- Reconciliation Requirements-

Not applicable as the Bank's Balance sheet as in Financial Statement is same as Balance sheet under regulatory scope of consolidation

Table DF 13 – Main features of Regulatory Capital Instruments

Sr. No	Disclosure template for main features of regulatory capital instruments	SERIES- XIV =500 crore	SERIES- XV =237.30 crore	SERIES- XVI =500 crore
1	Issuer	Punjab & Sind Bank	Punjab & Sind Bank	Punjab & Sind Bank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE608A08017	INE608A08033	INE608A08041
3	Governing law(s) of the instrument	SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2008/13/127878 DATED JUNE 06, 2008, AS AMENDED AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2012 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2012-13/19/5392 DATED OCTOBER 12, 2012, AS AMENDED AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2014 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2013-14/43/207 DATED JANUARY 31, 2014, AS AMENDED	SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2008/13/127878 DATED JUNE 06, 2008, AS AMENDED AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2012 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2012-13/19/5392 DATED OCTOBER 12, 2012, AS AMENDED AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2014 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2013-14/43/207 DATED JANUARY 31, 2014, AS AMENDED	SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2008/13/127878 DATED JUNE 06, 2008, AS AMENDED AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2012 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2012-13/19/5392 DATED OCTOBER 12, 2012, AS AMENDED AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2014 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2013-14/43/207 DATED JANUARY 31, 2014, AS AMENDED
	Regulatory treatment			
4	Transitional Basel III rules	Tier II	Tier II	Tier II
5	Post-transitional Basel III rules	Tier II	Tier II	Tier II
6	Eligible at solo/group/ group & solo	Solo	Solo	Solo
7	Instrument type	Tier II debt instruments	Tier II debt instruments	Tier II debt instruments
8	Amount recognised in regulatory capital (Rs. in Crore, as of most recent reporting date)	200 CR	237.30 CR	500 CR
9	Par value of instrument	Rs. 1000000	Rs. 1000000	Rs. 1000000
10	Accounting classification	Liability (Borrowing)	Liability (Borrowing)	Liability (Borrowing)
11	Original date of issuance	19.10.2016	27.06.2019	04.11.2019
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	19.10.2026	26.10.2029	03.12.2029
14	Issuer call subject to prior supervisory approval	No	No	No

पंजाब एण्ड सिंध बैंक Punjab & Sind Bank जोखिम प्रबंधन विभाग NBCC Complex, East Kidwai Nagar, Delhi

Table DF 13 – Main features of Regulatory Capital Instruments

Sr. No	Disclosure template for main features of regulatory capital instruments	SERIES- XIV =500 crore	SERIES- XV =237.30 crore	SERIES- XVI =500 crore
15	Optional call date, contingent call dates and redemption amount	NA	NA	NA
16	Subsequent call dates, if applicable	NA	NA	NA
	Coupons / dividends			
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	7.99%	9.50%	8.67%
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	NO
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	Write-off feature is applicable	Write-off feature is applicable	Write-off feature is applicable
31	If write-down, write-down trigger(s)	PONV Trigger as per RBI Guidelines	PONV Trigger as per RBI Guidelines	PONV Trigger as per RBI Guidelines
32	If write-down, full or partial	full or partial	full or partial	full or partial
33	If write-down, permanent or temporary	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subbordinate to claims of all depositors and general creditors of the bank	Subbordinate to claims of all depositors and general creditors of the bank	Subbordinate to claims of all depositors and general creditors of the bank
36	Non-compliant transitioned features	NA	NA	NA
37	If yes, specify non-compliant features	NA	NA	NA

Table DF 14 –Full Terms & Conditions of Regulatory Capital Instruments

1. **BOND ISSUE – XIV Rs 500 Crore**

SUMMARY TERM SHEET

Issuer	Punjab & Sind Bank
Issue Size	Rs 500 Crore
Issue Objects	Augmenting overall capital of the Bank for strengthening its capital adequacy as per Basel III, for future growth and for enhancing long-term resources.
Instrument	Listed, Rated, Unsecured, Redeemable, Non-Convertible Fully Paid-Up Basel III Compliant Tier 2 Bonds (Series XIV) in the nature of Debentures for inclusion in Tier 2 Capital ("Bonds")
Nature of Instrument	These Bonds shall be fully paid up, Unsecured. The claims of the Bondholders shall be: (a) senior to the claims of investors in instruments eligible for inclusion in Tier 1 capital of the Bank; (b) subordinate to the claims of all depositors and general creditors of the Bank; and (c) is neither secured nor covered by a guarantee of the Bank or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis Bank creditors.
Issuance/ Trading	In demat mode only
Credit Rating	"CRISIL AA\Stable" by CRISIL and "CARE AA-\ Positive" by CARE.
Security	Unsecured and Subordinated
Face Value	Rs 10,00,000/- per Bond
Issue Price	At par (Rs 10,00,000/- per Bond)
Redemption Price	At par (Rs 10,00,000/- per Bond)
Minimum Subscription	1 (one) Bond and in multiples of 1 (one) Bond thereafter
Tenure	10 years from the Deemed Date of Allotment
Put Option	None
Call Option	None
Redemption/ Maturity	At the end of 10 years from the Deemed Date of Allotment
Redemption Date	October 19, 2026
Coupon Rate	7.99% p.a.
Interest Payment	Annual
Interest Payment Date	Annually on October 19, of each year till maturity of Bonds
Trustee	Axis Trustee Services Limited
Depository	National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL")
Registrar	Link Intime India Private Limited
Interest on Application Money	In respect of applicants who get allotment of Bonds in the Issue, interest on application money shall be paid at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re- enactment thereof, as applicable) on the aggregate

	face value amount of Bonds for the period starting from and including the date of realization of application money in Issuer's account upto but excluding the Deemed Date of Allotment. Such interest on application money shall be paid by the Issuer to the allottees within 15 (fifteen) days from the Deemed Date of Allotment.
Settlement	Payment of interest and repayment of principal amount shall be made by the Bank by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism or any other online facility allowed by the RBI
Mode of Subscription	Remittances either through cheque(s)/ demand draft(s) drawn in favour of "Punjab & Sind Bank A/c" and crossed "Account Payee Only" payable at par at place/ centre where the application form is deposited or by way of electronic transfer of funds through funds transfer/ RTGS mechanism for credit in the account of Punjab & Sind Bank IFSC Code PSIB0000606, Rajendra place New Delhi.
Issue Opens on	05.10.2016
Issue Closes on	05.10.2016
Pay in Date	19.10.2016
Deemed Date of Allotment	19.10.2016

2. BOND ISSUE – XV Rs 237.30 Crore

SUMMARY TERM SHEET

Issuer	Punjab & Sind Bank
Issue Size	Rs 237.30 Crore
Issue Objects	Augmenting overall capital of the Bank for strengthening its capital adequacy as per Basel III, for future growth and for enhancing long-term resources.
Instrument	Listed, Rated, Unsecured, Redeemable, Non-Convertible Fully Paid Up Basel III Compliant Tier 2 Bonds (Series XV) in the nature of Debentures for inclusion in Tier 2 Capital ("Bonds")
Nature of Instrument	These Bonds shall be fully paid up, Unsecured. The claims of the Bondholders shall be: (a) senior to the claims of investors in instruments eligible for inclusion in Tier 1 capital of the Bank; (b) subordinate to the claims of all depositors and general creditors of the Bank; and (c) is neither secured nor covered by a guarantee of the Bank or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis Bank creditors.
Issuance/ Trading	In demat mode only
Credit Rating	"IVR AA\ Stable" by Infomerics and "CARE AA-\ Positive" by CARE.
Security	Unsecured and Subordinated
Face Value	Rs 10,00,000/- per Bond
Issue Price	At par (Rs 10,00,000/- per Bond)
Redemption Price	At par (Rs 10,00,000/- per Bond)
Minimum Subscription	1 (one) Bond and in multiples of 1 (one) Bond thereafter
Tenure	10 years 4 months from the Deemed Date of Allotment
Put Option	None
Call Option	None

Redemption/ Maturity	At the end of 10 years 4 months from the Deemed Date of Allotment
Redemption Date	October 26, 2029
Coupon Rate	9.50% p.a.
Interest Payment	Annual
Interest Payment Date	Annually on October 19, of each year till maturity of Bonds
Trustee	Vistra ITCL (India) Limited
Depository	National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL")
Registrar	Link Intime India Private Limited
Interest on Application Money	In respect of applicants who get allotment of Bonds in the Issue, interest on application money shall be paid at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re- enactment thereof, as applicable) on the aggregate face value amount of Bonds for the period starting from and including the date of realization of application money in Issuer's account upto but excluding the Deemed Date of Allotment. Such interest on application money shall be paid by the Issuer to the allottees within 15 (fifteen) days from the Deemed Date of Allotment.
Settlement	Payment of interest and repayment of principal amount shall be made through RTGS/ NEFT mechanism or any other online facility allowed by the RBI
Issue Opens on	25.06.2019
Issue Closes on	25.06.2019
Pay in Date	27.06.2019
Deemed Date of Allotment	27.06.2019

3. **BOND ISSUE – XVI Rs 500 Crore**

SUMMARY TERM SHEET

Issuer	Punjab & Sind Bank
Issue Size	Rs 500 Crore
Issue Objects	Augmenting overall capital of the Bank for strengthening its capital adequacy as per Basel III, for future growth and for enhancing long-term resources.
Instrument	Listed, Rated, Unsecured, Redeemable, Non-Convertible Fully Paid Up Basel III Compliant Tier 2 Bonds (Series XVI) in the nature of Debentures for inclusion in Tier 2 Capital ("Bonds")
Nature of Instrument	These Bonds shall be fully paid up, Unsecured. The claims of the Bondholders shall be: (a) senior to the claims of investors in instruments eligible for inclusion in Tier 1 capital of the Bank; (b) subordinate to the claims of all depositors and general creditors of the Bank; and (c) is neither secured nor covered by a guarantee of the Bank or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis Bank creditors.
Issuance/ Trading	In demat mode only
Credit Rating	"CRISIL AA\ Stable" by CRISIL and "CARE AA-\ Positive" by CARE.
Security	Unsecured and Subordinated

Face Value	Rs 10,00,000/- per Bond
Issue Price	At par (Rs 10,00,000/- per Bond)
Redemption Price	At par (Rs 10,00,000/- per Bond)
Minimum Subscription	1 (one) Bond and in multiples of 1 (one) Bond thereafter
Tenure	10 years 1 months from the Deemed Date of Allotment
Put Option	None
Call Option	None
Redemption/ Maturity	At the end of 10 years 1 months from the Deemed Date of Allotment
Redemption Date	December 03, 2029
Coupon Rate	8.67% p.a.
Interest Payment	Annual
Interest Payment Date	Annually on May 08, of each year till maturity of Bonds
Trustee	IDBI Trusteeship Services Limited
Depository	National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL")
Registrar	Link Intime India Private Limited
Interest on Application Money	In respect of applicants who get allotment of Bonds in the Issue, interest on application money shall be paid at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re- enactment thereof, as applicable) on the aggregate face value amount of Bonds for the period starting from and including the date of realization of application money in Issuer's account upto but excluding the Deemed Date of Allotment. Such interest on application money shall be paid by the Issuer to the allottees within 15 (fifteen) days from the Deemed Date of Allotment.
Settlement	Payment of interest and repayment of principal amount shall be made through RTGS/ NEFT mechanism or any other online facility allowed by the RBI
Issue Opens on	31.10.2019
Issue Closes on	31.10.2019
Pay in Date	04.11.2019
Deemed Date of Allotment	04.11.2019

Table DF 17- Summary comparison of accounting assets vs. leverage ratio exposure measure			30.06.2024
	Item	(Rs. in Crores)	(Rs. in Lakhs)
1.00	Total consolidated assets	144886.36	14488635.52
2.00	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	
3.00	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	
4.00	Adjustments for derivative financial instruments	419.01	41901.39
5.00	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	1350.31	135031.00
6.00	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	5879.28	587928.48
7.00	Other adjustments	-733.33	-73333.36
8.00	**Leverage ratio exposure**	**150451.32**	**15045132.03**

(Rs. in Lakhs)

	Table DF-18: Leverage ratio common disclosure template	30.09.2023	31.12.2023	31.03.2024	30.06.2024
	On-balance sheet exposures				
1.00	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	14153381.70	14476123.13	14611526.76	14353604.52
2.00	(Asset amounts deducted in determining Basel III Tier 1 capital)	-563981.90	-558108.29	-526029.89	-73333.36
3.00	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	13589399.80	13918014.84	14085496.87	14280271.16
	Derivative exposures				
4.00	Replacement cost associated with all *derivatives* transactions (i.e. net of eligible cash variation margin)	62324.00	57076.33	49698.78	41901.39
5.00	Add-on amounts transactions for PFE associated with *all* derivatives	-	-	-	-
6.00	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-	-
7.00	(Deductions of margin provided receivables assets for cash variation in derivatives transactions)	-	-	-	-
8.00	(Exempted CCP leg of client-cleared trade exposures)	-	-	-	-
9.00	Adjusted effective notional amount of written credit derivatives	-	-	-	-
10.00	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-
11.00	**Total derivative exposures (sum of lines 4 to 10)**	**62324.00**	**57076.33**	**49698.78**	**41901.39**
	Securities financing transaction exposures	-	-	-	-
12.00		62032.00	50017.00	170058.00	135031.00

	Table DF-18: Leverage ratio common disclosure template	30.09.2023	31.12.2023	31.03.2024	30.06.2024
	Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions				
13.00	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-
14.00	CCR exposure for SFT assets	-	-	-	-
15.00	Agent transaction exposures	-	-	-	-
16.00	**Total securities lines 12 to 15) financing transaction exposures (sum of**	62032.00	50017.00	170058.00	135031.00
	Other off-balance sheet exposures				
17.00	Off-balance sheet exposure at gross notional amount	1741216.11	1706825.12	1944403.00	1934512.51
18.00	(Adjustments for conversion to credit equivalent amounts)	-1277769.73	-1246227.00	-1399589.39	-1346584.03
19.00	**Off-balance sheet items (sum of lines 17 and 18)**	463446.37	460598.11	544813.62	587928.48
	Capital and total exposures				
20.00	**Tier 1 capital**	839591.69	845518.01	925193.62	946281.82
21.00	**Total exposures (sum of lines 3, 11, 16 and 19)**	14177202.17	14485706.29	14850067.27	15045132.03
	Leverage ratio				
22	**Basel III leverage ratio**	5.92%	5.84%	6.23%	6.29%